



HILLINGDON
LONDON

LONDON BOROUGH OF HILLINGDON

Bacs

Using ONLINE BANKING

REGULATIONS AND USER GUIDANCE

Schools Finance Team July 2020

Bacs - ONLINE BANKING
REGULATIONS AND USER GUIDANCE
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1. INTRODUCTION

The introduction of Bankers Automated Clearing Services (Bacs) payments is aimed at improving the efficiency of payments to suppliers. The use of Bacs will avoid the risk of cheque frauds and reduce administration time spent generating and posting cheques. In addition FMS6 will be able to email remittance advices to payees.

Cheques are expected to be phased out in the future; therefore it is important that adequate alternatives are in place. However, schools need to ensure that Bacs payments to suppliers are made with consideration to the usual controls which are in place for cheque payments.

The procedures below apply to all Bacs payments, with the exception of those paid via payroll. There are different methods by which Bacs can be paid so differing processes will apply according to the method used. Currently the methods identified as suitable for use by schools are via online banking or directly to Bacs with a school using their own BACSTEL IP software.

The following information identifies the rules and regulations that schools must adhere to if they choose to adopt the Bacs system using Online Banking including Lloydslink Online Banking (LOLI) and Lloyds Commercial.

2. GOVERNING BODY APPROVALS REQUIRED

The Governing Body must agree the use of a Bacs system within their school. Details can be agreed by the Finance Committee and then be ratified by the full GB. This should be minuted together with the Governing Body's approval of the following before the application process begins:

Key Personnel

- Who acts as the school's **Approvers**
- Who acts as the school's **Payment Processor**
- Who acts as the school's **Supplier Data Inputter**
- **Transaction limits**
 - **Set transaction limit sufficient to cover salaries.**

Please note: This limit will need to be agreed with the bank. Additional Bacs runs cannot coincide with the 3 day processing period for salaries in order to prevent exceeding the set limit.

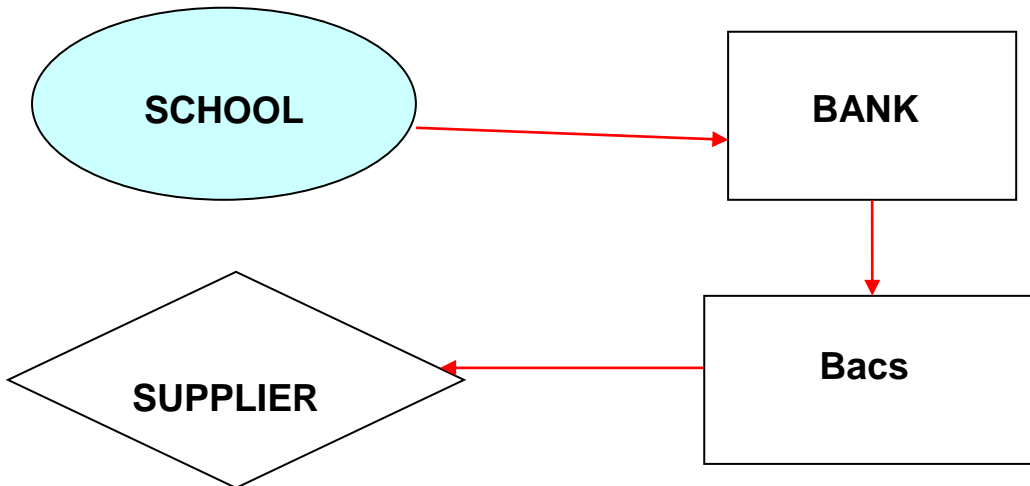
The **School Financial Management Policy** and **Scheme of Financial Delegation** must be reviewed to include the Bacs controls and procedures.

SEPARATION OF DUTIES – Payment Processors cannot be Approvers and it is recommended that they do not act as the Supplier Data Inputter. For **small schools a separate process is permissible, see Annex 15**. Arrangements should be in place to ensure the payment function can continue during staff absences.

OVERVIEW

Invoices are processed as usual and a Bacs run can be generated by the school's accounting system (FMS in most Hillingdon schools). Following this there are two levels of authorisation required. In this way schools can ensure there is separation of duties to replace the two signatories currently required on cheques issued by schools.

Once authorised the route of the payments is as follows:



BACS ONLINE BANKING PROCESSES

The school should approach the bank they wish to use and complete necessary applications once Governor approval have been agreed and minuted.

SMART CARDS, READERS and PASSWORDS

Banks may issue smart cards and/or readers to each individual Approver and Submitter (the Payment Processor is the online payment Submitter). They will be given some of the following depending on which bank system is used: username, password, customer ID, pin numbers and activation codes.

Care should be taken not to divulge personal pin numbers, activation codes or passwords to ensure the security of the Bacs transmission. Where possible passwords should consist of a mix of numbers and letters and should be changed regularly.

ROLE OF THE SUPPLIER DATA INPUTTER

The Supplier Data Inputter would normally be a member of the schools administrative or finance staff.

The Supplier Data Inputter is responsible for inputting supplier's banking details on FMS6 which include:

- Supplier's bank name
- Supplier's bank sort code
- Supplier's Account Number
- Supplier's email address

Suppliers' names and addresses can be exported from FMS for cutting and pasting onto letters requesting this information and the method is shown on **Annex 8**. If this proves problematic an alternative option is collecting data from paid invoices which generally will detail the bank information required.

Any changes to this information should also be made by the Supplier Data Inputter. The source documents from supplier should be used for checking and initialled by a second member of staff. Checking is required because if the wrong information is entered and payment is made to the wrong account, the school is liable for any resulting losses. The source documents should be kept on file in a locked cupboard and the information should be treated as confidential. **They effectively becomes the bank mandate for paying the supplier.** It is recommended that ad hoc checks are made on the supplier information regularly using a FMS audit trail report of supplier data changes. Details on how to produce this report can be found in **Annex 13**.

Instructions on how to set up access for the Supplier Data Inputter on FMS6 can be found on **Annex 6**.

When a Bacs run is processed on FMS the report produced will display which FMS6 user last changed the bank details for each supplier on the run.

ROLE OF THE PAYMENT PROCESSOR

Payment Processors would normally be the school's finance staff. Payment Processors process invoices on the schools accounting system, prepare Bacs runs ready for approval and are responsible for submitting Bacs files online.

The Bacs Payment Processor should:

- Carry out usual checks and procedures on invoices
- For payments to individuals follow employment status checks
- Ensure normal controls are applied to Staff reimbursements which can be paid by Bacs
- Enter invoice details onto school's accounting system

- Ensure that enough funds remain in the bank to cover other payments including direct debits due to be paid between the date of the Bacs run and the actual Bacs payment date
- Prepare Bacs run (see **Annex 9**).
- Import the Bacs run onto the online banking system and set a payment date which allows sufficient time for Approvers to approve the payments. If any Approver misses this date the run will have to be cancelled and reimported
- Place both the FMS and bank Bacs run reports together with all invoices and supporting documentation in a folder ready for approvals. Invoices should follow the order of the Bacs run report to enable easy cross referencing and checking by the Approvers
- Ensure paperwork, including FMS and bank reports, is passed to Approvers allowing enough time to meet Bacs processing date
- Cancel Bacs runs for that are rejected by Approvers and reprocess as necessary

AFTER APPROVALS

The Payment Processor is the “Submitter” on the online banking system

- On receipt of authorised paperwork submit Bacs payment using online banking
- Email or print remittance advices for suppliers
- Reconcile bank statements to Bacs payment runs
- Once reconciled with bank statement, delete Bacs files from archive folder.

ROLE OF THE APPROVERS

Approvers would normally be the cheque signatories and would be issued with a smart card each for the Online Banking system. The number of Approvers required should be the same as the number of cheque signatories required by the school.

Approvers should:

- Check the documentation and authorise the certification stamp on each individual invoice.
- The online bank report must be kept confidential it contains bank details of suppliers

- Check on the FMS Bacs run report that all suppliers' bank account details were last changed by the Supplier Data Inputter, whose FMS identification initials will show on the report
- Check that there are sufficient funds in the account for the payment to be made by checking remaining balance is positive and sufficient to cover the Bacs run payment
- Cross check suppliers and amounts to be paid on invoices against the FMS and online bank reports and confirm that each individual payment should be made (i.e. by ticking reports)
- Once checked, the reports should be signed and dated to show authorisation
- If any changes are required, then the reports and attached documentation should be returned to the Payment Processor for reprocessing
- If all is in order then Approvers use their smart card to approve the Bacs run on the online banking system
- More than one file should not be available for approval.

CONTROLS

ONLINE BANKING

- Employees may only log onto online banking systems from the school and not from remote locations
- Only payments which have been generated through FMS can be made on the online banking system
- An authorised signatory must compare and sign the FMS payment schedule with the online system payment schedule
- Online system users must not share user names, customer IDs, passwords and PIN numbers – this control is vital to ensure that no individual can both make a payment and approve it in the online system. This ensures separation of duties and the essential system controls which safeguard the funds in the school bank account
- Any member of staff who resigns should have their online banking access removed immediately
- All transactions in the online banking system can be traced back to the individual who made them. Schools must emphasise traceability of all transactions to individuals with online banking access

- Regular bank reconciliations should be carried out to ensure the correct Bacs payments have cleared through the bank. Schools have access to online banking which enables the balance to be checked soon after transactions have taken place.
- Lost cards should be reported to the Finance Manager/Bursar and bank immediately and the loss recorded on a lost card report form (see **Annex 12**).

SCHOOL COMPUTER NETWORK

- The folder holding Bacs files ready for uploading should have access restricted to the Payment Processor only.
- Periodic checks should be made on any changes made to supplier details on FMS. This is to ensure that only the Supplier Data Inputter is making these changes. See **Annex 13** for details on how to generate this report
- All FMS users should be made aware that an audit trail of changes is maintained by the FMS system.

