



Electronic Banking Policy 2018

RATIONALE

School Council has a responsibility to manage school funds and in doing so, has a responsibility to ensure that payments and receipts are made and received in a safe, timely and efficient manner while adhering to the internal controls and guidelines of the Department of Education and Training.

AIM

- To establish a secure Electronic Banking facility for River Gum Primary School, including electronic payment of accounts and electronic receipting.
- To implement strict internal controls for payments on a 'Pay Anyone' basis, e.g. Direct Debit from the school's official account, using the school level payroll and payments to creditors.
- To provide users with the ability to undertake various banking functions, such as checking account balances, transferring funds between accounts, Direct Debit and Credit and BPay.
- To provide alternative methods to cash or cheque receipts into the official account using, EFTPOS or BPAY

GUIDELINES FOR IMPLEMENTATION

- Abide by all DET financial guidelines relating to electronic banking.
- Principal and School Council have responsibility for authorising the setting up the School Council Commonwealth Bank electronic banking account using the electronic banking product CommBiz.
- Provide a secure electronic banking system with the Principal, School Council nominated members, Business Manager and nominated Finance/Administration staff assigned individual log in, password and security tokens.
- Ensure all payments through electronic banking are authorised by two people - the school principal and a member of the school council nominated by school council.
- The school business manager and nominated finance/administration officers cannot be nominated as an authoriser even if he or she is a school council member.
- There will be proper processing and approval of both the initial setting up of account details and any subsequent transactions against the accounts. e.g. Direct Debit and Pay Anyone account details
- All banking details will be checked for completeness and accuracy by Finance Officer so that they can be verified by a responsible officer.
- Relevant security and confidentiality documents will be held in the locked fireproof safe at all times.
- The Principal, School Council nominated members, Business Manager and nominated finance/administration officers are not to store security tokens with their Commbiz log in and passwords.
- Documentation confirming all transactions related to the accounts, such as purchase orders, payment vouchers, payroll listings, Commbiz transaction confirmation details and relevant CASES21 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 of accounts and transactions.
- The segregation of duties will be shared between the Business Manager and nominated Finance/Administration officers who initialise and process Payments including School Local Payroll, Creditor and Family payments and Receipts.
- The Principal and school council nominated members must authorise the final payment using their individual security tokens.

SPECIFIC GUIDELINES FOR DIRECT DEBIT

Direct Debit - facility effectively allows an external source, e.g. 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 e.g. computer lease payment

- Prior to agreement with a supplier to utilise the Direct Debit payment option, the school will ensure that it receives in writing from the supplier all relevant details of the Direct Debit which include the actual amount, the day/date on which the payment will be processed, and the regularity of the payment
- The school will ensure that it receives a tax invoice/statement from each supplier prior to any Direct Debit 'sweep'

date each month in order to confirm the accuracy of all payments as well as any cash flow considerations.

- If the direct debit differs in amount or timing, the supplier will be contacted immediately and the issue resolved or the direct debit cancelled.
- The school will ensure all relevant information is kept. This includes the original Application for Direct Debit Form signed by Principal and a designated signatory of school council, information relating to the amount, date of Direct Debit and regularity of the payment, all related billing and statement details and relevant CASES21 Finance reports.

SPECIFIC GUIDELINES FOR BPAY

BPay – is a secure electronic banking product identified on a supplier/creditor account with a unique biller code. The payee selects either the internet or telephone option to transfer funds from the school's official account to the supplier and follows a series of steps to attach the amount owed to the creditor's account and biller code.

- When using BPay the school will ensure that suppliers'/creditors' accounts are always paid by the due date and for the correct amount.
- Standard controls related to creating an order, setting up the commitment and determining the date and amount for the transfer will be maintained.
- The invoice will be attached to the pre-approved purchase order and forwarded to the Principal for approval for payment. Once payment has been made using BPay, the BPay receipt number and details of the transaction should be printed from the internet banking website, physically signed by authorisers, then stored for audit purposes.
- If the phone is used to action a BPay payment, the BPay receipt number and date of transaction will be noted on the original payment approval/invoice information.
- The school will ensure all relevant information is kept, including the original signed payment approval and creditor invoice, printout of BPay receipt (if processed through the internet) clearly displaying BPay receipt reference number and date of transaction, and all relevant CASES21 Finance reports.

