

School BACS Payments - Procedures

Village Infants will be able to pay supplier invoices by BACS in the Summer Term. This also applies to staff reimbursements.

BACS should be used where possible as it provides a more secure form for payment and reduces the risk of fraud. It is recognised that some suppliers will continue to require payment by cheque but these will reduce over time.

The following BACS procedures are to be followed:

1. The same procedures should be followed as described when placing orders and when processing invoices. Cheque payments can still be processed and will still apply in some circumstances.
2. All invoices must include valid and up to date bank details. The SBM and Office Administrator [Daniel Smith} are both required to maintain accurate records of suppliers. Hard copy details of supplier accounts are kept in the school office.
3. Local controls (using online Banking)
 - Employees may only log onto Lloyds Commercial Banking Online from the school and not from remote locations.
 - Only payments which have been generated through the schools Finance Management System (ARBOR Finance) can be made in Lloyds Commercial Banking Online.
 - An authorised signatory must compare and sign the ARBOR Finance BACS Run Report with the Lloyds Commercial Banking Online BACS Bulk Payment report.
 - Lloyds Commercial Banking Online users must not share user names and PIN numbers – this control is vital to ensure that no individual can both make a payment and approve it in Lloyds Commercial Banking Online.
 - Any member of staff who hands in their notice should have their access to Lloyds Commercial Banking Online removed immediately.
 - All transactions in Lloyds Commercial Banking Online can be traced back to the individual who made them. Schools must emphasise traceability of all transactions to individuals with Lloyds Commercial Banking Online access.
4. Approver

The authoriser releases BACS payments in Lloyds Commercial Banking Online. This is the equivalent of signing a cheque. Authorisers must ensure that they have checked the payments in Lloyds Commercial Banking Online to the ARBOR Finance BACS Run Report and obtained any signatures needed to comply with the school's Scheme of Delegation. This control is essential to ensure that no changes have been made to the payment file generated in ARBOR Finance.

5. Lloyds Commercial Banking Online Authorisation Form

Roles are set to determine what a user has access to do in Lloyds Commercial Banking Online. For audit and security controls to work correctly, three roles are defined by the School Business Manager during the initial registration and set-up period, and only these roles may be assigned to school users. Schools will decide which of their users undertakes which roles. A user can have more than one role, but no user should have both the Payer and Authoriser roles as these must be kept separate at all times.

- **School Administrator** [Lloyds Banking online Role defined as 'Audit']
 - The School Administrator usually administers the Lloyds Commercial Banking Online set-up and determines who can make or authorise payments.
 - The School Administrator role also has access to add/edit users and roles.
 - Dual Administration is enabled in the set-up so that any changes like adding/editing/deleting users and roles needs to be authorised by another user with Administration access [ALLPMTS].
 - The School Administrator will not have either the Payer role, or the Authoriser role under any circumstances.

- **Payer / Enter BACS** [Lloyds Banking online Role defined as 'ALLPMTS']
 - The payer imports the ARBOR Finance BACS file into Lloyds Commercial Banking Online and is usually the person who also enters all BACS data into ARBOR Finance.
 - The BACS payer will also have the Administrator role but will not have the Authoriser role under any circumstances.

- **Authoriser / Authorise BACS** [Lloyds Banking online Role defined as 'APPRPAY1' , 'APPRPAY2' & 'APPRPAY3']:
 - The Authoriser approves the payment of the ARBOR Finance BACS file once it has been imported into Lloyds Commercial Banking Online.
 - Each Authoriser has 3 Votes each. 6 Votes are required to release the payment.
 - The School has nominated three authorisers, all of whom are cheque signatories.
 - An Authoriser can also have the Administrator role, but must not, under any circumstances, have the Payer role.

Schools Administrator [Audit]: School Business Manager [Su Joy] Payer/Enter BACS [ALLPMTS]: Office Administrator [Daniel Smith] Authorise BACS 1 [APPRPAY1]: Head teacher [Yolanda Cattle] Authorise BACS 2 [APPRPAY2]: Deputy Head Teacher [Amy Whiffin] Authorise BACS 3 [APPRPAY3]: Chair of Governors [Harriet Spoor]

Approval Date: _____