 ***Castlemaine Primary School* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Electronic Funds Management Policy**

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# Help for non-English speakers

If you need help to understand the information in this policy, please contact Castlemaine Primary School on 03 5472 1452 or castlemaine.ps@education.vic.gov.au

**Purpose**

To outline the school’s use of electronic funds, the scope of the implementation, internal controls required to be implemented, permissions and delegations, retention and storage of documentation etc.

# Policy

In order to facilitate receipt of funds and the purchase of goods and services, the school allows the following types of electronic transactions:

**Electronic Payment of Accounts**

* Direct Debit
* BPAY Payments
* Direct Deposit

**Electronic Revenue**

* Electronic Funds Transfer Point of Sale (EFTPOS)
* BPAY Receipts

The school *does not allow* for any other third-party transaction services, such as PayPal.

Each of the electronic transaction types will comply with controls for implementation, permissions and delegations, as well as retention and storage of documentation as described below.

# Electronic Payment of Accounts

## Direct Debit

**The school may use Direct Debit as a way to make routine and regular payments for goods and services.**

All suppliers/creditors offering the direct debit facility will require a ‘direct debit request’ authority from the school. The authority should be signed by the principal and a duplicate copy retained.

The school must carefully read and consider the terms and conditions for each direct debit facility prior to signing. Each supplier’s terms and conditions must have the following minimum standards are in place:

* at least 14 days’ notice in writing if there are changes to the terms of the drawing arrangements
* information relating to the school’s official account be treated with confidentially except where required for the purpose of conducting direct debits with the financial institution
* where the due date is not a business day, the creditor will draw from your official account on the nearest business day
* the school’s ability to alter the drawing arrangements, subject to terms and conditions
* the school’s access to appropriate recourse where a drawing is considered to have been initiated incorrectly.

The school must ensure that it receives a tax invoice/statement from each supplier prior to the 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 must be contacted immediately and the issue resolved or the direct debit cancelled.

The following information is to be retained for all direct debits:

* all details provided by the supplier relating to the amount, date of direct debit and regularity of the payment
* original payment approval usually via an application for direct debit form, signed by the Principal and School Council President
* schedule and timing of deductions (if not included in the above)
* all related billing and statement details
* input into the relevant CASES21 Finance reports

## BPAY Payments

**The school may use the BPAY facility to make payments for goods and services.**

The financial institution the school uses for its official account will require a formal registration and authorisation from the school.

The school must carefully read and consider the terms and conditions accompanying the facility prior to registration.

The school will receive an invoice in the normal manner. The invoice should then 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. This printed receipt should then be attached to the original payment approval/invoice.

The following information is to be retained for all BPAY payments:

* original signed payment approval and creditor invoice
* all related billing and statement details
* printout of BPAY receipt (if processed through the internet), clearly displaying BPAY receipt reference number and date of transaction
* if the phone is used to action a BPAY payment, the BPAY receipt number and date of transaction should be noted on the original payment approval/invoice information.
* the Principal should verify that the details on the tax invoice are identical to the screen print, particularly the biller code and BPAY reference number
* input into the relevant CASES21 Finance reports

## Direct Deposit

**The school may use direct deposits to make payments for goods and services.**

Internal controls for direct deposit payments are:

* each must be authorised by the Principal and School Council President
* the allocation and security of personal identification number (PIN) information or software authorisation tokens must be kept in a secure location
* the authorisation transfer of funds from the official account to payee account(s)
* payee details are to be setup in CASES21

The following information must be retained for all direct deposits:

* all related billing and statement details
* the provision of printed documentation to finance committee, school council and school auditors
* relevant CASES21 Finance reports

# Electronic Revenue

## Electronic Funds Transfer Point of Sale (EFTPOS)

**The school may use the EFTPOS facility to receive payments.**

The internal controls for EFTPOS are:

* documentation must be 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
* the Business Manager and other authorised office staff may process EFTPOS transactions
* a register of void or refund transactions must be kept for 7 years on the premesis
* documentation for the procedures of processing phone and offline receipts and refund transactions are to be maintained
* setting of minimum and maximum refund transaction limits
* reconciliation of monthly EFTPOS statement received from the school’s financial institution with CASES21 transaction records
* reconciliation of daily EFTPOS settlement statements with CASES21 transactions

The school must ensure the information collected in order to undertake EFTPOS transactions must only be used for the specified invoice.

Any written information about the transaction must be filed in a secure location with restricted access.

Full card details including card number, expiry date and security code (when required) should be obtained and confirmed by discretely reading them back to the customer and the transaction should be processed while customer is on the phone.

The name of the cardholder should be the same as the name on the invoice. If the names are different a query should be raised with the debtor as to the reason for the difference. Once satisfied that the transaction is valid the principal or authorised office staff should sign the form to approve the transaction including verification of the identification.

The internal controls for EFTPOS refunds are:

* the document should be filed securely with limited access
* refunds can only be made to the account of the cardholder that made the original payment.
* EFTPOS transaction refunds must not be made by cash
* if the refund is not performed on the same day as the receipt, the school should not process the refund until they have confirmed the funds have been credited to their official account by the settling bank
* cardholders should be notified that it could be 2-3 business days before the refund may reach their account
* the cardholder should be given the customer copy of the refund voucher and must sign the merchant copy which is to be retained by the school
* the EFTPOS refund should be processed on the terminal and CASES21 on the same day. The original receipt and merchant copy of the refund is to be attached to the CASES21 payment voucher which must be checked and approved by the authorised account signatories before being processed on the EFTPOS terminal
* the refund should be recorded in the EFTPOS void or refund register

The following information is to be retained for all EFTPOS transactions:

* register of approved school users
* register of voided/refunded transactions
* proforma/documents containing transaction details
* merchant copies of EFTPOS terminal receipts, voided/cancelled receipts and settlement documents
* applicable CASES21 reports
* daily EFTPOS reconciliation reports and documentation in support of refunds and/or adjustments.