SPECIFIC GUIDELINES FOR DIRECT DEPOSIT

Direct Deposit – via an internet banking facility provides schools with the freedom and flexibility to pay creditors (creditor, local payroll employee and family payments) by nominating their BSB and account number at the time of the transaction.

- The Principal will communicate and raise awareness of the risks involved with using this method of payment and the need for strict internal controls.
- School Council will approve in writing the school's decision to use a Direct Deposit internet banking facility, following consideration of the advantages and disadvantages, and internal controls required to be implemented.
- Internal Controls will include:
 1. Abide by existing bank-imposed restrictions or security measures, such as daily withdrawal limits and software user and authorisation tokens security.
 2. Identification of personnel with administrative/authorisation responsibilities.

Note: The school business manager cannot be nominated as an authoriser even if he or she is a member of the school council.
 3. Ensure all transactions are appropriately authorised:
 - For payroll payments, print the Fortnightly GL Report and obtain the Principal's signature on the printout.
 - For creditor payments, print the Direct Deposit Listing ensuring details such as creditor name, address, account number, BSB number, description and quantity of goods and payment amount are visible and attach the printout of the CommBiz listing. These listings will be provided to the Principal, together with the corresponding payment vouchers to sign and verify that the details on the tax invoice are identical to the payment transaction report.
 4. Ensure there is segregation of duties for the business manager, nominated finance/administration officers and principal.
 5. Retain printed payment receipt that confirms payment details. This receipt should clearly display the date of the transaction, amount paid, and the recipient's BSB, account number and name.
 6. Ensure there are alternative procedures for processing using the Direct Deposit facility for periods of Business Manager, nominated Finance/Administration officers and Principal leave or absence; otherwise do not use this facility during those periods.

7. Require the principal to sign and date the internet transaction receipt, and attach this to the authorised payment voucher.
 8. Ensure safe and secure storage of all documentation.
 9. Provide printed documentation to finance committee, School Council and school auditors.
- 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 or initialed Commbiz reports as part of the approval to pay creditors/local payroll and all relevant CASES21 Finance reports.

ELECTRONIC REVENUE

SPECIFIC GUIDELINES FOR ELECTRONIC RECEIPTING

EFTPOS- use of this facility provides schools with the ability to accept non-cash payments by way of credit and debit card transaction. Use of EFTPOS allows schools to increase the 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, such as daily withdrawal limits and personal identification number (PIN) security.
- Copies of EFTPOS receipts, void transactions, refunds and reconciliations will be kept with the Bank Deposit Slips in the financial records of the school.
- The School must not have "Cash Out" configured via the EFTPOS terminal
- All EFTPOS transactions will be reconciled with Cases21 Finance.
- Offline transactions e.g. telephone and written authorisation will be completed using a MOTO transaction form which records cardholder name, date of transaction, amount, and card details and purpose of the transaction.

BPAY- BPay is an electronic bill payment service providing parents with the option to pay school accounts at any time via internet or telephone banking

- BPay automatically notifies the school through Cases21 when a payment has been made, these payments may take up to 48 hours to clear, the school will process and allocate the payment in a timely manner and print receipts of all BPay transactions
- Parents will have the option to choose BPay as a payment method when returning permission slips and statements.
- If payment is made less than 48 hours prior to the payment date for the activity parents are asked to provide a copy of the BPay receipt as proof of payment.

DIRECT DEBIT- Direct Debit is an electronic bill payment service providing Sundry Debtors and parents with the option to pay school accounts.

- All Direct Debit transactions will be receipted in Cases21.
- The school will allocate the payments to accounts in a timely manner.

EVALUATION

Review the Commbiz authoriser profiles annually

This policy will be reviewed (at least once per year) by School Council to confirm/enhance controls.

References:

- [DET School Electronic Funds Management Guidelines](#)
- [DET Finance Manual for Victorian Government Schools](#)
- [DET Internal Controls for Schools](#)
- [DET School Policy and Advisory Guide](#)

This policy was last ratified by School Council in....

27th February 2018