RECORD KEEPING

The supplier information source documents should be retained and treated as confidential as should the online bank reports. Authorised Bacs run reports and all invoice documentation should be retained and filed.

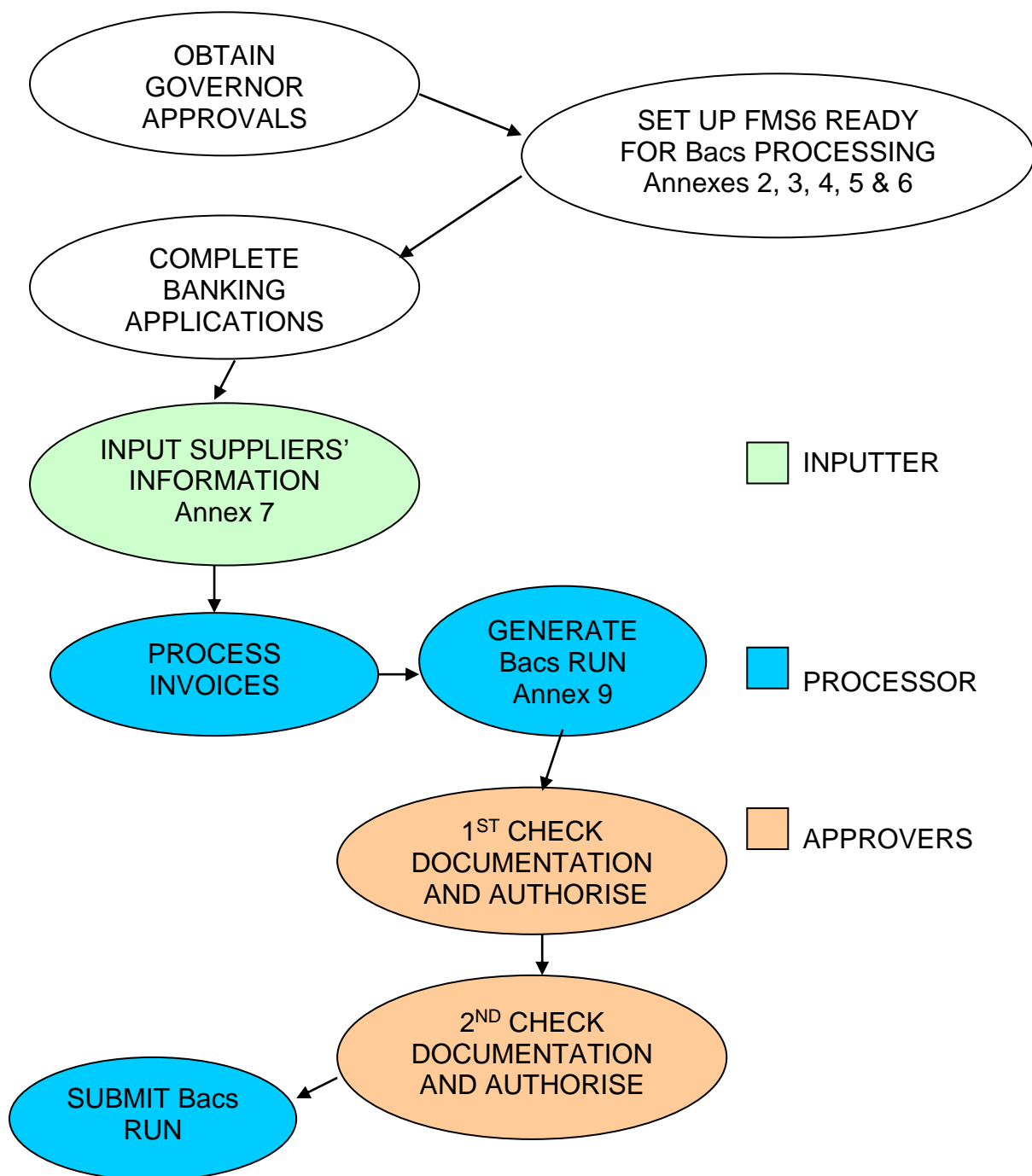
Invoice Fraud

Extra care should be taken where requests are received to change bank details for regular suppliers. Schools should have a system in place to confirm ANY changes requested back to the supplier by a known and different communication channel to check the request is genuine so that fraud is prevented. The steps taken should be documented on the change request. Vigilance is key and periodic testing of procedures is best practice.

SELF-EVALUATION

- An order is raised (where possible) prior to payment of the invoice
- There is an adequate separation of duties
- System access to Bacs files is restricted to the Payment Processor
- The set up details (sort code / account number / supplier name) agree to the documentation provided by the supplier and ad hoc checks are carried out
- There is evidence of checking the bank balance and signed authorisation of the payment by the Approvers before the Bacs file is submitted.

SCHOOL FLOWCHART



SETTING UP THE BANK ACCOUNT ON FMS FOR BACS

The following information is intended to give a guide to the processes involved in setting up the BACS system for the first time.

SETTING UP THE BANK ACCOUNT

- Tools
- General Ledger Set Up
- Tab 5 Ledger codes
- Highlight bank ledger code from which Bacs payments are to be made
- Click on edit button

The Account Code defaults to zero. Only a small number banks use this code field

Ledger Type	Bank Account								
Code	BK01								
Description	Bank Account								
Ledger Group	Bank & Petty Cash								
Account Name	Bank Account								
Sort Code	40-32-16								
Account Number	01177112								
Account Code	0								
BACS User Number	999999								
BACS Bureau Number									
BACS File Extension	<input type="checkbox"/> User Defined								
BACS File Type	BACS2 BACS Standard 18 - Excl. Headers Trailers								
Debit Card Details	<table border="1"><thead><tr><th>Card Number</th><th>Card Holder</th><th>Expiry Date</th><th>Active</th></tr></thead><tbody><tr><td></td><td></td><td></td><td></td></tr></tbody></table>	Card Number	Card Holder	Expiry Date	Active				
Card Number	Card Holder	Expiry Date	Active						

For online banking the Bacs File Bacs user number needs to be a dummy number e.g. 999999

The Bacs bureau number Extension is needed for banks that require Bacs files in a format other than the default format. For Lloyds Commercial Banking, tick user defined and enter CSV. For any user still using LOLI this can be left blank

needs to be left blank for online banking

Bacs File Type depends on the format required by the school's bank. For Lloyds BACS2 should be selected

CREATING BACS FILE FOLDERS ON COMPUTER SYSTEM

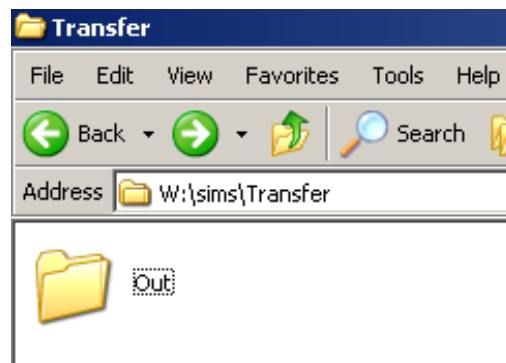
The Bacs run file needs to go to a folder on the computer so it can be selected for upload to the online bank system.

CREATION OF BACS FOLDER:

Go to “My computer” and follow the route:

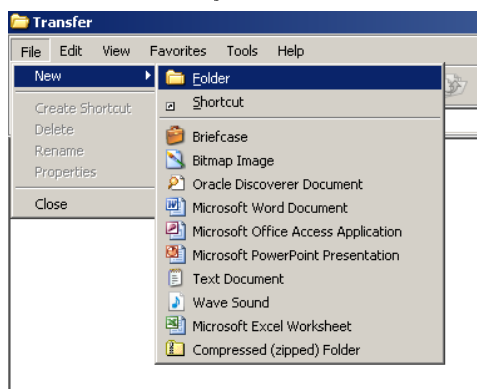
- Simsroot / SIMS / Transfer / Out

(Please note that the drive in which Simsroot can be found can vary at different schools).

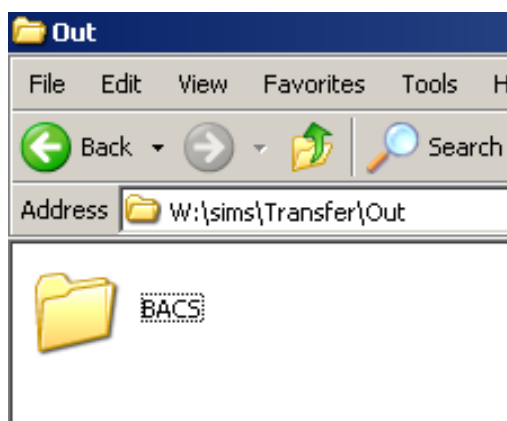


Click into the Out Folder then select

- File
- New
- Folder



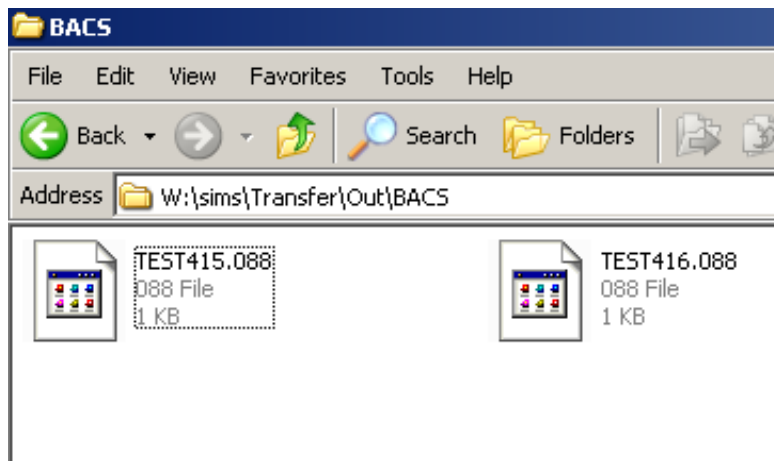
- Right click on new file
- Select rename
- Overtyping New Folder
- With Bacs



There is a risk that this Bacs file could be uploaded more than once and payments duplicated so it is important to create a sent folder for archiving used Bacs runs.

