

Tilney St Lawrence Parish Council

Payment Authorisation Procedure

This document details the procedure for processing and recording payments, payment authorisation and reconciling bank balances, following the receipt of an invoice. The procedures for authorising the commencement of works, or commitment of funds, is dealt with separately under the Council's Financial Regulations. As detailed in the Financial Regulations and relevant bank mandates, the payment of cheques and electronic payments require the approval of two authorised members. Unless otherwise stated, action points are undertaken by the Clerk.

1. Receive invoice via post or email.
2. Confirm that the invoice is due for payment/works have been completed/items correctly received.
3. In the month of receipt of an invoice, record in the Cash Book [Receipts & Payments Year End 31.03.XX.xlsx], the following information (if received in time for the monthly Council meeting, otherwise move to the following month):
 - a) Voucher Number (sequential number generated for all payments & receipts).
 - b) Invoice date.
 - c) Payer
 - d) Detail (brief description of supply)
 - e) Payment type e.g., cheque (CHQ), BACS (BP), card payment (CP), Direct Debit (DD).
 - f) Cheque number, if relevant.
 - g) Net amount & VAT.
 - h) Relevant Budget Category & Category number.
4. If an invoice is to be paid by cheque, an appropriate cheque should be drawn up.
5. If an invoice is to be paid by BACS, an electronic payment should be drawn up via the online banking system.
6. Following receipt of the month's bank statement, transfer bank transactions onto the Receipts & Payments File and record the following information as described on the bank statement into the relevant field on the Cash Book against the relevant voucher number, checking that values correspond.
 - a) Bank transaction date
 - b) Transaction type
 - c) Transaction description.
7. Reconcile the Cash Book with the bank statements.
8. Check that the month's totals recorded in the Cash Book and the Expenditure vs. Budget page agree.
9. Complete a monthly bank reconciliation ensuring this tallies with the Cash Book.
10. Include all monthly payments on the agenda for the next Council Meeting.
11. Report any late payments at the Council Meeting.
12. At the Council meeting all members present will review and resolve on approving payments recorded on the agenda and reported as a late payment.
13. During or following the meeting at least one nominated member will check the bank reconciliation against bank statements and the Cash Book.
14. During, or following the meeting at least two members will:
 - a) Check payments for authorisation against the raised cheques or BACS payments and invoices, initialing the invoices.
 - b) Check payments for authorisation against invoices for direct debit, initialing invoices.
 - c) Check staff salary payments against the month's HMRC Details of Employee Payments, and the Council's pay slips.
 - d) Sign the cheques and initial cheque stubs, and authorise electronic payments awaiting authorisation on the on-line banking system.
15. Cheques will be posted or delivered by hand the day after the Council meeting, with remittance advice, where appropriate.