

Write Off Process

Product and Branch Accounting

Content: **Write Off Process**

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Version 2.1

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Write Off Process

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Write Off Process

1. Document Control

1.1 Version History

VERSION	DATED	
0.1		INITIAL DRAFT FOR REVIEW
1.0		FINAL DOCUMENT FOR IMPLEMENTATION
1.1	MARCH 09	REVISED DRAFT FOR REVIEW
1.2	APRIL 09	SECOND REVISION FOR REVIEW
2.0	MAY 09	FINAL DOCUMENT FOR IMPLEMENTATION
2.1	JULY 09	UPDATE FOR CHANGE IN WHAT TO INCLUDE WITH PROBITY STATEMENTS AND PUP ACCOUNTS ARE NOW COVERED BY THIS DOCUMENT.

1.2 Reviewers

Reviewer	Position
Rod Ismay	Head of P&BA
Alison Bolsover	Financial Serv's & Bill Payments - P&BA
Marie Cockett	Branch Conformance & Liason - P&BA
Martin Knights	Reporting & Analysis Manager - P&BA
Kay Wilson	Government, Mails & Stock - P&BA
Matt Hibbard	Billing , Debt & Payment - P&BA
Lynne McMeekin	POLFS Control Manager - P&BA
Andrew Winn	Relationship Manager- P&BA
Andrew J Thompson	Head of Area South East - Network
Gayle A Laverick	Co-ordination Manager -

Write Off Process

	Network
Mick Graham	Finance Analyst SE - Finance

2. Scope

The purpose of this document is to ensure that a consistent, controlled write off process is deployed across all Open Item Managed Accounts (matched).

In order to clear down these G/L accounts, teams may need to perform three types of write off.

- The ad hoc write off of individual open items that cannot be resolved following the usual investigative process.
 - For example; matching with client files shows an error, but there is no error in the branch. Value is over the maintained error limit. Normal investigations do not find a resolution, decision taken to write off the unmatched error.
- The ad hoc clearance of aged open items
 - For example; transactions requiring investigation from over 1 year, all relating to one product. The volume of these items is preventing P&BA from resolving all current issues in a timely manner, which means that the backlog is continuing to grow. One solution would be to write off all items that are in 'backlog'.
- The regular write off of open items, which fall below the agreed low value tolerance for the product ("maintained errors").

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- o For example; 1p error on a, A&L transaction.
Would cost more to investigate the error,
therefore, a maintained error write off would
be made automatically.

It should be noted that this cannot be applied to
differences visible to the Branch.

Write Off Process

3. Extract from OLA document

The purpose of this is to provide the principles for with regards to Losses write offs,

- 1 If timescales have been met by Product & Branch Accounting then default is for all losses to be charged to Network and to Product budgets
- 2 If timescales have not been met by Product & Branch Accounting, default is to charge to P&BA budgets
- 3 If postings originate from Horizon as in the case of Crown office losses / gains and Transaction corrections and retail line write off, these will automatically be charged to the Network
- 4 If Product & Branch Accounting makes a decision on disputes, then the default is to charge to P&BA budgets
- 5 Aged debt outside of the current financial year should be charged to P&BA budgets.
- 6 In the event of dispute, and only as last resort, Finance Analysis to mediate on whose budget
- 7 P&BA will operate the attached write off process to ensure that all steps have been followed before write off.

4 Decision Making Process

Before the write off is processed a decision needs to be made as to which area of Post Office Ltd the write off will be posted to; Network, Product, Cash Services, P&BA or Central Finance. This process only covers Ad-Hoc Write Offs and not those for which no manual intervention is required.

Before write off to Product or Network, Team Leaders should have a discussion with the relevant business partner, which is noted on Appendix A.

4.1 Decision 1 Write off to Network

If the decision is to write off to the Network, then the Profit Centre used should be the Branch FAD code. For relevant business partner please contact Relationship Manager, currently, Andy Winn.

4.2 Decision 2 Write off to Product

If the decision is to write off to the Product, the appropriate Product Profit Centre must be used, not the Branch FAD Code - please refer to Appendix C.

4.3 Decision 3 Write off to Security

If the decision is to write off to Security, Profit Centre 981999 must be used, not the Branch FAD Code.

4.4 Decision 4 Write off to Cash Services

Write offs for Cash Services are managed by the Cash Depot or Cash Centre. The Finance Team at the depot or Cash Centre will make the postings to SAPADS/POLFS as applicable. For reference purposes only, Cash Services Profit Centres are attached in Appendix D.

4.5 Decision 5 Write off to P&BA

If the decision is to write off to P&BA, Profit Centre 950999 must be used.