Once a Bacs file has been uploaded to the bank by the Payment Processor, the file needs to be put into a sent or archive folder (see next page).

CREATING A SENT BACS ARCHIVE FOLDER

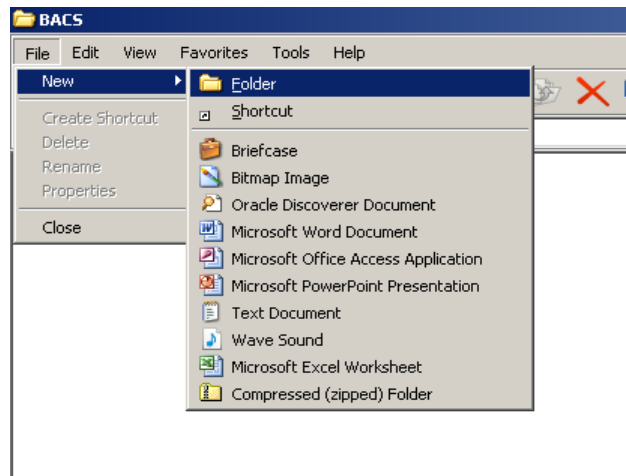


Go to “My computer” and follow the route: as shown on the out directory box on

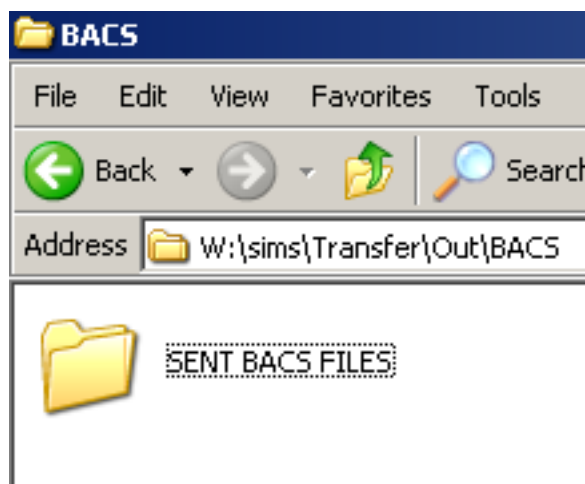
- Simsroot / SIMS / Transfer / Out / BACS

Then select

- *File*
- *New*
- *Folder*



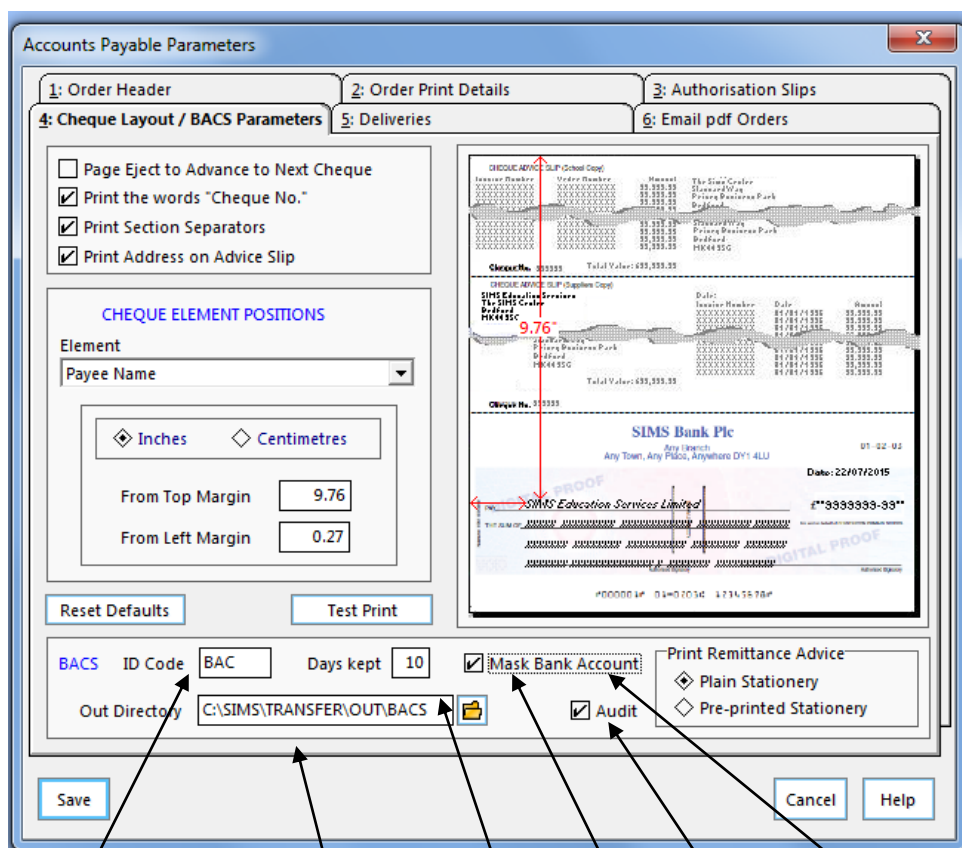
- Right click on new file
- Select rename
- Overtyping New Folder
- With SENT BACS FILES



The access to these files should be restricted to the Payment Processor please contact your IT support to arrange this.

SETTING UP PARAMETERS FOR BACS PROCESSING ON FMS

- Tools
- Accounts Payable Parameters
- Tab 4 Cheque Layout / BACS parameters



For online banking a dummy Bacs ID code should be entered i.e. BAC,123 or ABC

Days Kept does not affect the online banking process

Mask Bank Account and Audit boxes should be ticked

Please check with your IT support to check the "Out Directory" which should be on a secure area of the network. This is where the Bacs file is sent ready for uploading to the bank's online system.

By ticking the Mask Bank Account box any bank details would be hidden on print outs (i.e. in a similar way to debit/credit receipts where stars are displayed instead of card details).

SETTING UP FMS FOR E-MAILING REMITTANCE ADVICES

This needs to be set up prior to filling in supplier details if you wish remittance advice to be sent directly to suppliers. The remittance advices are sent in PDF format.

- Tools
- Establishment Details
- Tab 5 Email Set Up
- Edit BACs eadvices

Consult with your IT support to enter mail server, port number, username and password.

It is advised that a "do not reply" email is set up

The message will be received by the supplier.

The screenshot shows the 'Maintain Servers' window with the following details:

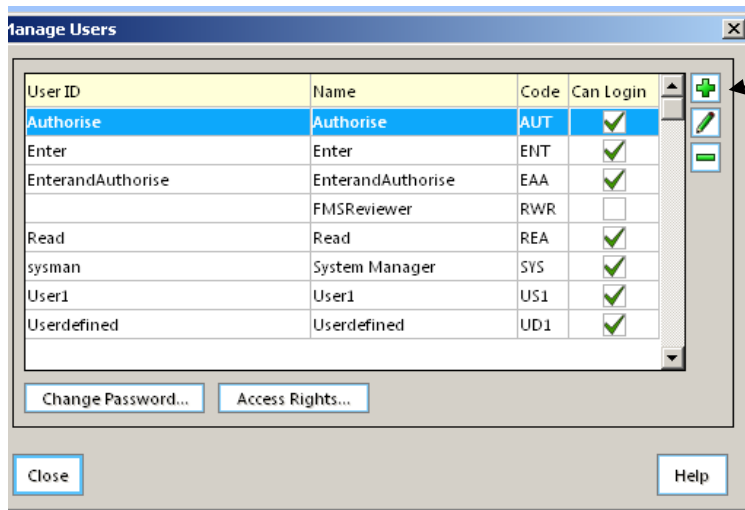
- Server Purpose:** BACS eAdvices
- Mail Server:** (empty field)
- Port Number:** 25
- Use STARTTLS Encryption:**
- Requires Authentication:**
- Username:** (empty field)
- Password:** (empty field)
- EMAIL SETUP:**
 - Return email Address:** Donotreply@lgfmail.org.uk
 - Subject Line:** Bacs|Payment from Green Abbey School
 - Message (Body):** You should shortly receive payment from Green Abbey School via Bacs payment to your bank account. The attached remittance advice provides the details of the payment(s) being made.
 - Keep Remittance Files:**
- Buttons:** Test Mail Server Setup, Save, Cancel, Help

To keep a copy of the PDF generated file tick this box. When selected every PDF file is saved in a Remittance folder in the Out Directory which was set up in Annex 4.

