



Marks Tey Parish Council



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INTERNET BANKING POLICY

INTERNET BANKING AND ELECTRONIC PAYMENTS

Payment of invoices online saves time and money – no envelopes or stamps required and the authorisation can be done remotely at any time. The payment is received in the creditor's account within two working days; and the creditor does not have to take a cheque to their bank or cheques being lost in the post.

The controls and approvals, properly used, are as secure as the existing cheque system. The Responsible Financial Officer may 'view and submit' online but may not authorise a payment. Signatories may 'view and authorise' what the RFO has entered but may not set up a beneficiary or a payment themselves.

The RFO will continue to provide Bank Statements and reconciliation to the Full Council at every meeting.

The RFO will continue to make payments by cheque when and where necessary, following the existing controls and approvals, but will move to online payments when possible.

The Council will have a minimum of three Councillors as authorised signatories at any one time.

Marks Tey Parish Council maintains three accounts with Nat West bank

- a Current Account with a cheque facility and internet banking facilities for the day-to-day payment of Invoices and receipt of any income; and
- a Reserve Account for any reserve funds that the Council might hold.
- A damage deposit account holding damage deposit accounts for hirers.

Three Councillors will be authorised signatories, including the Chairman.

POLICY

1. Where internet banking arrangements are made with any bank. The Chairman shall be appointed as the Administrator. The RFO will have 'view and submit only' authorisation.

2. The bank mandate approved by the Council shall identify three Councillors signatories who will be authorised to 'view and approve only' transactions on those accounts. One of these signatories will be the Chairman.
3. access to internet banking accounts will be directly to the bank's log-in page and not through a search engine or e-mail link. Remembered or saved password facilities must not be used on any computer used for Council banking work. Breach of this requirement will be treated as a very serious matter.
4. The Council, and those 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.
5. No employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts, to any person not authorised in writing by the Council
6. 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.
7. All transactions require two Signatories to authorise.
8. 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.
9. Payment for items may be made by internet banking transfer, BACS or CHAPS provided that evidence is retained showing which members approved the payment.
10. Standing Orders will not be used.

PROCEDURE

Procedure for Setting up Beneficiaries:

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

Procedure for Paying Beneficiaries:

- a. All invoices and requests for payment will be verified for accuracy by the RFO.
- b. The RFO will list all payments required on the agenda for each meeting of the Full 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. Where payments are required in between meetings, the RFO will email copies of the invoices requiring payment to the Signatories before setting up a beneficiary and/or placing a payment request online.
- f. Signatories may not authorise a payment to themselves under any circumstances.
- g. 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.
- h. A new EU Payments Services Directive (PSD2) took effect in January 2018, bringing in new laws aimed at enhancing consumer rights and reducing online fraud. A key element of PDS2 is the introduction of additional security authentications for online transactions, known as strong customer authentication (SCA).
- i. There are additional actions within Internet Banking that will require SCA these include:
 - a. Accessing transactions and statements over 3 months old;
 - b. Logging in every 3 months; and
 - c. Making changes to beneficiaries' payment details e.g., changing the destination account number or sort code.

- j. Only the individual submitting the payment will be called and they will be contacted on the number/s they have registered with the bank. They will be informed at the point of making the payment that additional security is required before the payment can be made, therefore they will need to have access to their telephone before starting their online banking activities.
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Inter Account Transfers

Transfers between the NatWest Current and Savings Account can only be carried out by written instruction to the bank and as such should always be agreed and minuted at a Parish Council meeting.