4.6 Decision 6 Write off to Central Finance

If the decision is to write off to Central Finance, Profit Centre 950999 must be used, not Profit Centre 1.

Write Off Process

5 Write Off Postings

Debits

The appropriate ledgers for the posting of write offs is dependent on the product - please refer to POLFS Chart of Accounts. Latest version can be found on the *P&BA Public Drive*, within *POLFS_COA (Do Not Remove)* folder.

Credits

Unresolved credits should be transferred to Miscellaneous Client Creditor suspense account (626200). Values will be held there pending client/customer/Branch enquiries and written to Profit after 3 years.

Documentation

Back up will be required for all proposed Write Offs. As a minimum this will be the following;

1. Completed Write Off Form - Appendix B for Formers Subpostmasters or Appendix A for all others
2. Narratives to justify why the loss is being written off and not recovered.

6 Ad Hoc Write Off Process

6.1 Individual Open Items identified by the Duty Holder

1. Duty completes Write Off form (See Appendix A) and passes to Team Leader.
2. Duty annotates Text on G/L Line Item Display with W/Off.
3. Team Leader checks form and passes to Senior Manager for authorisation – the following authority limits apply:

Up to £1,000	Team Leader
Up to £5,000	Senior Manager
Up to £100,000	Head of P&BA
£100,001+	Finance Director
4. Form is returned to duty holder.
5. Duty holder completes using Post With Clearing – SAP training notes refer – ensuring that the text box is completed and attaches screen print to Authority form.
6. The authorised forms should be attached to the period Probity document. Original to be attached to the account with the Credit entry and copy to the account where the Debit is posted.

6.2 Multiple Aged Open Items

1. Team Leader analyses Aged Open Items.
2. Having established that all Client files have been received, Team Leader identifies appropriate level of write off and completes form (Appendix A).

Write Off Process

3. Team Leader passes to Senior Manager for authority and appropriate ledger code for postings.
4. Senior Manager checks proposal - the following authority limits apply:

Up to £5,000	Senior Manager
Up to £100,000	Head of P&BA
£100,001+	Finance Director
5. The proposal authorised and passed back to Team for action.
6. Proceed from Step 6.1 'Individual Open Items identified by the Duty holder' above.

6.3 Former Subpostmaster Debts

1. Duty completes Write Off form (See Appendix B) and passes to Team Leader.
2. Duty annotates Text on G/L Line Item Display with W/Off.
3. Team Leader checks form and passes to Senior Manager for authorisation - the following authority limits apply:

Up to £1,000	Team Leader
Up to £15,000	Analyst
Up to £25,000	Senior Manager
Over £25,001	Head of P&BA
4. Form is returned to duty holder.
5. Duty holder completes using Post With Clearing - SAP training notes refer - ensuring that the text box is completed and attaches screen print to Authority form.

Write Off Process

7. Low Value Write Off Process

Write Off tolerances are applied to products as shown at Appendix B and any amendment to these levels must be agreed with the Senior manager. Team Leaders should collate data to support any proposed variation and complete the Authority form at Appendix F.

Should the Senior Manager agree the variation, the completed Authority form must be attached to the period's Probity document. Original to be attached to the account with the Credit entry and copy to the account with the Debit entry.

8. Summary of Responsibilities

Individual Open Items

Complete Ad Hoc write off form	Duty Holder
Write off open item	Duty Holder
Attach form and screen print to monthly Probity document. Original documents to be with the Account that has the Credit Posting. Copy documents to be with the Account that has the Debit Posting.	Duty Holder
Check form and enter write codes (GL & Profit Centre)	Team Leader
Pass to Senior Manager for signature	Team Leader
Check & authorise form	Senior Manager/Head of P&BA/Finance

Write Off Process

	Director
Amend Provisions to account for write offs	Senior Manager

Multiple Aged Open Items

Analyse and propose write off of aged open items, checking all Client files have been received	Team Leader
Check form, enter write off code and authorise	Senior Manager/Head of P&BA/Finance Director
Write off open items	Duty Holder
Attach form and screen print to monthly Probity document. Original documents to be with the Account that has the Credit Posting. Copy documents to be with the Account that has the Debit Posting.	Duty Holder
Amend Provisions to reflect the write off	Senior Manager

Amendment to Low Value Write-off Level

Analyse and propose increase/decrease to low value write-off level, attaching supporting documentation to Authority form	Team Leader
Authorise/reject proposal	Senior Manager
Retain Authority form with monthly Probity document. Original documents to be with the Account that has the Credit Posting. Copy documents to be with the Account that has the Debit Posting.	Team Leader
Amend Provisions to reflect the variation	Senior Manager