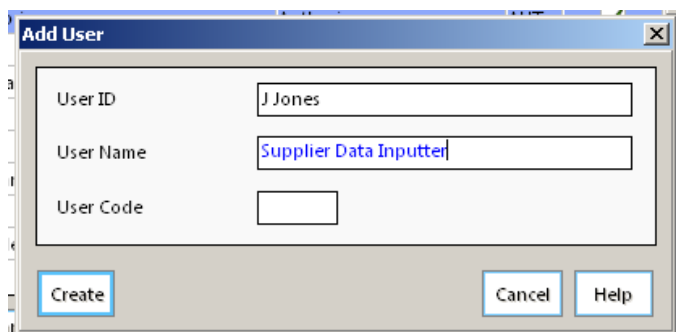
DEFINING ACCESS RIGHTS FOR SUPPLIER DATA INPUTTER

Access rights can only be defined by the system manager for your school on FMS

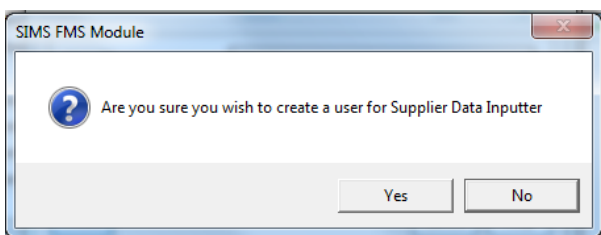
- Tools
- Manager Users



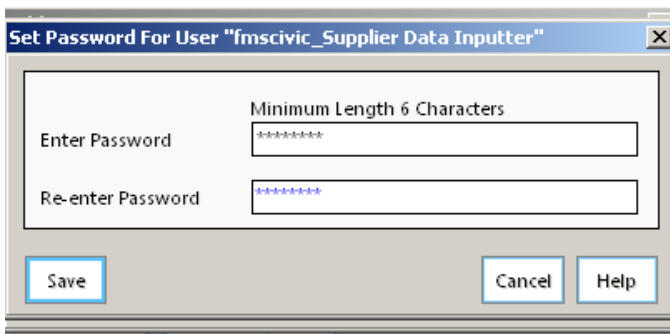
Click on plus button



- Enter details for supplier inputter
- Create

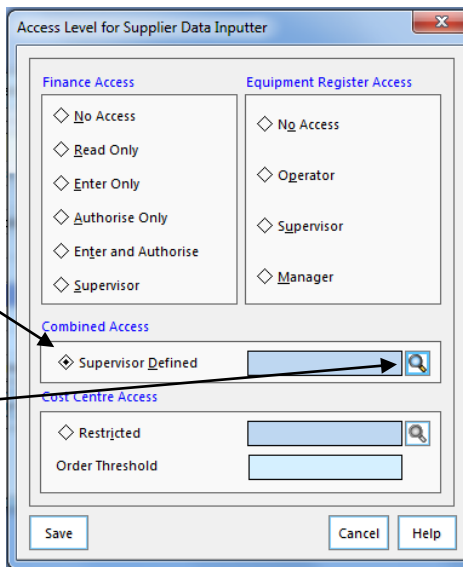


- Yes

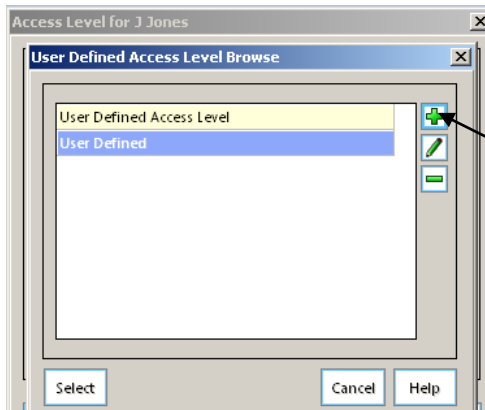


- Enter password
- Save

Choose Supervisor Defined Button

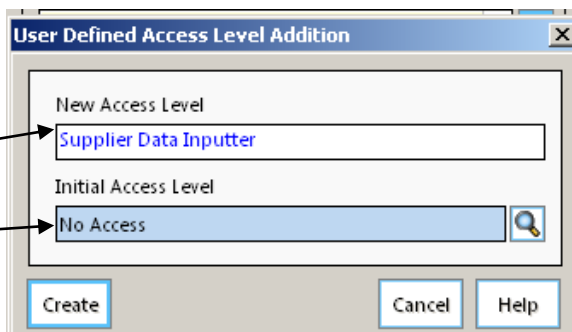


Select magnifying glass



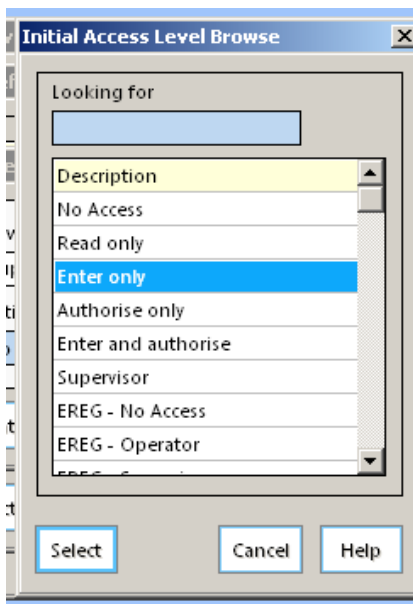
Select plus button

Input Access Level Description "Supplier Inputter"

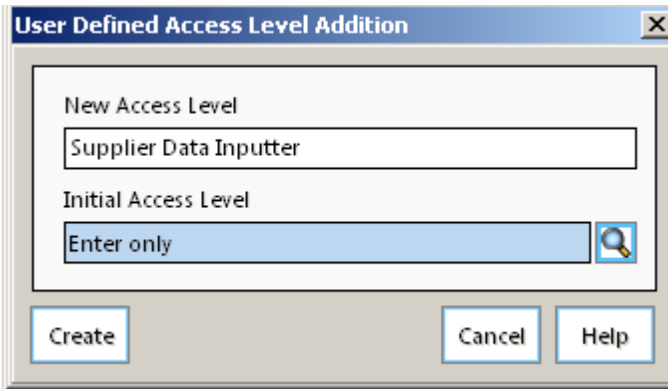


Data

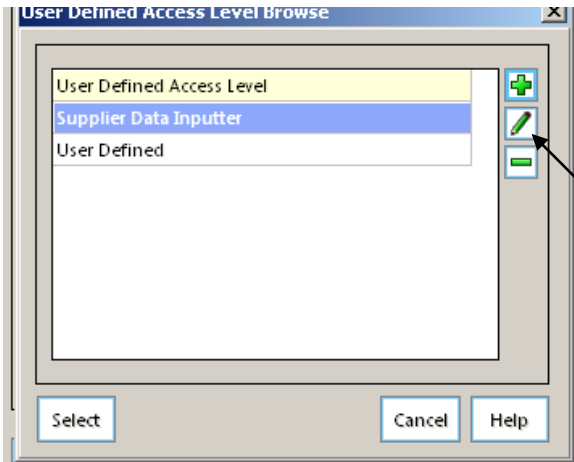
Click on magnifying glass



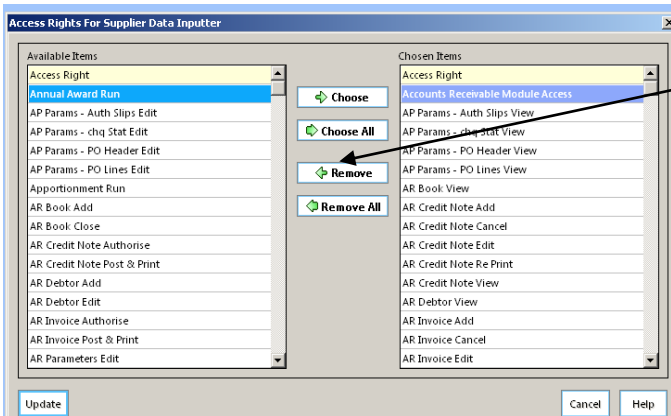
- Highlight Enter only
- Select



○ Create

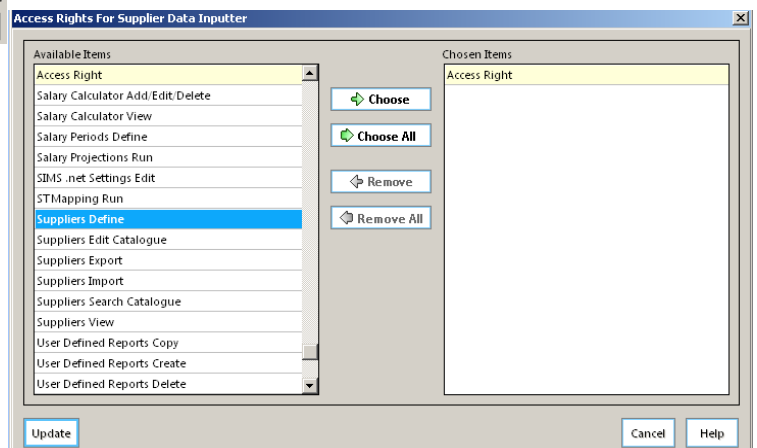


Select Edit pencil



Remove all existing access rights showing

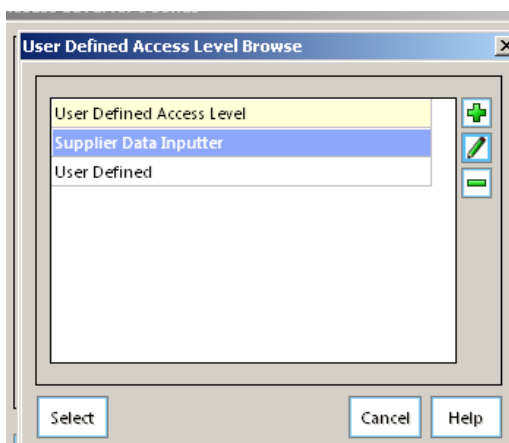
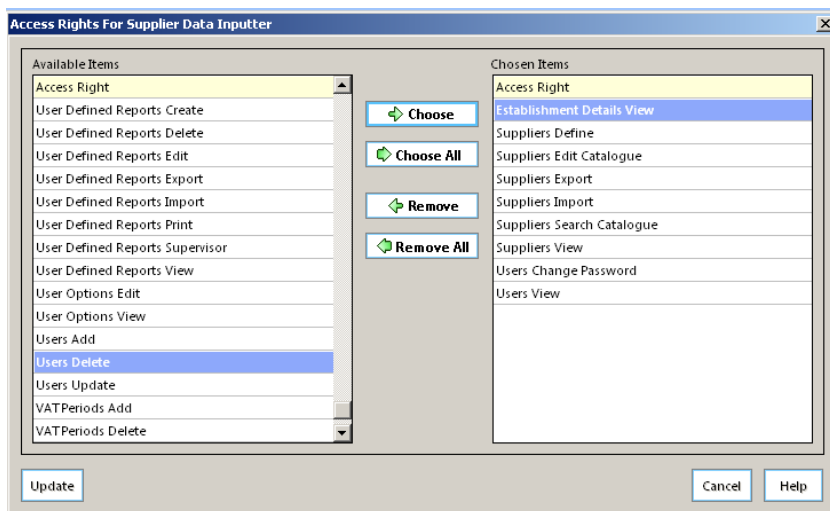
Scroll down to Establishment Details View



