



HIGHVALE PRIMARY SCHOOL

Schools Electronic Funds Management Policy

Ratified by School Council: October 14

Review date: October 2015

Rationale:

Use of electronic banking facilities allows schools to increase the options and convenience provided to parents/debtors/creditors, improves security by reducing the amount of cash handled and kept on school premises, and has the potential to reduce administration overheads.

Aims:

- To utilise the advantages of electronic banking for our school for both electronic payment of accounts and electronic revenue whilst simultaneously enhancing banking security, increasing transaction speed, improving convenience and lessening environmental impacts.
- To provide alternative payment and receipting methods to cash or cheque to minimise cash/cheque handling.
- To develop protocols, processes procedures and internal controls to meet the Department of Education and Early Childhood Development (DEECD) requirements.

Implementation:

General Guidelines

- School Council, after carefully considering the costs, benefits, fraud prevention, internal controls, and information privacy implications etc, has authorised the use of electronic banking (including internet banking) at our school.
- In doing so, School Council requires that all actions related to internet banking are consistent with all of DEECD requirements including but not limited those outlined in the DEECD School Financial Guidelines (<http://www.education.vic.gov.au/school/principals/finance/pages/guidelines.aspx>).
- The School's procedures and internal controls must meet DEECD requirements in accordance with 'Education Training and Reform Regulations 2007' and the DEECD 'Schools Electronic Funds Management Guidelines' (<http://www.education.vic.gov.au/Documents/school/principals/finance/guideelectronicfunds.pdf>).
- The authorised methods of electronic banking are described in "Appendix 1 – Authorised Electronic Banking Channels".
- While these facilities are particularly convenient and cost effective, optimal security and strong internal controls surrounding the process are critical.
- Documentation for all electronic banking transactions and processes requiring authorisation, and supporting documentation for transactions must be kept for reconciliation, account preparation, tax and audit purposes.
- The school will comply with all bank imposed security measures, limits and requirements in relation to all electronic banking facilities.
- The proper segregation of duties is to be maintained at all times.
- All Electronic banking PINs, Passwords, Security Tokens, etc. must be stored in safe and secured (i.e. locked) locations. These locations must also remain confidential.

- The School will perform regular (minimum monthly) reconciliations of all electronic transactions.
- The collection of personal information (e.g. bank details) when using electronic banking must be in accordance with Victorian Information Privacy Act 2000.

Electronic Payment of Accounts

- Payment including cheques and negotiable instruments drawn on any account kept under the control of a school council must be authorised by the Principal and a member of the school council nominated by the school council for that purpose. Payments through internet banking software are effectively just another form of payment and as such, any payments must still be authorised by two people - the Principal and a member of the school council nominated to authorise payments.
- The school Business Manager cannot authorise payments even if He/She is a member of school council.
- Internet Banking may be used for payment of Invoices and Local Payroll.
- Setting up of initial transaction details and any changes will be the responsibility of the Business Manager. Authorising officers will verify the accuracy of and approve all details as per the Authorisations described in “Appendix 1 – Authorised Electronic Banking Channels”.
- The Business Manager or delegate will be responsible for inputting payment details for CASES 21 processing.
- All documentation required for electronic payments will be obtained, completed, checked and authorised by approving officers as per Department guidelines.

Electronic Revenue

- The Principal is responsible for ensuring that staff processing electronic revenue comply with security requirements, and that all data obtained through processing electronic transactions remains safe from fraud.
- Staff authorised to approve and/or process electronic transactions should be minuted at School Council and entered into a register.
- The Principal may approve operational policies and procedures regarding the use of School Council approved electronic revenue methods. This may include for example:
 - the types of individual/organisations that each revenue method may be offered to;
 - the types of transactions the revenue method may be used for; and
 - minimum transaction limits for particular revenue methods.
- The Principal must approve operational procedures for how revenue is reconciled when no invoice number is provided. These procedures must be communicated to any individual / organisation offered the opportunity to pay via electronic banking (except for point-of-sale transactions).
- The Principal may mandate Direct Debit revenue collection for student participation in optional extra activities (such as music lessons).

Evaluation and responsibility:

Consistent with the Schools Electronic Funds Management Guidelines and Internal Controls for Victorian Government Schools, this policy will be reviewed by the Finance Subcommittee annually and presented to the School Council for review and approval.