Former Subpostmaster Write Offs

Complete Ad Hoc write off form	Duty Holder
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Write Off Process

Write off open item	Duty Holder
Attach form and screen print to monthly Probity document. Original documents to be with the Account that has the Credit Posting. Copy documents to be with the Account that has the Debit Posting.	Duty Holder
Check form and enter write codes (GL & Profit Centre)	Team Leader
Confirm details with Network or Product Analyst	Team Leader
Pass to Senior Manager for signature	Team Leader
Check & authorise form	Senior Manager/Head of P&BA/Finance Director

Write Off Process

Appendix A

Write off authorisation form

WRITE OFF RECOMMENDATION

To be completed by Proposer

GL ACCOUNT	
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Write Off Process

PROFIT CENTRE	
VALUE (DEBIT/CREDIT)	
REASON FOR WRITE OFF	
PROPOSER	
DATE	

DISCUSSION NOTES, INCLUDING WHO WAS SPOKEN TO	
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To be completed by Authoriser

WRITE OFF LEDGER	
AUTHORISER	
DATE	
2 ND LINE AUTHORISER (If required)	
DATE	

Up to £1,000 - Team Leader	Up to £5,000 Senior Manager	Up to £100,000 Head of P&BA	£100,001 + Finance Director
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WRITE OFF COMPLETED AND ATTACHED TO PROBITY
(original with credit entry, copy with debit entry)

DATE	
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Appendix B

Former Subpostmasters Write Off Authority

Write Off Process

**FORMER SUBPOSTMASTERS ACCOUNTS
WRITE OFF AUTHORITY**

Office FAD Code:

Office Name:

Former Subpostmaster's Name:

Reason for Leaving:

Amount to be written off:

Agents Debt Team Member:

Telephone number: 01246 54

Date:

Summary Of Action Taken To Recover Debt

GL Code;

Profit Centre;

Authorised Signatories.

Signed -----Former Agents Debt Team Leader
(up to £1k)

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Signed ----- Branch Accounting Analyst
(up to £15k)

Signed -----Branch Accountant
(up to £25k)

Signed -----Head of P & BA
(up to £1,00k)

Signed -----Finance Director
(over £1,00k)

Write Off Process

Appendix C**FAD Map for Non Network Profit Centres**

Profit Centre - POLFS	Description	Cost Centre - ESFS
1	Central Finance (DO NOT USE)	2540000
950999	PBA Losses	2540026
951999	Bureau	2542620
952999	Passports	2541152
953999	Postal & Money Order	2541629
954999	Bank Client Mang PB	2541877
955999	Lottery	2543935
956999	Broadcast Media	2541641
957999	TICKET and TRAVEL	2543937
958999	UNBLOCKED/CALIBA	2543941
959999	Stake Holder Pension	2541630
960999	POL Finance Cent Man	2541877
961999	ATM Losses	2542138
962999	ATM Matching Losses	2542138
963999	Moneygram Losses	2541156
964999	Personal Bank Loss	2543928
965999	India Postal Orders	2541567
966999	E PAY CHARGES	2541031
967999	TMC Colleague Fee	2541155
968999	CIT Ext Pouch Losses	2544138
969999	CIT Ext Coin Bag Los	2544138
970999	tlcoms provisions	2542135
971999	TLCOMS W/OFFS	2542135
972999	DISCOUNTS/OFFERS	2542135
973999	FRT Preorder Losses	2540026
974999	Travel Money Card Lo	2541155
975999	A&L M/E & W/O	2540026
976999	Coin & Note Gains	2541500
977999	Cheque M/E	2540026
978999	Former Spmr Losses	2540006
979999	Multiple Write Offs	2540026
980999	Card Account Adj	2541567
981999	Robbery & Burglary	2540773
982999	AON Travel Insurance	2541153
983999	Incentive Paymts	2541564
984999	Camelot Fraud Losses	2543935

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Appendix D**Cash Centre Profit Centres**

Profit Ctr	POLFS PC Description	Cost Ctr
1004	London East CC	2544139
1127	Hemel (BDC)	2543021
1201	Birmingham Midway CC	2544124
1422	Manchester CC	2544108
1704	Belfast CC	2544111
1832	Glasgow CC	2544152
4201	Birmingham Merlin CC	2544130

Cash Depot Profit Centres

Profit Ctr	POLFS PC Description	Cost Ctr
127188	Aberdeen CIT	2544143
130188	Belfast CIT	2544112
116188	Birmingham CIT	2544125
114188	Bristol CIT	2544122
121188	Chester CIT	2544114
105188	Dartford CIT	2544133
106188	Eastbourne CIT	2544134
128188	Edinburgh CIT	2544144
129188	Glasgow CIT	2544153
107188	Guildford CIT	2544135
108188	Hemel Hempstead CIT	2544137
123188	Hull CIT	2544146
126188	Inverness CIT	2544142
122188	Leeds CIT	2544145
117188	Leicester CIT	2544127
110188	London Central CIT	2544141
109188	London East CIT	2544140