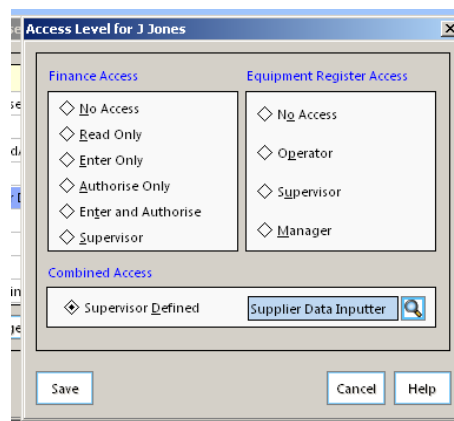
Choose the following access rights:

- Establishment Details View
- Suppliers Define
- Suppliers Edit Catalogue
- Suppliers Export
- Suppliers Import
- Suppliers Search Catalogue
- Suppliers View
- Users Change Password
- Users View

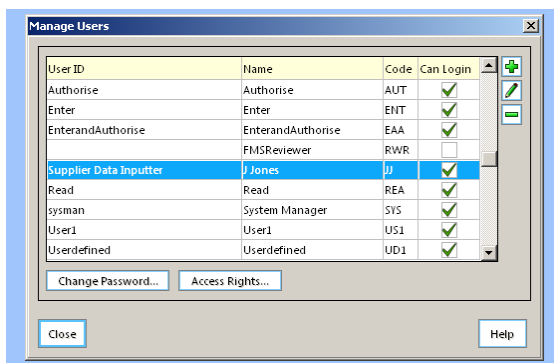
• Update →



○ Select



○ Save



○ Close

SETTING UP A SUPPLIER FOR BACS ON FMS

A supplier will need to be registered as a BACS Payable Supplier on FMS

Select:

- Focus
- Accounts Payable
- Suppliers Details
- Tab 2 Additional

Enter supplier's bank details:

- 1) Account No
- 2) Account Code – this defaults to zero. Should this be required, then the single digit code should be issued by the supplier
- 3) Account Name - this defaults to the supplier's name in Tab 1 and may be edited.
- 4) Sort code
- 5) Bank Name
- 6) Branch Address, if known
- 7) Payment reference number (this is to identify your school's payment to the supplier, it may be called a customer account number, reference or ID etc)

Please note that Payee Details are ignored with Bacs processing so make sure Payee in use is not ticked. If a payee is to be used please ensure it is their bank details that are entered.

To enable Bacs payments to be made to this supplier tick the “BACS Payable Supplier” box.

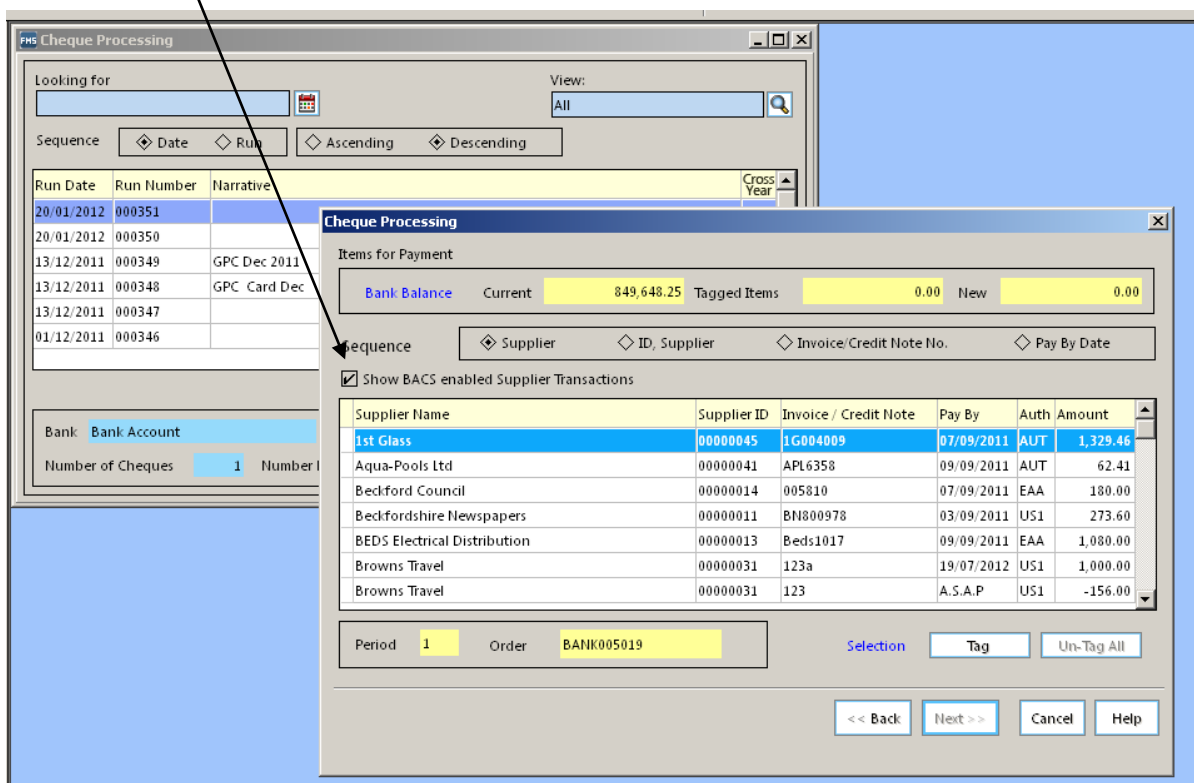
To enable remittance advice to be sent to supplier tick “e-mail PDF Remittance Advice” and enter email address given by the supplier of their department that deals with income.

BACS Payable Supplier
 e-mail PDF Remittance Advice
 e-mail Address

CHEQUE PAYMENTS TO BACS ENABLED SUPPLIERS

There may be instances where schools will still wish to send a cheque to a supplier instead of processing a Bacs run.

This is possible, but for the supplier’s invoice to appear in cheque processing, the “Show BACS enabled Supplier Transactions” button must be ticked on the tagging screen as shown below.



HOW TO EXPORT SUPPLIER NAMES AND ADDRESSES FROM FMS

If you wish to send a blanket letter to all suppliers to obtain their details for Bacs payments, names and addresses can be extracted from FMS.

- Go to Reports | Accounts Payable | Supplier Analysis | Supplier Information
- Choose '**Detailed Report**' and click on 'OK'
- Click on **Export to Disk** on right hand side of screen at the top
- Under Export Options, choose 'Full Report' and under 'Format' choose **Comma Separated Values format (CSV)**
- Click on 'OK'
- Save file as '**Supplier information**'
- Open Excel.
- Click on **Data** tab
- Then choose '**from text**' and import 'Supplier information.csv file by double clicking on the file
- Choose 'delimited'
- Click on 'Next'
- Choose 'Comma'
- Click on 'Next'
- Click on 'Finish' and click on 'OK' to import data
- On spread sheet the first line of the address shows in column A. The supplier name will be much further along (say column R) and so will the postcode and contact. You may want to cut and paste these into the appropriate columns or leave where they are. You may at this point, also delete all unwanted columns as all fields associated with a supplier will be exported from FMS.

SUGGESTED WORDING FOR INFORMATION REQUEST TO SUPPLIER:

To whom it may concern

..... **School Supplier details request**

We are planning to make all future payments by Bacs, so could you please forward your bank account details to our finance department on company headed paper to (*the member of school staff who is inputting supplier bank info*) and include the following details:

- Your company or trading name / account name
- Name and branch of your bank
- Bank account sort code
- Bank account number
- Account Code (only if required for Bacs payments)
- The reference number your company uses for this school's account
- An e-mail address for remittance advices

If you have any queries regarding the above, please do not hesitate to contact our finance department on (*phone number*).

We would like to take this opportunity to thank you for your continued support, which is very much appreciated and valued.

Yours faithfully

PROCESSING A BACS RUN

PROCESS INVOICES

Invoices should be processed and the usual checks and procedures should be carried out:

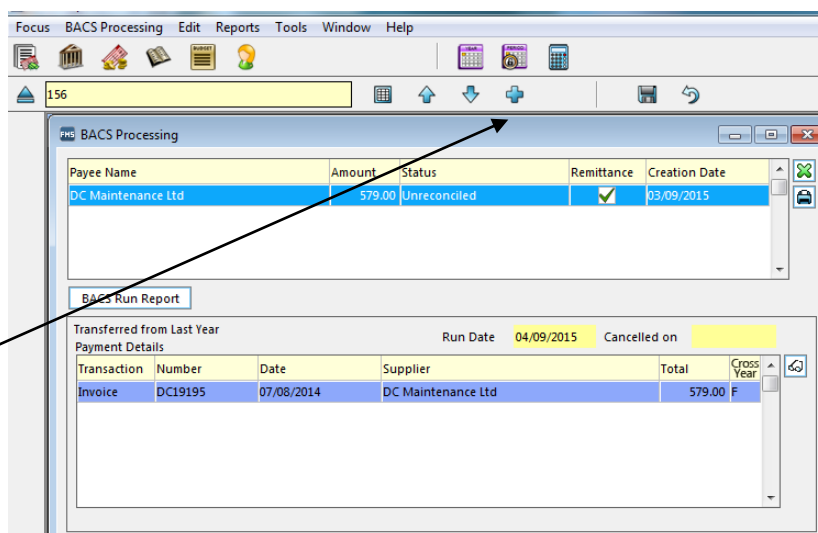
- Use invoice certification stamp on each invoice
 - Confirm invoice matches the order and record receipt of goods or services
 - Ensure that the invoice has not been previously paid
 - Ensure that prices and arithmetic are correct and accord with quotations, tenders, contracts, or catalogue prices
 - Ensure correct accounting treatment of tax
 - Ensure that the invoice is correctly coded
 - Ensure that discounts have been taken where available
 - Ensure that appropriate entries are made in the accounting records
- For payments to individuals follow employment status checks.
 - Staff reimbursements can be paid by Bacs and are subject to normal controls.
 - Enter invoice details onto FMS or school’s accounting system by referencing the order and noting payment against the ordered items, or inputting details of the invoice where there is no order.
 - Authorise the invoice on screen for payment.

