

# SOP Template: Payment Processing and Verification Steps

This SOP details the **payment processing and verification steps**, covering payment authorization, verification of transaction details, fraud detection measures, reconciliation of payments, handling payment discrepancies, and secure record keeping. The objective is to ensure accurate, timely, and secure processing of payments while maintaining compliance with financial policies and safeguarding customer information.

## 1. Scope

This SOP applies to all personnel involved in the processing and verification of financial transactions within the organization.

## 2. Responsibilities

- **Payment Processor:** Initiates, verifies, and approves payments.
- **Finance Team:** Reconciles payments and investigates discrepancies.
- **Compliance Officer:** Oversees fraud measures and regulatory compliance.
- **IT/Records Team:** Ensures secure record keeping.

## 3. Procedure Steps

1. **Payment Authorization**
  - Obtain payment request and necessary supporting documents.
  - Verify requester identity and approval hierarchy.
  - Apply dual authorization for amounts exceeding predefined thresholds.
2. **Verification of Transaction Details**
  - Validate payee details (name, account, amount, invoice/reference).
  - Check for duplicate payments or previous processing.
3. **Fraud Detection Measures**
  - Run transaction through fraud detection system (e.g., AML, KYC checks).
  - Check for anomalies (suspicious patterns, flagged countries, mismatches).
  - Escalate any suspicious transactions immediately to Compliance Officer.
4. **Payment Execution**
  - Process payment via approved payment gateway or banking portal.
  - Record payment confirmation/reference number.
5. **Reconciliation of Payments**
  - Daily/weekly reconciliation of payments with bank statements and ledger.
  - Document and investigate any mismatches or unreconciled items.
6. **Handling Payment Discrepancies**
  - Identify root cause of discrepancy (data entry error, bank error, fraud attempt).
  - Initiate corrective action and document resolution steps.
  - Escalate unresolved issues to Finance Lead for further action.
7. **Secure Record Keeping**
  - Store all payment records in a secure, access-controlled digital repository.
  - Ensure audit log of all actions is maintained and backed up regularly.
  - Retain records in accordance with legal and organizational requirements.

## 4. Documentation

- Payment Request Form
- Authorization Logs
- Bank Statements
- Reconciliation Reports
- Incident/Discrepancy Reports

- Audit Trail Logs

## 5. Compliance and Review

- Review this SOP annually or upon significant changes in payment processes or regulatory requirements.
- Regularly audit payment procedures and provide training as needed.

## 6. Revision History

Version	Date	Description	Author
1.0	2024-06-17	Initial creation	Finance Team