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Profit Ctr	POLFS PC Description	Cost Ctr
119188	Manchester CIT	2544109
125188	Newcastle CIT	2544150
113188	Newton Abbott CIT	2544120
104188	Norwich CIT	2544131
111188	Oxford CIT	2544115
112188	Peterborough CIT	2544117
102188	Poole CIT	2544118
103188	Portsmouth CIT	2544119
120188	Preston CIT	2544110
101188	Reading CIT	2544116
124188	Sheffield CIT	2544148
118188	Stoke CIT	2544128
115188	Swansea CIT	2544123

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Appendix E

Contacts

Network Analysts

Area / Role	Contact
Finance Analyst (HOBd 41,48 & 49)	Mick Graham
Finance Analyst (HOBd 43,45 & 47)	Swarnjeet Bhamra
Finance Analyst (HOBd 42,44 & 46)	Karen Deykin
Finance Analyst (HOBd 40 & Multiples)	John McGeechan
Finance Analyst (Crowns)	Janice Tonks
Finance Analyst (Crowns & FSS's)	Steve Etherington
Finance Analyst (WHSmiths)	James Driver
Finance Analyst (WHSmiths)	Stuart Nesbit

Marketing Analysts

Product Area	Contact
All Telephony	Jim Lockwood
Bill Payments, Banking & Other Financial Services	Elana Flasher
All Travel, POFS & NS&I	Ravi Dudala
All Government Services	Adam Page
Photo Booth	Dave Gregson
All Mails	Maria Chong
Retail & Lottery	Terry Pendred

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Appendix F

Low Value Tolerances By Product – those with an (S) are system maintained tolerances assigned to individuals.

Code	Account	Low Value Tolerance	Write-off Account	Team Leader
627010	Camelot Online Sales	0.99	250725	Paul Smith
627011	Camelot Scratchcard Activation	0.99	250725	Paul Smith
627012	Camelot Prize Payments	0.99	250725	Paul Smith
627020	FRES Settlement Matching Account	69.99	250127	Ryan Skidmore
627021-2	FRES Preorder & Change	69.99 (S)	250127	Ryan Skidmore
627023-4	FRES Trav Chq Sales & Returns	49.99 (S)	250726	Ryan Skidmore
627025-8	FRES Bulk purchase, returns, margins and commission	69.99	250105	Ryan Skidmore
627030-1	Moneygram Sent/Received	40.00 (S)	250775	Chris Clarke
627040-74	ATMs	40.00 (S)	250774	Ryan Skidmore
627090	Sodexo	10.00	New Code required	Dave Hardie
627220 - 35	Personal Banking Withdrawals and Deposits	40.00 (S)	250776	Katrina Holmes
530120	DWP Errors	250.00	250172	Chris Clarke
530121	A&L Manual Errors	250.00	250720	Chris Clarke
531100	Agent Debtors in Customer Accounts	20.00 debit 5.00 credit	250511	Paul Dann
533303	Unpaid Cheque Postage losses	25.00	250712	Pete Jepson
533305	Personal Banking Unpays	25.00	250704	Pete Jepson
533306	PABA Cheque Control	25.00	250701	Pete Jepson
553010	Northern Ireland Cheques	69.99	250710	Tracy Mather
553040	Cheques to EDS	69.99	250710	Tracy Mather
553001 - 2	Cash in transit	1.00 (S)	250111	Carol King
553101 - 2	Bureau in transit	1.00 (S) 69.99 99.99 for closed branches	250111	Carol King
559506	Vouchers on Hand and in Transit	69.99 99.99 for closed branches	250111	Carol King

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Vendor Accounts	AP Products (excluding AON)	29.99	250797	Michelle Stevens
Vendor Account	AON Travel	1.00	250717	Ryan Skidmore
Vendor 120379	DVLA Northern Ireland	9.99	250721	Dave Hardie
Vendor 121072	DVLA	29.99	250721	Dave Hardie

Write Off Process

Appendix G

Authority to amend Low Level Write Off Limit form

Write Off Process

AUTHORITY TO AMEND LOW LEVEL WRITE OFF	
LIMIT	
PRODUCT	
G/L CODE	
CURRENT LIMIT	
NEW LIMIT	
DATE FROM/TO (If appropriate)	
REASON FOR VARIATION	
TEAM LEADER	
SENIOR MANAGER	