CREATE BACS FILE

A Bacs file is created as follows:

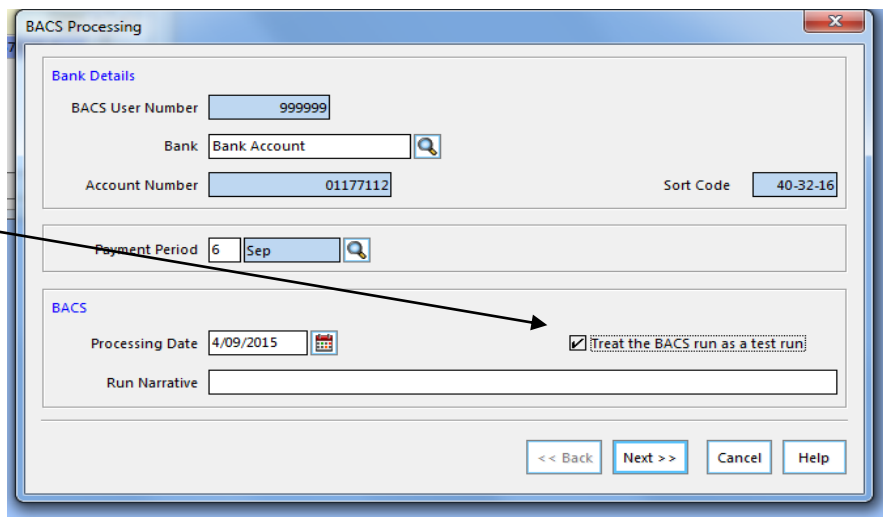
Select

- *Focus*
- *Accounts Payable*
- *BACS Processing*
- *Plus button*



TEST RUNS – It is recommended that at least one test run is carried out prior to the first payment being made. This is done by ticking the “Treat the BACS run as a test button”.

FIRST LIVE RUN - It is also recommended that the first “live” Bacs payment should be made to a supplier with whom there are good contacts. Select a supplier who will be able to feed back that the correct payment and remittance advice have been received. It is also recommended that for this first run, large amounts are not processed.

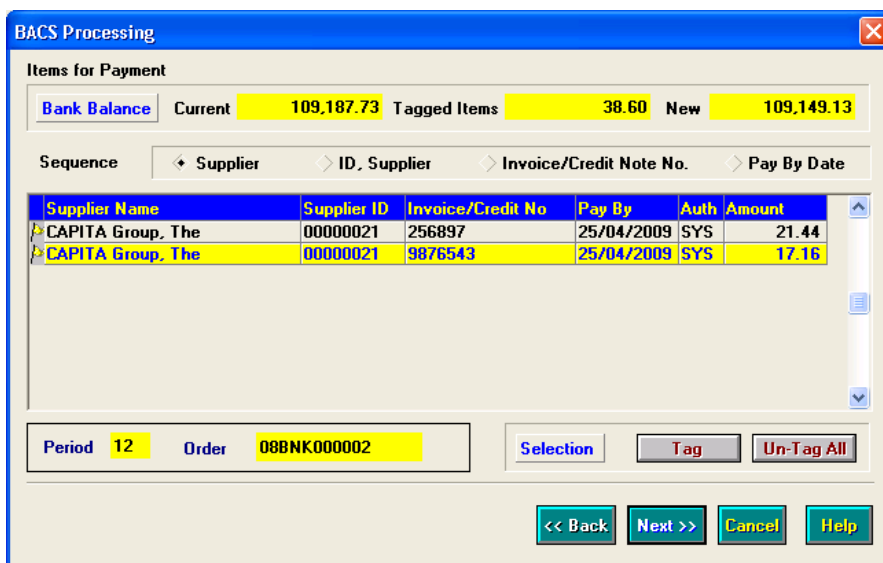


Bank details are generated automatically (unless you have more than one Bacs defined bank account for which you will have to choose the correct bank)

- Choose payment period
- Select processing date allowing sufficient time for approvals. This should be a date that will not place undue time pressure on Approvers and should be a bank working day (i.e. not a weekend or Bank Holiday). It should not be set for more than 31 days in advance. **However, the exact date of the run is governed by dates entered on your online banking system not the date entered on FMS if the FMS date is missed it will not prevent payment.**
- Enter narrative as Bacs run and date

○ Next

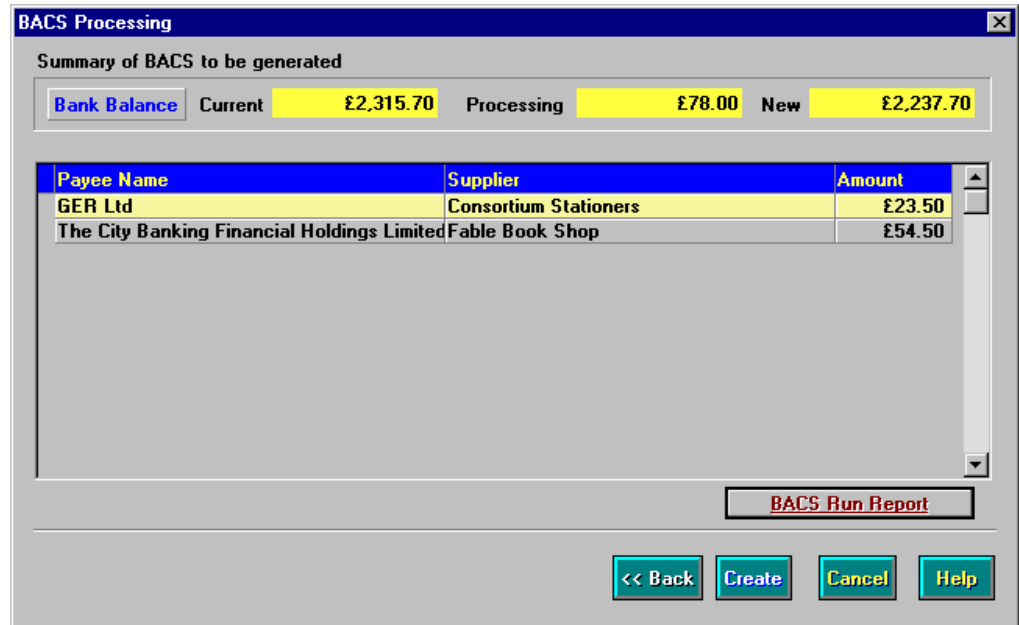
The next screen will show the available invoices for payment. Tag those which are to be paid.



○ Select Next

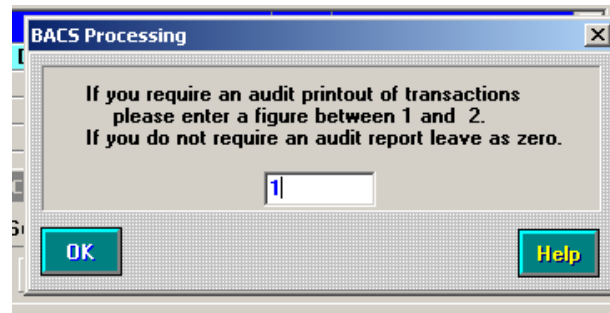
The summary of Bacs to be generated is then displayed.

- Click on Bacs run report to print report

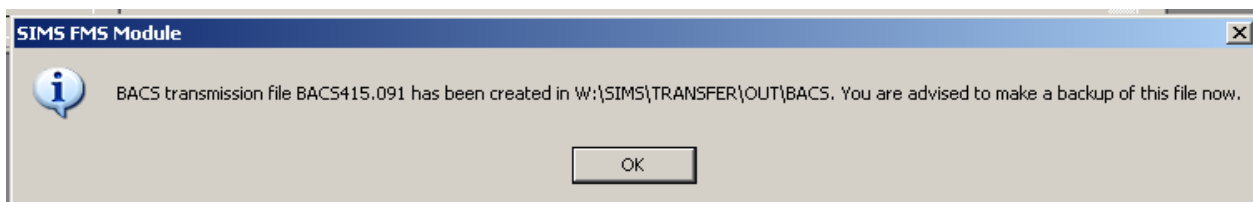


- Note new bank balance on Bacs run report, to show balance has been checked and to provide information for Approvers, alternatively print screen.
- PLEASE NOTE: this balance only shows the current ledger bank balance on the FMS system and does not take into account any direct debits or bank transfers that may affect the bank balance before the Bacs payment is made.
- Select Create, this screen will appear:

Enter the number of Bacs run reports to be printed options are 1 or 2.

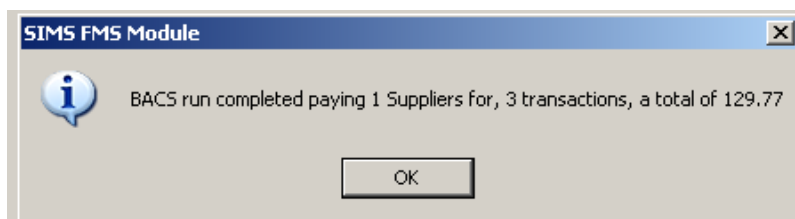


You are advised to create a back up file.

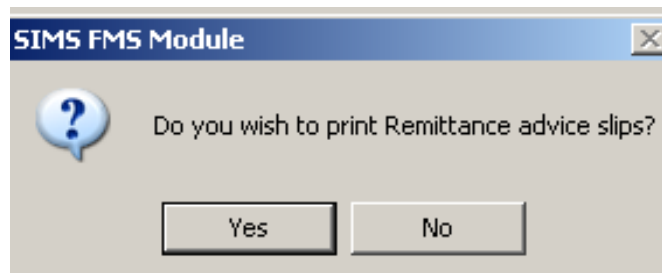


You will then receive confirmation of the Bacs run.