Appendix 1 - Authorised Electronic Banking Channels

Electronic Payments & Transfers from the School's Accounts

Channel	BPay – Account Payment Facility	'Pay Anyone' Facility	Direct Debit	Electronic Funds Transfer between the School's accounts
Definition	This is where the School Pays bills from its Official Account by sending funds via the BPAY portal to any BPAY registered businesses' accounts (e.g. insurance premiums, utility bills, suppliers, etc.).	This is where the School transfers funds directly from its Official Account into any person or organisation's bank account (e.g. creditors, casual or contract employees, reimbursements to parents / teachers, etc.). It can also be used to send funds to the School's accounts at other banks.	This is where the School provides permission to an external business/organisation to remove funds from its Official Account to pay bills.	This is where the school transfers funds between nominated bank accounts located at the same bank (e.g. between high interest and Official Accounts and various other special purpose accounts).
Requirements to establish or conduct transactions	This requires the School to have Internet banking capability and an Organisation to provide the School with a BPAY <i>Biller Code</i> and a <i>Customer Reference Number</i> , typically as part of a Tax Invoice.	This requires the school to have internet banking capability and an individual or organisation to provide the school with their full banking details, including their Bank's BSB and their full Bank Account Number.	This requires the School to provide an organisation with the school's full banking details, including BSB and Bank Account Number.	This requires the School to have Internet Banking capability.
Additional Comment	This is more secure than using the "Pay Anyone" Facility, so should be used in preference to that Facility.	This should only be used where a BPAY option is not offered.	Direct Debits can be set up in various way including: <ul style="list-style-type: none"> • Set amount on a regular date (e.g. monthly lease payment) • Varied amount (Whole bill) on a regular basis (e.g. monthly telephone bill, annual insurance premium) • Set amount on an irregular basis (e.g. account top-up like City-link) 	Where accounts are held at different banks, the 'Pay Anyone' Facility may be used to transfer funds between the School's accounts.
Authorisations	The Principal and a member of the school council nominated to authorise payments must approve Payments using BPAY. Only the Principal and members of the school council nominated to authorise payments are authorised to use the password (e.g. security token) associated with the School's internet banking software.	The Principal and a member of the school council nominated to authorise payments must approve: <ul style="list-style-type: none"> • Setting up of account details for saved 'Pay Anyone' regular Payees • Payments using the 'Pay anyone' function. 	Arrangements must be established in line with DEECD requirements The School Council must approve the establishment of all Direct Debit payment arrangement. The Principal and a member of the school council nominated to authorise payments must sign all Direct Debit Establishment Request Forms.	The Principal and a member of the school council nominated to authorise payments must approve Internet Banking Funds Transfers between the school's accounts. Only the Principal and members of the school council nominated to authorise payments are authorised to use the password (e.g. security token) associated with the School's internet banking software.

Respect

Responsibility

Honesty and Integrity

Commitment

Receiving Electronic Revenue into the School's Accounts

Channel	Electronic Funds Transfer Point of Sale - EFTPOS	BPAY – Payment Receipt Facility	Direct Debit	Accepting Revenue through Internet Merchant Account – Invoice Number Only	Accepting Revenue through Internet Merchant Account – Managed Invoices	Direct Electronic Transfer
Definition	This is where the school accepts payments into its Official Account from individuals and organisations through the School's EFTPOS terminal	This is where the School receives clear funds directly into its Official Account from families (e.g. Parent booklist, excursion payments, etc.).	This is where individuals and organisations provide permission to the School to remove funds from their accounts for payments.	This is where the school accepts payments into its Official Account from individuals and organisations using an internet merchant account from the School's Bank. Payments are made by the individual/organisation entering in the invoice number and amount themselves. No details of the invoice are stored in a 3 rd party tool	This is where the school accepts payments into its Official Account from individuals and organisations using an internet merchant account. Detailed invoice information may be stored by a third party company or product, including storing invoice numbers, amounts, line item details, who the invoice is for and contact details for who the invoice is for.	The school receives funds directly into its Official Account from individuals or organisations. The transfers may be initiated by individuals or organisations through their telephone or internet banking facilities ('pay anyone') or set up as a regular, electronic direct transfers through their bank.
Requirements to establish or conduct transactions	This requires the school to acquire EFTPOS merchant facilities from the School's Bank.	This requires the School to establish itself as a BPAY organisation; obtain and disseminate its <i>Biller Code</i> ; and establish and disseminate <i>Customer Reference Numbers</i> for all potential users.	This requires: <ul style="list-style-type: none"> the school to establish a merchant facility with the School Bank allowing the school to offer Direct Debit payments. Individuals/organisations providing permission to direct debit from their account, with appropriate terms. 	This requires the school to acquire an internet merchant account from the School's Bank. Invoice numbers & amounts appear on existing paper invoices printed by the school.	This requires the school to establish a relationship with a third party provider to collect revenue, and implement methods and controls for transferring information between the School and the provider.	This requires the School to provide individuals or organisations with the School's banking details, including BSB and Bank Account Number.

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Channel	Electronic Funds Transfer Point of Sale - EFTPOS	BPAY – Payment Receipt Facility	Direct Debit	Accepting Revenue through Internet Merchant Account – Invoice Number Only	Accepting Revenue through Internet Merchant Account – Managed Invoices	Direct Electronic Transfer
Additional Comment	The School's EFTPOS terminal should be located in a secure location which will allow for no unauthorised usage and ensure privacy for PIN transactions. The School will not offer a cash-out facility to payees	Individuals and organisations using this payment method should advise the school immediately via email to assist reconciliations.		While payments are made directly into the internet merchant account with the School's Bank, the provider of the payment processing gateway does not have to be the School's Bank. Individuals and organisations using this payment method should advise the school immediately via email to assist reconciliations.	This may for example include exporting invoices from CASES21, importing into a 3 rd party tool, then reimporting payment details to CASES21. It also may require user logon information to be provided to individuals/organisations to make payments.	Individuals and organisations using this payment method must advise the school immediately via email to assist reconciliations.
Authorisations	All EFTPOS transactions (payments, voids, refunds, etc.) will be processed in accordance with DEECD Financial guidelines.	The School Council is responsible for approving establishment of the School as a BPAY Biller.	The School Council is responsible for approving establishment of the School as a Direct Debit merchant.	The School Council is responsible for approving establishment of an internet merchant account for the school, and as such authorising the School Bank as a third party company. If payments are made directly through an internet payment gateway provided by the School's Bank providing the approved internet merchant account, the Principal may approve use of the gateway as the bank is already approved as a third party company. If payments are made through an internet payment gateway provided by a third party, the School Council is responsible for approving the use of the gateway.	The School Council is responsible for approving establishment of an internet merchant account for the school. The School Council is responsible for approving establishment of any payment method which includes storage of invoice details outside of CASES21 – even if through the School's Bank. The Schools Electronic Funds Management Guidelines should be referred to as part of the approval process.	The Principal and a member of the school council nominated to authorise payments must approve the disclosure of the School's bank account details to any outside party. This method should only be used by exception; in most circumstances other payment methods such as BPay should be used.