



ELECTRONIC FUNDS MANAGEMENT POLICY

PURPOSE

The purpose of this policy is to set out how our school will manage electronic funds in accordance with applicable Department of Education and Training policy and law.

Electronic (internet) banking offers an online facility (via a website) which provides users with the ability to undertake various banking functions, such as checking account balances, transferring funds between accounts, direct debit, direct deposit, BPAY payment/receipts and EFTPOS (Electronic Funds Transfer Point of Sale).

The use of electronic/internet banking allows schools to increase the options and convenience provided to parents/creditors/debtors, as well as improves security by reducing the amount of cash handled and kept on school premises.

In order to minimise risks, schools should be reminded of the compliance requirements in the Education Training and Reform Regulations 2007, section 37(1) Revenue and Expenditure which outlines that all 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.

A single authoriser of payments via internet banking software is a clear breach of the regulations governing the payment of accounts by schools.

Principals and Business Managers must ensure that the official account is not overdrawn. Therefore, an understanding of the school's cash flow position and commitments due, are critical to the use of electronic funds for the payment of invoices and receipting funds.

Internal controls to support the use of electronic funds will minimise the potential financial risk to the school and its available funds.

SCOPE

This policy applies to:

- all staff/responsible persons involved in management of funds transacted electronically
- all transactions carried out by Eltham Primary School via the methods set out in this policy

Electronic/Internet facilities include:

- various banking functions, such as examining account balances, transferring funds between accounts, direct debit, direct deposit, BPAY (online) and EFTPOS (Electronic

Funds Transfer Point of Sale).

POLICY IMPLEMENTATION

Eltham Primary School has developed this policy consistently with the [Schools Electronic Funds Management Guidelines](#) and [Section 4 Internal Controls of the Finance Manual for Victorian Government schools](#).

Eltham Primary School recognises its role in the administration of its finances in providing procedures and internal controls as follows which meet the Department of Education's requirements:

- To provide enhanced risk control and security over transactions.
- To provide clear documentation of processes.
- To provide enhanced services to creditors, debtors and parents.

Implementation:

- All internet transactions must be authorised by the Principal and a School Council nominee.
- The school Business Manager cannot be nominated as an authoriser even if he/she is a member of School Council.
- The Principal and a School Council Nominee must sign all paperwork and a copy of the internet transaction and supporting documentation must be attached.
- The original invoice must be attached to payment voucher.
- Internet banking may be used for payment of invoices and the local payroll including "direct debit" and staff reimbursements transactions.
- Setting up of initial transaction details and any changes will be the responsibility of the Business Manager, but will not be authorised by the Business Manager.
- All documentation is to be stored securely in the Business Manager's Office or the Eltham Primary School archives.
- Creditors requesting payment by internet banking (Commbiz), must have banking details displayed either on an invoice, letterhead or email correspondence.
- Administration and access to internet banking is to be controlled by the Business Manager and/or the Principal.
- At the beginning of each year the School Council will review and formally document this Electronic/Internet Banking Policy as required by the school's audit program.

- Documentation kept by the school confirming all transactions such as merchant copies of EFTPOS receipts, void receipts, refunds, daily EFTPOS reconciliation reports, authorisation details, relevant CASES21 reports.
- Register kept for all void or refund transactions.
- Procedures and documentation for processing phone and offline receipts and refund transactions.
- EFTPOS documentation concerning passwords will be kept in the school safe.
- Authorised users of EFTPOS facilities; Business Manager and authorised Administrative staff members.

EFTPOS

- The Principal of Eltham Primary School will ensure all staff operating the merchant facility are aware of security requirements.
- School council minutes must record which staff are authorised to process transactions.
- No "Cash Out" will be permitted on any school EFTPOS facility.
- Eltham Primary School will EFTPOS transactions via telephone or post.

Direct Debit

- All direct debit agreements must be approved and signed by school council prior to implementation.
- The school council requires all suppliers to provide tax invoices/statements to the school prior to direct debiting any funds from the school's account
- A direct debit facility allows an external source to a pre-arranged amount of funds from the school's official account on a pre-arranged date. Any such payments will be authorised as appropriate and required.
- Eltham Primary School will ensure adequate funds are available in the Official Account for the "sweep" of funds to the supplier.

Direct Deposit

- Eltham Primary School utilises a "two user authorisation of payments" banking package, as it contains a greater degree of security and access controls.
- Creditor details will be kept up to date and the treatment of GST for creditors will be monitored.
- Payment transactions will be uploaded as a batch through the CASES21 system.
- All payments made through the internet banking system must be authorised by two authorised officers.
- The various internal controls that need to be considered include:
 - the identification of staff with administrative/authorisation responsibilities
 - the identification of payment authorisers (the Principal and other designated officer)

- the allocation and security of personal identification number (PIN) information or software authorisation tokens
- the setting up of payee details in CASES21
- the authorisation of transfer of funds from the official account to payee accounts
- alternative procedures for processing, using the direct deposit facility, for periods of Business Manager's and Principal leave of absence.

BPay

Eltham Primary School school council will approve in writing the school council's decision for the utilisation of BPAY.

Payments made by BPay are subject to the same requirements as for all transactions relating to accounts such as:

- purchase orders
- tax invoices/statements
- payment vouchers
- signed screen prints and payee details
- relevant CASES21 reports etc.

This includes a requirement for the principal to sign and date BPay transaction receipts attached to authorised payment vouchers.

FURTHER INFORMATION AND RESOURCES

Related School Policies

- Fundraising Policy
- Parent Payment Policy
- Petty Cash Policy
- Cash Handling Policy

Related DET Resources

- [School Financial Guidelines](#) Finance Manual for Victorian Government Schools
 - [Section 3 Risk Management](#)
 - [Section 4 Internal Controls](#)
 - [Section 10 Receivables Management and Cash Handling](#)

Available from: [School Financial Guidelines](#)

- [Schools Electronic Funds Management Guidelines](#)
- CASES21 Finance Business Process Guide
 - [Section 1: Families](#)
- [Internal Controls for Victorian Government Schools](#)
- [ICT Security Policy](#)
- [Public Records Office Victoria](#)
- [Archives and Records Management Advice for Schools.](#)

REVIEW CYCLE

THIS VERSION	LAST UPDATED	STATUS	DUE FOR REVIEW
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FIRST ISSUED			
2017	2018	This policy will be reviewed annually or as necessary due to changes in regulations or circumstances	2019