- OK



- Enter **NO** – Do not print at this stage (i.e. before approval has taken place) this instruction on FMS will email remittance advices to suppliers and this should be done at a later stage.



- Place the Bacs run report together with all invoices and supporting documentation in a folder ready for approvals. Invoices should follow the order of the Bacs run report to enable easy cross referencing and checking by the Approvers

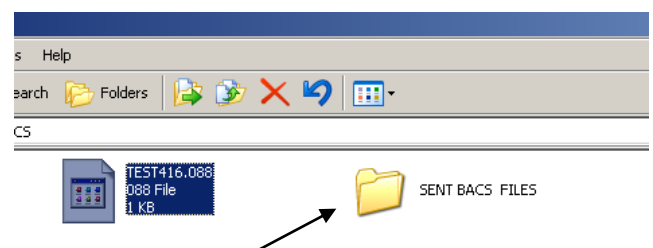
UPLOAD TO BANK

The Bacs run file is now ready for uploading onto your bank’s online system. Please follow your bank’s instructions to upload the Bacs file and for approvals and submission of the file.

- Set a payment date which allows sufficient time for Approvers to approve the payments. If any Approver misses this date the run will have to be cancelled and reimported
- A report will need to be printed from the bank online system to accompany paperwork provided to Approvers.
- Lloyds Commercial Online instructions can be found in **Annex 14** (please note these are correct at time of writing and Lloyds does have a helpdesk for any queries)
- Ensure all paperwork, including FMS and bank reports, is passed to Approvers allowing time to meet the Bacs processing date.
- Approvers should be provided with the Bacs guidance and it is recommended that they also be supplied with your bank’s helpline number.

USING THE ARCHIVE “SENT BACS FILE”

After each Bacs file has been uploaded click and drag the file into the SENT BACS FILES Folder.



By doing this after every upload at only one file should be available for uploading to your bank’s online system. Once reconciled with bank statement, delete the Bacs file from the SENT BACS FILES folder.

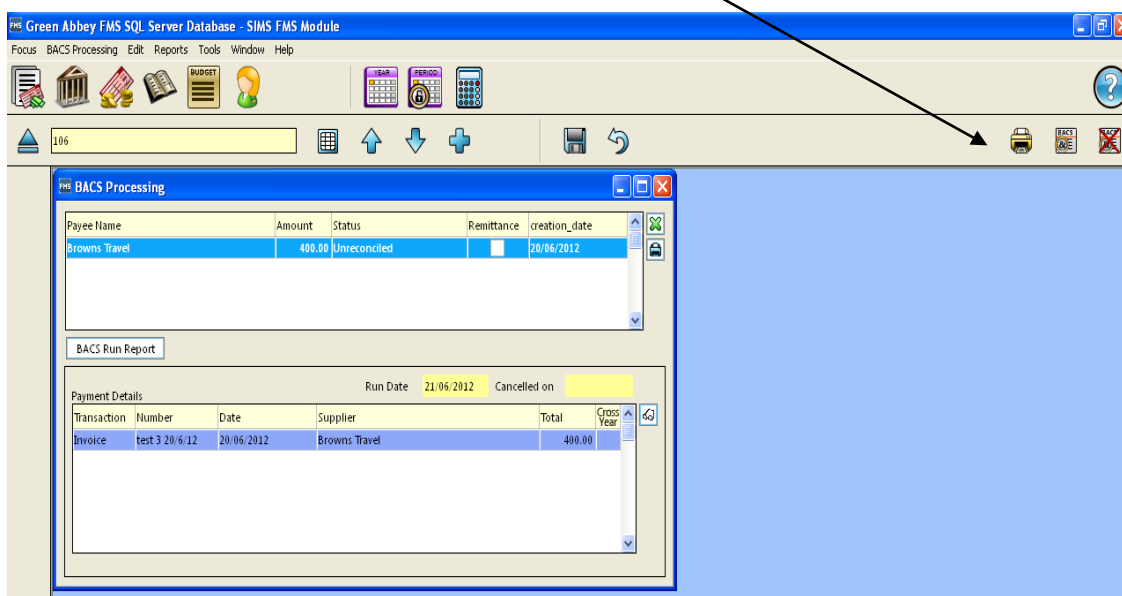
APPROVERS REJECT BACS PAPERWORK

If any Bacs runs are rejected by Approvers then:

- cancel the run on the online bank system
- amend and reprocess as required on FMS (see Annexes 10 and 11)
- delete the file sitting on the school computer system's Bacs folder.

AFTER APPROVALS HAVE TAKEN PLACE

- Submit Bacs file on online banking system to enable payments to take place.
- Generate remittance advices. On FMS select:
 - *Focus*
 - *Accounts Payable*
 - *BACS Processing*
 - Select appropriate Bacs file and click on print icon



- FMS6 will email remittance advices to any supplier for which an email address has been entered on the supplier details additional tab.
- The system will print out remittance advices for posting to any supplier who does not have an email address recorded.
- All remittance advices are stored electronically under the SIMS file on the system and copies can be printed, if required, for attaching to invoices and supporting paperwork.
- Each PDF file will be named "*Remittance_Advice_NNNNNN_BBB.PDF*", where NNNNNN is the supplier ID and BBB is the Bacs run number.
- Alternatively record the Bacs run number on each invoice before filing

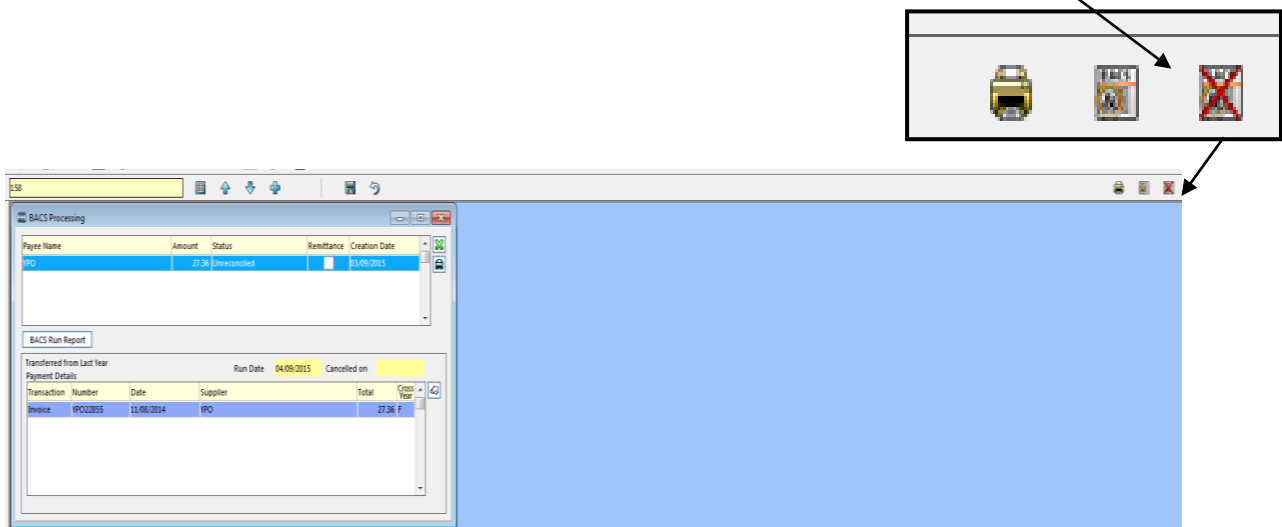
HOW TO CANCEL A BACS RUN

Once a Bacs file is created it can be cancelled in the following way

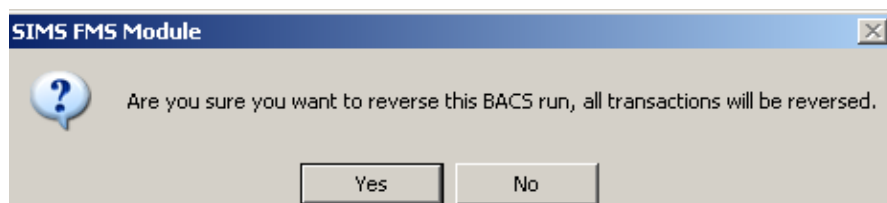
- *Focus*
- *Accounts Payable*
- *BACS Processing*

Highlight Bacs run to be cancelled

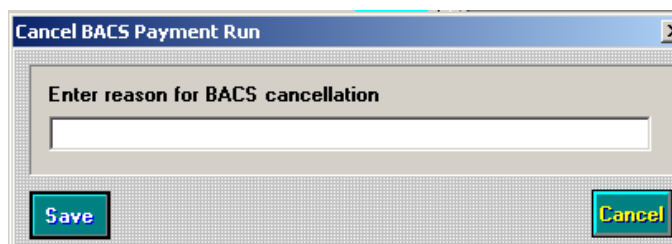
Click on Cancel Bacs Payment Run Icon at top right of screen



- Select Yes



- Enter reason



Invoices processed on this run will appear available for tagging on the next run.

