

# CASTLEMAINE NORTH PRIMARY SCHOOL INTERNET/ELECTRONIC FUNDS MANAGEMENT POLICY

## **RATIONALE**

Internet banking is a common banking practice that provides several distinct advantages, whilst at the same time offering high levels of security and convenience.

Internet(Electronic) Banking is defined as an online facility (via a website) which provides users with the ability to undertake various banking functions such as checking account balances, Direct Debit/Credit and Local Payroll payments.

Electronic Funds Transfer Point of Sale (EFTPOS) is defined as the ability to accept non-cash electronic payments by way of credit card transactions via person/email notification or via telephone.

## **AIM**

1. To utilise the advantages of internet banking for our school and parent community whilst simultaneously enhancing banking security, decreasing transaction speed and overall convenience.
2. To provide alternative payments and receipting methods to cash and cheque to minimise cash/cheque handling.
3. To develop protocols, processes, procedures and internal controls to meet the Department of Education and Training (DET) requirements.

## **IMPLEMENTATION**

1. School Council, after carefully considering the costs, benefits, fraud prevention, internal controls, and information privacy implications, has authorised the use of internet banking at our school for the facilities listed below. In doing so, School Council requires that all actions related to internet banking are consistent with DET's '*School Internet Banking Guidelines*' and '*Schools Electronic Funds Management Guidelines – A guide to electronic payments and receipts.*' January 2015.
2. All payments through internet banking software are another form of payment from the school's accounts and consistent with DET requirements, must be authorised by the principal and one other member of council nominated by the council.
3. School Council approves CommBiz as the approved software for all Castlemaine North Primary School internet banking activities.
4. All passwords and data will be kept secure at all times, including the EFTPOS and credit card information of families.

## **ELECTRONIC PAYMENTS**

### **Direct Debit**

1. A direct debit facility allows an external source e.g. a regular supplier to remove funds of a pre-arranged amount from our school's official account on a pre-arranged date. Typical examples may include ATO, VicSuper clearing house, Ricoh Australia (photocopier lease) and Capital Finance (Netbook Lease).
2. The School Council requires all suppliers to provide tax invoice/statements to the school prior to direct debiting any funds from the school's account.
3. The principal as well as one of either the School Council Treasurer or the School Council nominee must use the CommBiz facility (via a token) for direct debits.

### **Direct Deposit Facility**

1. This form of internet banking allows the school to pay funds directly into a person's or businesses nominated bank accounts e.g.: creditors or local payroll employee.
2. The Direct Deposit Facility also enables parents and carers to make electronic payments e.g. for Essential Items, school camps, directly into the school's Official Account.
3. Whilst this facility is convenient and cost effective, internal controls surrounding the process at the school are critical. Such controls include:-
  - a) 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 nominee only are authorised to use the security token associated with the CommBiz internet banking software.

- b) The proper segregation of duties at all times.
- c) The safe, secure and confidential storage of information and data, including the storage of PIN's and security tokens in the school safe.
- d) 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.
- e) The retention of printed payment receipts that display all details of a payment so as to confirm payment details.
- f) The provision of printed documentation to the finance committee, School Council and auditors as required.

## **ELECTRONIC REVENUE**

### **EFTPOS**

1. The use of EFTPOS allows schools to increase the options and convenience provided to families e.g. for payment of Essential Items, school camps, as well as improving security by reducing the amount of cash kept on the premises.
2. EFTPOS is used for **payments only** with no cash out facility.
3. The Principal and Business Manager are the authorising officers of phone transactions.
4. Copies of EFTPOS receipts and reconciliations will be kept with Financial Records of the school.
5. All EFTOS transactions will be reconciled with Cases 21 Finance.

## **BANK TRANSFERS**

The transfer of monies between the High Yield Account and the Official Account must be authorised by the Principal. The Business Manager is able to set up the transfer but cannot authorise the transaction.

## **MONITORING AND REPORTING RESPONSIBILITIES**

Castlemaine North Primary School will adhere to the following DET documents when setting up and administering Internet and EFTPOS banking:

### **Internal Control Procedures in Victorian Government Schools**

<http://www.education.vic.gov.au/management/financial>

### **Schools Electronic Funds Management Guidelines**

<http://www.education.vic.gov.au/school/principals/finance/pages/default.aspx>

### **Finance Manual for Victorian Government Schools**

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

### **Finance Business Process Guide**

<http://www.education.vic.gov.au/school/principals/finance/Pages/cases21.aspx>

### **S385-2007 School Internet Banking Guidelines**

## **EVALUATION**

In order to assess whether the policy has achieved the aims the School Council will:

1. Review the DET Official Auditor's Report **OR** (where no audit has been conducted)
2. The Principal and Business Manager in conjunction with the Finance Committee, will review documentation and procedures at least once per year.

This policy is to be reviewed annually by the Finance Committee and School Council.

This policy was ratified by School Council 2017

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(Principal)

(President of School Council)

Date: February 2017

Review Cycle Date: February 2018