

# A GUIDE TO LEDGERLITE – WELCOME!

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We are pleased to welcome you as a client of Skipton Business Finance and very much look forward to a long and happy relationship!

As part of Skipton Building Society, our ethos is very much focused on understanding the individual business requirements of each of our clients and to create a partnership approach.

We want you to have a full understanding of how your facility operates and how availability of funds is calculated. We want you to be confident in our decision-making process and that we will not make promises that we cannot keep.

We will ensure you can speak with decision-makers and problem-solvers on your account.

This guide briefly introduces our procedures in relation the LedgerLite product we provide. Please also refer to our client site to review other guidance (specifically the manual relating to using our on-line system) and useful information.

# LEDGERLITE



LedgerLite offers the flexibility associated with Invoice Finance and the simplicity of a traditional overdraft and is designed to cause minimal levels of disruption to your business

The level of funding provided by Skipton Business Finance is dependent on the Facility Level quoted in your agreement. At commencement we agree a starting total of the sales ledger that is entered onto our system. This value will remain constant and will be amended once per month.

All customer receipts should be paid into a Skipton Business Finance bank account which has been set up in your name. We call this account the **Trust Account** and we will advise you of the details. When customer receipts are received the balance of the funds in use will reduce and the system will create funding available to draw up to the Facility Limit. The funds in use is also known as the current account and is the value of the funds we have advanced including the charges levied.

We will calculate certain elements of the Sales Ledger that we do not provide funding against, and these are known as Funding Unapproved. The value of the Sales Ledger and the Funding Unapproved will remain static throughout the month until we receive your month end reports (see later). We monitor these values each month in order to ensure that your sales ledger continues to perform in an acceptable manner.

# MONTH END REPORTING



At the end of each month end you are required to send to us the following information. This information should be received by the **3rd working day of the month** following each calendar month end;

- Summary Aged Debtor Analysis
- Detailed Aged Debtor Analysis
- Summary Aged Creditor Analysis
- Copy Bank Statements (alternatively we can provide a link to our open banking software which will allow remote extraction of this).

When received we will update the value of the Sales Ledger and the Funding Disapproved. Typically Funding Disapproved is the older debt on your sales ledger or any customers in excess of the funding or concentration limits we have stipulated.

We also require your management accounts on either a monthly or quarterly basis

# DEBTOR PAYMENTS / COLLECTIONS

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Under the terms of the agreement, you will collect all the debts assigned to us as our **'Authorised Collection Agent'**.

All cheques / cash received in payment of invoices assigned to us must be immediately paid into the **Trust Account**.

The paying-in book provided to you should be completed, ensuring that the bank stamp both counterfoils within the paying-in book. The following working day after paying in any cheques / cash we will credit your account and you will be able to view this via the online system.

# BACS RECEIPTS

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At the start of your facility please advise your customers of the change of bank details so that going forward they make payment direct into the Trust Account that we have set up in your name.

Any time you receive a debtor payment directly into your own bank account, **you must immediately forward the funds into the Trust Account** and advise your customer to amend their bank details.

All payments received into the Trust Account will be credited to your account with us. You will be able to view who has paid via our online system.

You should only post the payments to your own sales ledger once you can see we have credited them to your account, not from the remittance advices you receive from your customers.

# PAYMENTS



Your business can request payments from Skipton Business Finance via the on-line system. Skipton Business Finance will make the payment in one of two ways:

- Our standard method of payment is by BACS into your bank account with funds received on the third working day. There are no additional fees for payments via this method.
- We also offer a CHAPS / Telegraphic Transfer facility. This method incurs additional charges including an administration fee and an additional discount charge. Funds will be received on the same working day as requested.

Payment requests for processing that day must be received using the online facility **no later than 11:30am**. Requests received after 11:30am will be processed the following working day.

## CHANGE OF BANK DETAILS

Please advise Skipton Business Finance as early as possible of any changes to your bank account details. Typically, we will require a formal letter from a Director asking us to amend our bank details and a copy of a relevant statement/ paying in slip / cheque etc. To assist fraud prevention, we may also request details of the relevant Bank Manager in order to confirm the bank details.

Advance notice is required in order that payments to your business will not be interrupted. If either the incoming or outgoing bank has a debenture or charge encompassing the book debt registered over your business, we may well require additional documentation.

# CHARGES



Skipton Business Finance effectively has three types of charges:

**Administration Charge** - this covers the administration of your facility which includes:

- Processing schedules
- Sales Ledger Control Account reconciliation
- Account Management

The administration charge is normally defined as a percentage of the gross value (including VAT) of the invoices processed. This charge is subject to VAT. Skipton Business Finance debit the administration charge from your Current Account when processing invoice schedules and the charge will appear on your Client Statement which is available from our on-line system. The minimum monthly charge is detailed in your legal agreement and you will see this fee debited (if appropriate) on the last working day of the month.

**Discount Charge** - this can be likened to an 'interest' charge. It is based on the level of funds advanced to your business and is charged on the last working day of the month. Please refer to the legal agreement for full details of this charge.

**Additional Charges** - There will be additional charges for services such as the early processing of invoices for payment on the day we receive them, for overpayments or for changes to the Terms and Conditions of the Agreement. A fee of up to £35+VAT handling charge will also apply to all client payments made by CHAPS plus additional days discount on the value of the payment. These additional charges will relate to the amount of administration involved, examples are detailed on the following page.

# CHARGES



## Early Processing / Overpayments

Same day processing and payment against invoices and / or cash received.

Up to 3% of payment value. Minimum charge £95

Overpayments (other than those negotiated prior to commencement)

Up to 3% of overpayment value initially and per month. Minimum charge £95. In addition, discount will be applied at the standard rate as outlined in your legal agreement.

## Permanent Facility Reviews

Facility parameter increases eg: Facility Limits / Initial Payment Percentage / Concentration Limits etc

Up to 3% of increase. Minimum charge £250

## Administrative Management Support

For administrative support to clients beyond normal operational activities

£500 per day

For exceptional management time

By arrangement

Non-standard audit visit

£500 per visit

## Legal Documentation

Charge / Debenture registration on (standard documentation)

Companies House fee + SBF charge

Other legal fees

As incurred