SOP Template: Scheduled Payment Processing and Disbursement Protocols

This SOP details **scheduled payment processing and disbursement protocols**, including the verification of payment schedules, authorization procedures, accuracy checks, timely processing of invoices, secure disbursement methods, record-keeping, and compliance with financial regulations. The objective is to ensure all payments are processed efficiently, accurately, and securely to maintain financial integrity and vendor trust.

1. Scope

This procedure applies to all scheduled payments, including vendor invoices, recurring contracts, staff reimbursements, and other periodic disbursements.

2. Responsibilities

- **Accounts Payable Team**: Initiates and processes payments.
- **Finance Manager**: Verifies and authorizes scheduled payments.
- **Internal Audit**: Ensures compliance and periodic review.

3. Process Overview

1. **Verification of Payment Schedules**
   - Retrieve upcoming scheduled payments from the accounting system.
   - Cross-check due dates, payment terms, and amounts with original contracts or invoices.
2. **Authorization Procedures**
   - Submit verified payment list for managerial authorization.
   - Ensure dual authorization for amounts exceeding established thresholds.
3. **Accuracy Checks**
   - Review all invoice details: vendor name, amount, due date, payment method.
   - Use a checklist before approval to confirm data accuracy.
4. **Timely Processing of Invoices**
   - Initiate disbursement at least 2 business days before due date.
   - Monitor for exceptions or delays and report immediately to the Finance Manager.
5. **Secure Disbursement Methods**
   - Prefer direct bank transfers or secure payment platforms.
   - Use checks only when electronic transfer isn't available.
   - Protect sensitive data in accordance with company policy (e.g. encryption, access controls).
6. **Record-Keeping**
   - Document all disbursements in the accounting system with supporting evidence.
   - Maintain payment records for a minimum of 7 years (or as required by regulation).
7. **Compliance**
   - Review all procedures periodically to ensure compliance with relevant financial regulations and internal policies.
   - Report non-compliance or irregularities to the Internal Audit team.

4. Payment Processing Checklist

Step	Description	Completed (Y/N)
Schedule Verification	All schedules retrieved and verified	
Documentation	Supporting documents attached	
Authorization	All payments authorized by responsible persons	
Disbursement	Funds transferred or checks issued securely	
Confirmation	Payment confirmation received and documented	
Ledger Update	Records updated in financial systems	

5. Compliance and Review

- The SOP will be reviewed and updated **annually** or as required by regulatory or internal changes.
- All personnel involved in payment processing must receive periodic training.

6. References

- Company Financial Policies
- Relevant Local and International Financial Regulations
- Internal Audit Guidelines