



Kings Hill Parish Council

Payments and Receipts Policy

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KINGS HILL PARISH COUNCIL Payments and Receipts Policy

Where internet banking arrangements are made with any bank, the RFO / Finance Officer shall be appointed as the Administrator. The RFO / Finance Officer will have 'view and submit only' authorisation. The RFO will be able to transfer funds between accounts held at the same bank.

The Bank Mandate approved by the council shall identify a minimum of four councillors as Signatories who will be authorised to 'view, submit and approve' transactions on those accounts.

A councillor who submits a payment in the absence of the RFO / Finance Officer is not permitted to then approve those payments. Access to internet banking accounts will be directly to the bank's log-in page.

Signatories using computers for the council's internet banking, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used. Signatories may request reimbursement for the installation and annual update of such software on their personal computers.

Each Councillor and staff member who has access to the account(s) uses an individual personalised username and password. This should NOT be shared.

New beneficiary details and changes to beneficiary details used for internet banking must be supported by hard copy or email notification for checking and authorisation by two Signatories.

All transactions require two Signatories to authorise.

Payment for utility supplies (energy, telephone and water) and any Non- Domestic Rates may be made by variable Direct Debit provided that the instructions are signed by two Signatories and any payments are reported to council as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the council at least every two years.

Payment for items may be made by internet banking transfer provided that evidence is retained showing which members approved the payment.

Procedure for Setting up Beneficiaries:

- a. RFO enters the details of the beneficiary online.
- b. RFO emails a scanned copy of the BACS details of the beneficiary to the Signatories.
- c. Two Signatories check the details and authorise the beneficiary.

Procedure for Changing Beneficiary details:

- a. RFO enters the amended details of the beneficiary online.
- b. RFO emails a scanned copy of the new BACS details of the beneficiary to the Signatories.

Payment Process

- a. All invoices and requests for payment will be verified for accuracy by the RFO.
- b. RFO / Finance Officer will list all payments required on the agenda for each meeting of the Council for approval. Invoices or other documentation will be initialled by the Chairman at the meeting.
- c. Wherever possible, payments will be made using online banking.
- d. Two authorised Signatories will confirm the payments online.
- e. All requests will be emailed to all Signatories. To simplify the authorisation process two named Signatories will be the usual authorisers, with the others copied into the email. The Council records all its financial transactions on its receipts and payments cashbook. The cashbook facilitates the process of bank reconciliations and budget monitoring.

Currently the RFO / Finance Officer carries out the following tasks:

Receipts – the Finance Officer records all receipts in the cashbook

Payments – All items for expenditure are submitted for payment to Council. Once authorised they are entered in the cashbook – Two Councillors sign cheques and/or two Cllrs authorise online transactions with the RFO / Finance Officer inputting the information. The council will not pay estimated utility bills.

Reconciliations

Undertaken monthly on receipt of bank statements. Monthly report circulated to all Cllrs. All involved are asked to be aware of, and report, irregularities. This should either be to the RFO or Chairman of the Council depending on the concern and whether it's a concern potentially linked to an individual. The controls and approvals, if properly used, are secure. The RFO / Finance Officer may 'view and submit' online but may not authorise a payment. Signatories may 'view and authorise' what the RFO / Finance Officer has entered but may not set up a beneficiary or a payment themselves. The RFO / Finance Officer will continue to make payments by cheque when necessary, following the existing controls and approvals, but will ensure payments are made online payments whenever possible.

Current position: March 2022

Kings Hill Parish Council holds two accounts with Unity Trust Bank:

- A Current Account with cheque and internet banking facilities for the day-to-day payment of invoices and receipt of any income
 - A Reserve Account for any reserve funds that the Council might hold
- Four councillors are authorised signatories, including the Chairman and vice-Chairman.

WHAT AM I AUTHORISING AND WHY?

To authorise electronic payments, councillors will need to access the Council's Unity Trust Bank account, your password is for you and should not be shared with anyone but yourself. As much as possible the Council has tried to keep it simple whilst allowing every transaction to be traced. Two Councillors will be asked to authorise transactions following payments/transfers being signed off at a Council meeting of Kings Hill Parish Council.

PAYMENTS/RECEIPTS FOLDERS

These are in paper format and are kept at the office of the Clerk.

All Cllrs can view these and both invoices and receipt slips are filed monthly.

ELECTRONIC PAYMENTS

Electronic banking will be made from the Unity Trust account. The relevant invoice is put before Cllrs, agreed by all in attendance and initialled by two Cllrs permitted to authorise the relevant payments. A copy of the list of all payments due will be provided to these two Cllrs. The Clerk will enter the payments onto the Unity Bank online system and email the two Cllrs for authorisation. When cheques will still need to be issued, these will be presented to Full Council for authorisation and two Councillors to sign.

SALARIES

All staff salaries are paid from the Unity Bank account via the monthly standing order. Details of the salary payments are provided each month to Cllrs. All Cllrs to agree, and two Cllrs proposed, to authorise the payments. Copies will be kept and filed in the relevant finance file.

CHEQUES

Cheques will be issued from the Unity Bank account. There may be circumstances when cheques will still need to be issued. These will be presented to Full Council for authorisation and two Councillors to sign.

RECEIPTS

All cash and cheque receipts are paid into the Unity Bank account. BACS payments can be paid into the Unity Bank accounts. These are processed by the RFO and are open to inspection by Councillors at any time. All submissions and authorisations are logged independently by the bank.

Always check:

- Are the correct bank details shown?
- If there is a reference, does it match up properly?
- Is the value correct?
- Are the usernames shown people you expect?
- Remember: If you have concerns about any transaction, DO NOT authorise it. Contact the office or Council Chairman immediately.
- Review History Date (To be reviewed every two years)