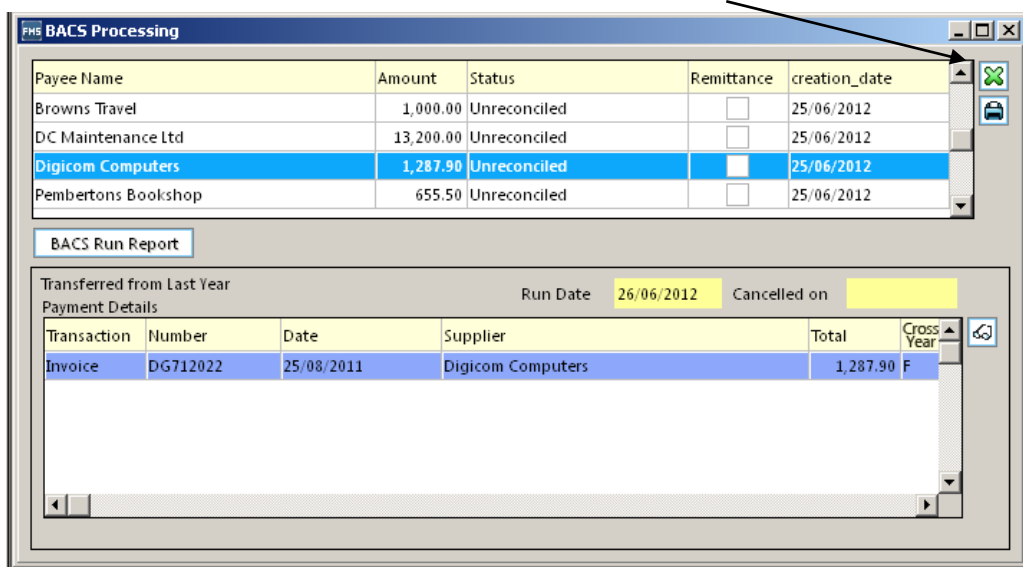
HOW TO CANCEL A SINGLE BACS PAYMENT

A single Bacs payment from within a run can be cancelled by selecting:

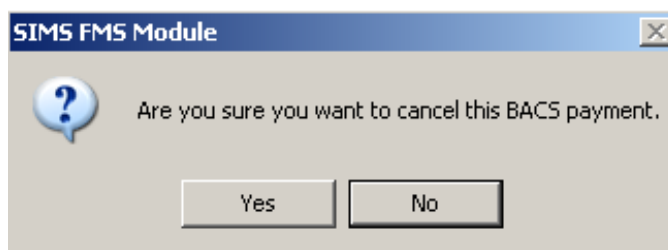
- *Focus*
- *Accounts Payable*
- *BACS Processing*

- Choose relevant Bacs run
- Highlight relevant payment

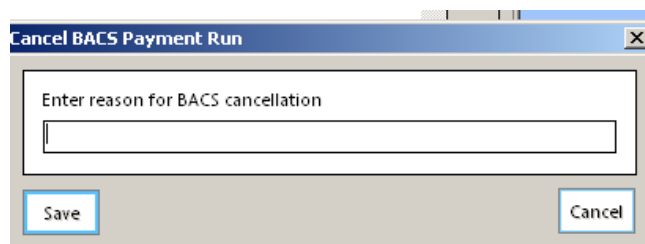
Click on cancel button



A warning will appear requiring confirmation



Then an explanation will be requested



The system will do the following automatically:

- The invoice processed will now revert to the status “not paid” and will be available for tagging on the next run
- A journal will be posted onto the bank crediting the transaction

<u>Bacs Approver Smart Card – Lost /Stolen Notification</u>
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Cardholder Name	
Department / Contact Number	
Card Number	
Date Lost/Stolen	
Location Lost/Stolen	
Brief Report of Circumstances Lost/Stolen	
Date Reported to Bank	
Name of Contact at Bank	
Date Reported to: Schools Finance Officer/Manager/Director or Bursar or Business Manager <i>(School to complete this box with appropriate title)</i>	

Give this form to the Schools Finance Officer as confirmation of your telephone call to the Bank and retain a copy for yourself.

FMS Audit Trail Report of Supplier Data changes

An audit report showing changes made on Supplier Data can be accessed on FMS via:

- Reports
- General Ledger
- Audit
- Audit Trail
- Leave User blank
- Audit Type -
Accounts Payable
- Audit Sub Type –
Supplier Details

The screenshot shows a dialog box titled "Report Criteria - Audit Trail". It has a "View" section with the following fields:

- Financial Year: 2010
- User: [Empty]
- Audit Type: P Accounts Payable
- Audit Sub Type: U Supplier Details
- Audit Date: from [] to []

At the bottom of the dialog box, there are three buttons: "OK", "Cancel", and "Help".

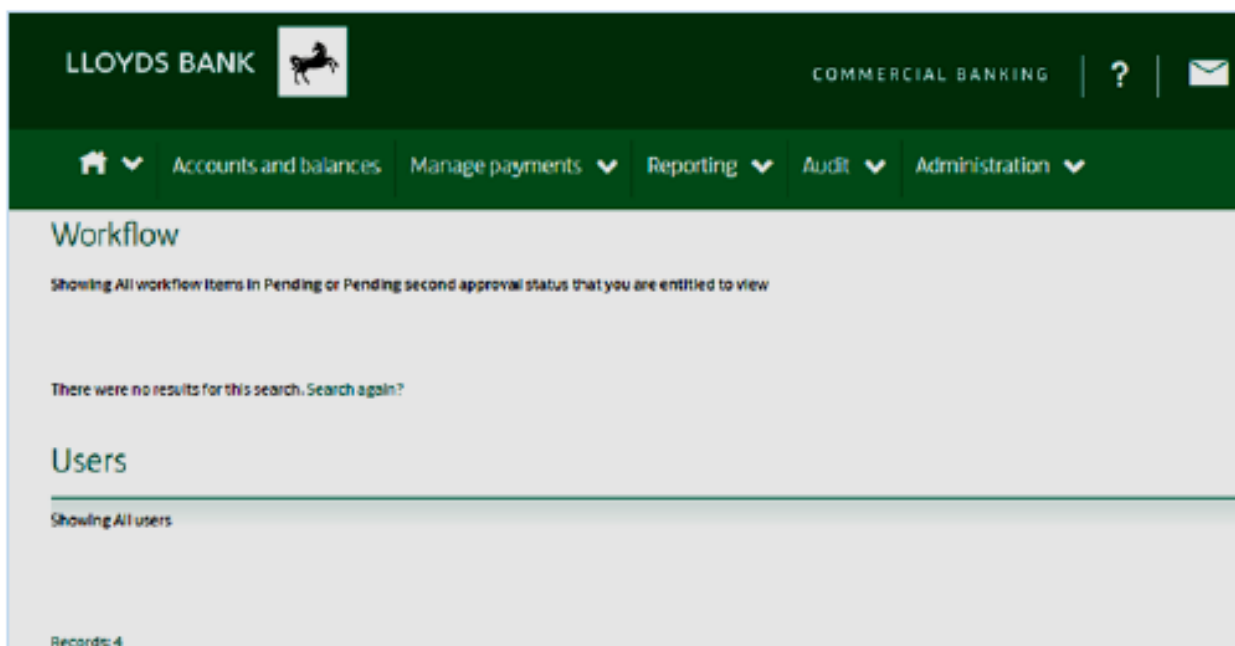
This will list all changes made to the supplier details - but this does show bank account details and sort code numbers so should be treated as confidential information. With this in mind it is recommended that this report should only be viewed and not printed to help ensure security of information.

LLOYDS COMMERCIAL BANKING ONLINE PROCESSES

Checking Bank balance is sufficient to cover Bacs payment

- Go to the Commercial Banking Online home page:

<https://cbonline.lloydsbank.com/PrimaryAuth/>



- Log in with your credentials
- Select **Reporting**
- Select **Balance and Transition Report** and click on this report
- Select **Posting Date**
- Choose “**between**” to give dates for statement required. In order to check balance today’s date is required as the end date.
- Choose the account required
- **View results**

Uploading a Bacs file from FMS

From the home page:

- Select **Manage Payments**
- Select **Import Payments**
- In Format Section select **CAPITAFMSBACS / FMSSIMS**
- Select **Import**
- **Debit Account Information** – select Account Number required
- **Value date** - select date for Bacs run to go out. The date selected needs to be at least 2 working days from the upload and approvals date, bear in mind the approval process and make sure enough time is allowed for this.
- Select the Bacs file exported from FMS, so select **Choose File**
- Follow the file path to the folder I:\SIMS\TRANSFER\Out\BACS
- Select correct file. Previous files should have been archived (see pages 10, 11 & 25 of this guidance) but if not take care to choose correct file.
- Select **Import**
- Double-check the payment batch details against your Bacs report.
- Log out using the log out button (otherwise you will be locked out of the account and will need to wait before logging in again).

Instructions for Approvers

- Go to the Commercial Banking Online home page:
<https://cbonline.lloydsbank.com/PrimaryAuth/>
- Log in with your credentials
- Select **Manage Payments** – depending on settings this may lead directly to the Bacs run, if not:
 - Select **Payments**
 - Select **Payment Management**
- Choose Bacs run to approve

- Select **View** and scroll down to **Beneficiary Information**. Check amounts against the Bacs run report and invoices.
- Select **Approve** once checks are completed
- Log out using the log out button (otherwise you will be locked out of the account and will need to wait before logging in again).
- Sign Bacs run report

SMALL SCHOOL ARRANGEMENTS

It is appreciated that the role of a Supplier Data Inputter is an ideal situation as it maximises segregation of duties but this is not always possible in smaller schools. Here there will typically be a Finance Officer who will be acting both as a Supplier Data Inputter and the Payment Processor.

Source documents

A file should be maintained which holds the hard copy of bank details for each supplier whether it be copy invoice, letter or e-mail confirmation. This is effectively the bank mandate for the supplier. Schools should have a system in place to confirm ANY changes requested back to the supplier by a known and different communication channel to check the request is genuine so that fraud is prevented. Vigilance is key and periodic testing of procedures is best practice.

Approver

The Bacs Run Report from SIMS FMS shows for each payment the date and by whom a change to the Payee Bank Account Details was made. Generally these will be historic and will have been checked by a second member of staff.

If there is a recent date change, the following steps should be taken:-

- Confirm the change was made by the Payment Processor and no other user
- Refer to the source document (Bank Mandate), check the change has been authenticated correctly and second checked by another member of staff
- Check the Audit Report for further detail if clarification required
- If in doubt refer to the supplier for confirmation

N.B. Checking the bank details on an invoice to the details uploaded to the bank is not going to assist in preventing internal fraud. Bank details need to match those that have been authenticated and checked by another member of staff.