**Finance & Personnel Meeting**

**07 June 2022**

**PROPOSAL TO MOVE TO MAKING BANK PAYMENTS BY BACS**

**Background**

The parish council has historically made payments by cheque, other than those authorized for direct debit or standing order. On receipt of an invoice, the clerk checks that the details are correct and then raises a cheque for the required sum. Cheques, along with the appropriate invoices, are presented to two councillors who are authorized signatories to the bank account. Those councillors initial the invoice to show approval and sign the cheques for the clerk to post to the supplier.

**Reason for proposal**

Suppliers are increasingly informing us that they no longer accept cheques. Cheques are sent to suppliers by Royal Mail, which incurs a cost in envelopes and stamps and is time consuming for the clerk’s office to administer. In addition, it is becoming increasingly common for cheques to get “lost in the post.” This necessitates the clerk calling the bank to cancel the cheque and then raising a new cheque and arranging for signature, all of which is time consuming.

**Regulations**

Standing Orders state:

* Orders/Cheques for the payment of money shall be authorised and signed by two Councillors. Expenditure must be within the budgeted area. The Council must be advised of, and approve, any adjustments to the budget.
* If considered appropriate by the Council payment for supplies may be made by other payment methods, including payment by BACS and/or Debit Card.

Financial Regulations (as approved by council on 10 May 2022) state:

* If thought appropriate by the Council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained and any payments are reported to Council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Council at least every two years.
* If thought appropriate by the Council payment for certain items may be made by internet banking transfer provided members approved the payment.

**Proposal**

To set up a system which is compliant with both the Standing Orders and the Financial Regulations and which allows payment to suppliers by BACS or internet banking.

It is proposed that this system would work as per the Appendix 1, attached.

**APPENDIX 1**

**Proposed System for Paying Suppliers by BACS/Internet Banking**

1. On receipt of supplier’s invoice the clerk will check it and stamp/code it as is the current procedure.
2. Before a meeting of the parish council or committee, the clerk will compile a summary spreadsheet listing all the invoices to be paid, the amounts and the details of goods/services purchased.
3. The invoices, along with the summary spreadsheet, will then be brought to the meeting, at which time two signatories will be asked to check and initial them, as is the current procedure, and also sign the summary spreadsheet as being an accurate record of the invoices.
4. The clerk will set up the payments online and scan the invoices to be paid. She will then email one of the signatories, enclosing the scanned invoices and advising that the payments have been set up.
5. The nominated councillor will go online to authorize the payments, checking that the details which have been entered (bank account details etc) match those on the invoices.
6. Two times each year a non-signatory will be asked to check the bank account to ensure that supplier details stored in the payee list are correct.