

ELECTRONIC PAYMENT POLICY

With the transition to Unity Trust Bank and the ability to make online payments is in place the preferred payment method will be by electronic payments. The ability to make payments by cheque will be retained to ensure that if a payee has a clear preference for payments to be made to them in this way it is still possible.

1) Documentation for authorisation of payments

- 1.1 A BACS payment report will be prepared detailing the payments that are to be made in the payment run – the document will be prepared by the Finance Officer
- 1.2 All supporting documents such as supplier invoices and/or supporting information for payments will be prepared to evidence the BACS payments to be made.
- 1.3 All payments will be processed on the Unity Trust Bank online banking facility in preparation for authorisation by two account signatories as listed on the bank mandate – this will be processed by the Finance Officer
- 1.4 The BACS payment report and all supporting documents will be sent by email to **all bank signatories** as listed on the bank mandate with a request to them check the payment list and invoices and once satisfied to log in to the UTB online banking facility to approve payments.
 - a) Signatories will receive the payment list and scanned images of invoices etc
 - b) If a signatory is not satisfied with the documents provided, they should email the Town Clerk and Finance Officer and copy this to all bank account signatories
- 1.5 **Signatories will need to log into Unity Trust Bank Website to set themselves up using the secure method as follows:**
 - a) A User ID and password will be provided by Unity Trust Bank in a letter to each signatory.
 - b) Signatory is required to log in within a certain timeframe – otherwise this will lapse and will be no longer valid.
 - c) On the first time of log in the signatory can change their password and will be asked to create a six- digit memorable PIN number
- 1.6 **Each time the signatory logs in thereafter the following steps are to be followed:**
 - a) Enter user name and password
 - b) Signatory will be asked to enter 2 numbers from the 6 digits of the memorable PIN number they have created and these will differ at each time of log in.
 - c) Signatory will be sent a 4- digit code via a text message to the mobile phone logged with Unity Trust Bank and on entering this number into the Unity Trust Bank website will be logged into the Lydd Town Council bank account and be able to authorise payments set up for approval.
- 1.7 The Finance Officer will monitor the online bank account until the outstanding payments have been authorised by any **two** of the signatories.
- 1.8 Once **two** signatories have authorised the payments they will be made from the current account and will cease to show as *awaiting authorisation*. The UTB account will record the names of the two signatories who have authorised the transactions.
- 1.9 As soon as possible after the payments have been made from the current account the Finance Officer will download the transaction record and print this off showing the authorisation.

This record will be filed with the printed BACS Payment Report for that payment run – this is in place of the two signatories initialling the cheque counterfoil and will form part of the audit records.

The Payment report will form part of the financial reporting going to full Council for ratification with the agenda pack.

2) Financial security and management of risk

2.1 Each user of the online payment process has separate functions which is pre-set by the bank and cannot be changed. The Town Clerk and Finance Officer are authorised to view the account and to create payments, but is unauthorised to make the payments on behalf of the Town Council.

All account signatories as on the bank mandate are able to view the payments awaiting authorisation and to make the authorisation only. Each payment requires authorisation by **two** account signatories. It will be the first two signatories accessing the online banking who do so.

The account signatories cannot set up payments to be made they can only authorise them. The Officers cannot authorise the payments only set them up ready for authorisation by two signatories.

The above system replicates the system of payments made by cheque where the officer writes the cheque which is then signed by two signatories.

3) Audit

All records of payments made through the online banking will be printed and filed and made available to the Independent Internal Auditor for validation during the internal audits.

Prepared by Town Clerk June 2025