## BPAY Receipts

**The school may use the BPAY facility to receive payments.**

BPAY receipting for families has been introduced into CASES21 Finance and which allows the school to provide BPAY facilities.

The internal controls for BPAY payments are:

* documentation must be kept by the school confirming all relevant CASES21 reports
* reconciliation of CASES21 transaction records

# Compliance

## Internal Controls

The internal controls to support the use of electronic funds that minimise the potential financial risk to the school and its available funds are:

* School council must review annually (or when staff change) the current list of staff with authority to approve purchase orders, pay invoices, receive funds and extend this review to electronic procedures.
* Access levels to proprietary applications must be in line with approved delegations. All changes to financial delegations must be included in school council minutes and filed appropriately as a permanent record.
* Proper authorisation and approval of both the initial setting up of account details and any subsequent transactions against the account(s).
* Completeness and accuracy of all details so they can be verified by the Principal or Business Manager.
* Security and confidentiality of passwords and data are maintained at all times by the Principal and Business Manager.
* Documentation kept by the Business Manager for years on premises confirming all transactions related to the account(s) such as purchase orders, tax invoices, payment vouchers, payroll listings, relevant CASES21 reports.
* Payments and other processing is made by the Business Manager.
* All payments must be authorised by the Principal and School Council President.
* Submitted to school council for financial reporting and monitoring.
* Follow bank-imposed security measures.

## Privacy

The use of electronic payments and receipts will require the school to acquire and retain customer information in accordance with *Schedule 1 of the Victorian Information Privacy Act 2000*.

## Records Management, Storage, Archives, and Disposal

Providing electronic payments and receipts need to maintain these guidelines, as per the Public Records Act 1973. Records documenting the management of banking activities, including deposit records, bank statements, bank reconciliation statements, investment and dividend statements, and records documenting the use of credit cards have a temporary disposal action status as per 5.1.3 of the PROS 07/01 General Retention & Disposal Authority for Records of Common Administrative Functions: destroy 7 years after the completion of the financial year in which the record was created.

The secure storage and disposal of records documenting the use of credit cards must meet the requirements of both the Victorian Information Privacy Act 2000 and the Public Records Act 1973.

Records may only be destroyed in line with the Public Records Office guidelines, by approved methods of destruction. Burying or dumping records are not approved methods of destruction.

Related CPS policies

* Cash Handling Policy
* Purchasing Policy
* Investment Policy

Related Department policies

* [Schools Electronic Funds Management Guidelines](http://www.education.vic.gov.au/Documents/school/principals/finance/Fin%20Schools%20Electronic%20Funds%20Management%20Guidelines%20V1_2.doc)
* [Internal Controls for Victorian Government Schools](http://www.education.vic.gov.au/school/principals/finance/Pages/guidelines.aspx)

Related legislation

* *Education Training and Reform Regulations 2007*, section 37(1) Revenue and Expenditure
* *Public Records Act 1973*
* *Victorian Information Privacy Act 2000*
* *PROS 07/01 General Retention & Disposal Authority for Records of Common Administrative Functions*
* *PROS 01/01 General Disposal Schedule for School Records*

**COMMUNICATION**

This policy will be communicated to our staff in the following ways:

* Included in staff induction processes for all staff who are involved in funds management
* Included in staff handbook/manual for relevant staff

**Further Information and Resources**

* Finance Manual for Victorian Government Schools
	+ [Section 3 Risk Management](https://www2.education.vic.gov.au/pal/risk-management-finance-manual-section-3/policy)
	+ [Section 4 Internal Controls](https://www2.education.vic.gov.au/pal/internal-controls-finance-manual-section-4/policy)
	+ [Section 10 Receivables Management and Cash Handling](https://www2.education.vic.gov.au/pal/receivables-management-and-cash-handling-finance-manual-section-10/policy)

Available from: [Finance Manual — Financial Management for Schools](https://www2.education.vic.gov.au/pal/finance-manual/policy)

* [Schools Electronic Funds Management Guidelines](http://www.education.vic.gov.au/Documents/school/principals/finance/Fin%20Schools%20Electronic%20Funds%20Management%20Guidelines%20V1_2.pdf)
* CASES21 Finance Business Process Guide
	+ [Section 1: Families](https://edugate.eduweb.vic.gov.au/edulibrary/Schools/Forms/AllItems.aspx?RootFolder=%2fedulibrary%2fSchools%2fCASES21%2fCASES21%20Finance%2fFinance%20Business%20Process%20Guide&FolderCTID=&View=%7b393E28AF%2d9188%2d49EC%2d9B2F%2d5B1CA6BF217D%7d)
* [Internal Controls for Victorian Government Schools](http://www.education.vic.gov.au/Documents/school/principals/finance/Fin%20Internal%20Control%20document%20v3.2.pdf)
* [ICT Security Policy](https://edugate.eduweb.vic.gov.au/Services/IT/ITPolicies/Pages/Responsibilities.aspx)
* [Public Records Office Victoria](https://www.prov.vic.gov.au/)
* [Records Management — School Records](https://www2.education.vic.gov.au/pal/records-management/policy)

**POLICY REVIEW AND APPROVAL**

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| Policy last reviewed  | 8/3/23 |
| Approved by  | School Council  |
| Next scheduled review date  | March 2024 |