

# Invoicing Policy

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## Overview

Professional Assessment Ltd (PAL) Clients/purchasers commit to make payment for the agreed services in accordance with the Service Level Contract, the conditions for end-point assessment organisations as determined by DfE and ESFA funding rules.

Payments are requested via invoices raised by PAL. In the case of End-point Assessment, the lead training provider acts as an agent for the Education and Skills Funding Agency in passing payments to the EPAO. **This does not make PAL a delivery subcontractor of any main training provider.**

PAL will agree with clients/purchasers payment points for our EPA services, our preferred invoicing option is to invoice the full EPA fee at the apprentice gateway, however in accordance with the APAR conditions, PAL will consider in negotiation other payment points.

Clients/purchasers commit to make payment for the agreed services in accordance with the Service Level Contract, issued in respect of audit consultancy work.

## Policy scope

This policy sets out our approach to invoicing and associated matters for all of PAL clients/purchasers. If you have any queries about the contents of the policy, or wish to give feedback, you can use our Freephone number 0800 160 1899, or email us via [invoices@professionalassessment.co.uk](mailto:invoices@professionalassessment.co.uk). The same contact details can be used to seek clarification regarding any invoices issued.

For information regarding our EPA fees, these are available on the [PAL website](#) and PAL's pricing policy details our approach to costing out EPA services which are in accordance with the regulator Ofqual conditions and are compliant with ESFA funding rules and IfATE recommendations regarding EPA attributable costs.

Information regarding audit and compliance consultancy work will be provided as part of any initial discussions with prospective clients and confirmed in the issued service level contract.

### ***Who is this policy for?***

Accounts teams at colleges, independent training providers, employer-providers, and employers.

### ***Purpose***

This policy explains PAL's invoicing process, treatment of VAT and preferred payment methods. Further information, if required, can be obtained from the Business Operations Director and team, using the free phone or email address provided in this policy.

Timely payment for services is an integral element of PAL's service level contract with our clients. If for any reason you need to discuss payment terms, please address this with PAL's Business Operations Director or a member of the EPA Management team.

For invoicing for our audit and compliance work, in the first instance any invoicing enquiries should be directed to the Director of Audit and Compliance

### ***Timing of Invoices***

Fees are agreed with the client and reflected in the Service Level Contract. Contracts will include the invoicing arrangements for the services.

On the second working day of each month, invoice amounts are processed and forwarded to the named person at the main provider (for EPA) or client, with a thirty-day payment term (unless an alternative payment term has specifically been agreed).

For audit consultancy work, the same timescales apply, and the invoice will be forwarded to the named contact in the service level contract.

Invoices are e-mailed<sup>1</sup> and will be sent to a named person who will be identified and agreed during the contracting process. For new customers, after invoices have been sent, a member of PAL can contact the customer to check the invoice has been received.

### ***What our invoice contains***

- Date invoice raise
- Unique invoice number
- Name of contact of main training provider/client
- Address provided by client for accounts payable and invoices
- Employer site name (not address)
- Learner (apprentice) name or name of PAL consultant who undertook the assignment
- Name of standard apprentice assessed against (for EPA invoices)
- EPA activity (referral/planning/ assessment or component completion/ cancellation/reassessment; or
- Compliance activity (mock audit etc.)
- Net amount; VAT %; VAT amount; Gross
- Total amount payable
- Payment terms (thirty days)
- Payment details

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<sup>1</sup> PAL will also send paper copy via the postal system where requested

- Payment instructions and reference information (invoice number payment reference)
- Purchase order number or client reference
- Invoice queries (**free phone number and invoices@professionalassessment.co.uk**)
- VAT registration number
- Registered office address
- Registered company number
- Credit notes will contain similar information.

## **VAT**

VAT treatment for PAL's fees will be informed by the source of the funding for the service:

- Levy-funded - Supply of vocational training funded by the Education & Skills Funding Agency is exempt from VAT under VAT Notice 701/30 (confirmed within the ESFA funding rules), so PAL will not charge VAT where levy funds are the source of funding (based on information supplied by the lead training provider)
- Co-Investment – employer contributions towards apprenticeship training (minimum of 5%) is subject to VAT, but the government contribution is not, so PAL will charge VAT on the employer contribution of the EPA fee. Lead providers need to make clear, via the EPAPro registration process, the levy status of the Employer and the % of employer contribution
- Additional EPA costs – other agreed fees such as reassessment and cancellation fees or agreed EPA fees over and above 20% of the funding band maximum for the standard, are a commercial arrangement with the client. The whole amount of these fees will be subject to VAT

For organisations that are not subject to VAT, PAL's Business Operations Director will confirm appropriate payment arrangements.

Audit and Compliance and non-EPA services – any amounts invoiced for compliance consultancy or non-EPA work carried out will be subject to VAT

**For the sake of clarification, PAL does not provide VAT advice and all parties should check their VAT position and liabilities.**

## **Payment**

**PAL prefers payment via bank transfer however payment is accepted via cheque and PayPal.**

Please contact the Business Operations Director if you wish to pay by cheque, to confirm arrangements, using the email address: [invoices@professionalassessment.co.uk](mailto:invoices@professionalassessment.co.uk).

Any PayPal fees incurred when sending/receiving payment are the responsibility of the party to which they are issued.

## **Payment Timeframe**

All invoices must be paid within 30 days unless alternative terms have been explicitly agreed between PAL and the client.

## **Client Statements of Account**

PAL invoices on a monthly basis. Statements of account can be distributed on an ad hoc basis and as and when requested.

## **Retention of Invoice and payment records**

In accordance with the conditions for end-point assessment organisations we will retain copies of the invoices and a record of the payment for six years after the activity took place. This is for audit purposes.

### ***Late Settlement of Invoices***

Where a payment has exceeded the 30 days, an e-mail reminder is sent to the customer contact, respectfully reminding them of the outstanding invoice and asking for payment. Invoice reference and amounts provided, and PAL asks if there are any issues with the invoice.

PAL will send repeat e-mails –every 7 days if appropriate. When a customer tells us our invoice will be paid in the next week, we request a specific timeframe, or even call them back at a later time to chase up the delay.

Where a payment has exceeded 50 days, an e-mail noting overdue payment is sent, with a request for payment on receipt, a copy of the invoice is sent.

60+ days a similar e-mail as above will go out, and the Business Operations Director or a member of the EPA or audit team will phone the customer to ask when payment will be made.

100+ days- an e-mail demanding payment, alongside a statement of account is forwarded, noting if PAL does not have a response to this correspondence, the next step in claiming payment, will be to send a solicitor's letter and if that does not result in payment PAL will issue a CCJ and involve a reliable commercial debt collection agency.

PAL reserves the right to withdraw services from a client in the event that the customer is deemed a risk to the business and/or report the client to the ESFA for non-compliance with funding rules (EPA clients only).

### ***Regulatory references***

PAL is required to establish and maintain compliance with regulatory conditions and criteria. This policy relates to OFQUAL General Conditions of Recognition, Invoicing, and Condition F3.

Date Created: 29/11/2020

Last Review: 15/09/2023

Next Review: 15/09/2024

Person Responsible for review: Business Operations Director

This Policy has been agreed by Linda Martin, Managing Director