



Electronic Banking Policy

Rationale:

Electronic (Internet) banking has become a very common banking practice that provides several distinct advantages, whilst at the same time offering high levels of security and convenience.

School Council has a responsibility to manage school funds ensuring that payments and receipts are made and received in a safe and secure manner. Internet Banking offers online facility which provides users with the ability to undertake various banking functions; checking account balances, transferring funds between accounts, direct debit, direct deposits and EFTPOS (Electronic Funds Transfer Point of Sale).

Aim:

To utilise the advantages of internet banking for our school whilst simultaneously enhancing banking security, decreasing transaction speed, improving convenience and lessening environmental impact by providing alternate methods to cash and/or cheque receipts into the Official Account using EFTPOS.

Implementation:

- Abide by all DET Financial Guidelines relating to electronic/internet banking.
- School Council approves CBA Bank CommBiz as the approved software for all of our internet banking activities.
- The Principal, School Council nominated members, Business Manager and nominated Administration staff assigned individual log in, password and security tokens.
- Ensure all payments are authorised by two people – the School Principal and School Council nominated member. Final payment being authorised using security tokens.
- The School Business Manager and nominated Administration staff CANNOT be nominated as an authoriser even if he or she is a School Council Member
- All relevant security and confidentially documents will be held in a locked fireproof safe at all times.
- Security tokens are not to be stored with Combiz logon passwords.
- Documentation confirming all transactions related to accounts, such as purchase orders, payment vouchers, Combiz transaction confirmation details and relevant CASES 21 reports will be stored in an orderly manner in a secure area.
- There will be appropriate delegation and segregation of duties to ensure and maintain the accuracy and legitimacy and accounts and transactions.

- Segregation of duties between the Business Manager and Administration Office Manager who initialise and process payments including Local Payroll, Creditor and Family payments and receipts.

Direct Debit:

- This facility allows an external source, eg; financial institution or supplier etc. to remove or sweep funds pertaining to a pre-arranged amount and date from the school's official bank account on a regular or ad hoc basis eg; Superannuation payments.
- Vic Super is the nominated Departments superannuation provider and has been given authority to act as agent for superannuation payments. Vic Super will be notified in advance of the amount to be debited and contribution submissions will be entered and verified within Vic Super website where contributions will be uploaded from CASES 21.

Direct Credit:

This is an electronic bill payment service allowing Sundry Debtors and parents the option to pay directly into the Schools Official Account.

- All transactions will be identified through communication or bank transaction reports.
- Direct credit transactions will be receipted into CASES 21 and allocated in a timely manner.
- A receipt from CASES 21 will be provided as proof of direct credit

Direct Deposit:

This form of internet banking allows the school to pay funds directly into a person's or businesses nominated bank accounts eg; creditors or local payroll employee by nominating their BSB and account number.

- Whilst this facility is particularly convenient and cost effective internal controls surrounding the process at the school are critical. Such controls include:-
 1. Proper authorisation and approval of both the initial setting up of account details and any subsequent transactions against the account(s). The principal and the previously mentioned School Council nominees only are authorised to use the security token associated with the CommBiz internet banking software.
 2. The proper segregation of duties at all times.
 3. The safe, secure and confidential storage of information and data, including the storage of PIN's and security tokens in the school safe.
 4. Proper retention of all transactions relating to accounts such as purchase orders, tax invoices/statements, vouchers, payroll listings, signed or initialled screen

prints and payee details, relevant CASES21 reports etc; including Principal signed and dated internet transaction receipts attached to authorised payment vouchers.

5. The retention of printed payment receipts that display all details of a payment so as to confirm payment details.
6. Compliance with all bank imposed security measures, limits and requirements.
7. The provision of printed documentation to the Finance Committee, School Council and auditors as required.

The School will ensure all relevant information is kept including School Council minutes recording approval of the Direct Deposit basis of electronic banking, all signed Combiz reports as part of the approval process to pay creditors/local payroll and all relevant CASES 21 Finance Reports.

Electronic Revenue:

The use of this facility provides schools with the ability to accept non-cash payments by way of credit and debit card transactions. Use of the EFTPOS allows schools to increase options and convenience provided to parents and debtors as well as improving security by reducing the amount of cash handled and kept on the premises.

- Abide by existing bank-imposed restrictions or security measures ie; PIN security, card validation, signature for authorisation. When processing transactions that require a PIN, this should be able to be entered without risk or disclosure and the PIN should never be recorded by the school.
- EFTPOS terminals and CASES 21 are two separate packages (ie; automatically interfaced) all monies received by EFTPOS must be manually receipted into CASES 21.
- Staff authorised to receipt these entries is the Office Manager and Business Manager.
- All EFTPOS transactions must be reconciled with the CASES 21 transactions on a DAILY BASIS using the EFTPOS settlement statement. A separate receipt batch (not containing cash/cheque) transactions for the EFTPOS will be updated at the end of each day which will make the settlement statement.
- A monthly reconciliation of all EFTPOS statements received must be undertaken with the CASES 21 transactions for the same month.
- EFTPOS transactions will be accepted by phone noting ONLY CREDIT CARD transactions can be accepted via the telephone with all debit card transactions require the cardholder present at the point of sale.
- Payments for family charges, sundry debtors, trading operation payments are the only processes accepted and NO CASH OUT OPTION is available.

- Both the merchant copy and customer copy must be printed from the EFTPOS machine.
 - Copies of EFTPOS receipts, void transactions, refunds and reconciliations will be kept.
 - Both EFTPOS and CASES 21 receipts must be forwarded to the cardholder as their record of transaction.
 - No one person should have complete responsibility for the entire transaction process ie; processing the EFTPOS transaction, receipting the monies into CASES 21 or reconciling the bank with the receipts batch. Where segregation is difficult random checks on the cash process should be performed.
 - A register shall be kept of those personnel who are able to perform EFTPOS administrative/authorisation responsibilities being made fully aware of the security requirements as noted above.
 - A refund register is to be held within the EFTPOS receipt settlement folder.
- This policy is required to be reviewed annually by School Council to confirm/enhance internal control procedures.

References:

Schools Electronic Funds Management Guidelines

Internal Controls for Victorian Government Schools

DET School Policy and Advisory Guide

<http://www.education.vic.gov.au/school/principals/finance/Pages/guidelines.aspx>

Review Cycle and Evaluation:

This policy will be reviewed annually.

Ratified by School Council: March 2021

Next review: March 2022