

13. Controls over Payment Procedures

1. Authorised Cheque Signatories:

- There should be two cheque signatories for all school accounts – the Principal and Chairperson or other person approved by the Board of Management.
- Under no circumstances should a blank cheque be signed by a signatory.
- No one individual should have unlimited signing authority on any school bank account and amounts above a certain limit should require specific Board of Management approval.
- No post-dated cheques, unsigned cheques or partly completed cheques should be used or stored.
- Cheques should be written in order with one cheque book in use at any one time.
- Cheque books should be stored in a very secure location. In this regard, the Board of Management should ensure that the school has a solid, fixed safe in which all monies and valuable documents can be stored.

2. Supporting Documentation:

- When cheques are presented for signature, they should be accompanied by supporting invoices or other documentation and initialled by the cheque signatories as evidence of approval. **(See Purchasing Procedures, Section 23)**
- Both cheque signatories should satisfy themselves independently that the payment is properly due.
- Invoices and other documentation should be filed, retained and available for audit.

3. Segregation of Duties:

- As far as possible, there should be adequate segregation of duties to ensure that no one individual has complete control over all aspects of the cash cycle i.e. receipts and payments. This reduces the risk of intentional manipulation or error.
- In a school setting however complete segregation would be very difficult to achieve. Nevertheless, steps must be taken to ensure that at least two people are involved in a cash cycle such as a school tour or fundraising. **(See detailed guidelines in Section 29)**

4. All signed cheques should be dispatched promptly. A “rubber stamp” signature is not acceptable.

5. Electronic Payments:

Where payments are made electronically, the system must be such that payment is only dispatched after authorisation by the Principal and Chairperson or other Board of Management member.