



Electronic Funds Management Policy

Electronic funds management 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/Credit, BPay and EFTPOS. Other forms of internet banking are effectively on a 'pay anyone' basis, eg. Direct Deposit from the College's official account.

Electronic Expenditure

Direct Debit

A Direct Debit facility effectively allows an external source, eg. financial institution or supplier, to remove or 'sweep' funds pertaining to a pre-arranged amount and date from the College's official bank account on a regular or ad hoc basis.

Prior to agreement with a supplier to utilise the Direct Debit payment option, the College will ensure that it receives in writing from the supplier all relevant details of the Direct Debit, for example the actual amount, the day/date on which payment will be processed, and the regularity of the payment should be included in these details. Records required:

- 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 Principal and a designated signatory of the College Council).
- Schedule and timing of deductions (if not included in the above).
- All related billing and statement details.
- Relevant CASES21 Finance reports.

BPay

BPay is a secure electronic banking product identified on a supplier/creditor account with a unique biller code. BPAY is essentially an alternative to payment by cheque and employs the use of electronic (internet), telephone or 'pay in person' for transfer of funds from the school's official account to the supplier.

The College 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.. Records required:

- 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.
- Principal should verify that the details on the tax invoice are identical to the screen print, particularly the biller code and BPAY reference number
- Relevant CASES21 Finance reports.

'Pay Anyone' facility – Direct Deposit

This is a form of internet banking that is effectively on a 'pay anyone' basis for example Direct Debit using the school level payroll. It provides schools with the freedom and flexibility to pay anyone (creditor, local payroll employee) by nominating their BSB and Account Number. The following will be implemented in the use of this method of payment.

- the identification of all 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.
- 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 account(s).
- For payroll payments the following authorisation steps will be implemented:
 - print the screen for each individual's pay prior to processing the final payment screen
 - obtain the principal's signature on the printout;
 - the principal or his authorised delegate will process the final authorisation screen.
- For creditor payments the following authorisation steps will be implemented:
 - print the payment screen ensuring key transaction details such as creditor name, address, account number, BSB number, description and quantity of goods and payment amount are visible
 - attach the printout to the original tax invoice
 - obtain the principal's signature on the printout
 - principal should verify that the details on the tax invoice are identical to the screen print, particularly the BSB and account number details

- The retention of a 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.
- In the absence of the principal and/or business manager, the relieving officer with suitable password access will be authorised to process payments.
- A requirement that the principal sign and date the internet transaction receipt, and attach this to the authorised payment voucher.
- The safe and secure storage of all documentation.
- The provision of printed documentation to finance committee, School Council and school auditors.
- The continual review of the "School Council Electronic Funds Management Procedures' (at least once per year) to confirm/enhance internal controls.

Commonwealth Bank product, CommBiz, is used by Merbein P-10 College Council as it contains a greater degree of security, access and inherent internal controls.

Electronic Revenue

The College is able to accept alternative methods to cash, cheque or direct deposit receipts into the official account via the following methods:

- EFTPOS
- BPAY

Electronic Funds Transfer Point of Sale (EFTPOS)

Use of EFTPOS allows the College to increase the options and convenience provided to parents/debtors, as well as improves security by reducing the amount of cash handled and kept on school premises.

The principal will be responsible for ensuring that staff members operating the merchant facility are made fully aware of security requirements, and that all data obtained through processing EFTPOS transactions remains safe from fraud. Staff authorised to process transactions should be minuted at school council and entered into a register.

The following will be implemented in the use of EFTPOS receipting:

- appointment by school council of an authorising officer for approval of phone and refund transactions (principal and/or their delegate)
- physical security of EFTPOS machines
- 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
- the appropriate segregation of duties to ensure and maintain the security, accuracy and legitimacy of transactions.
- staff familiarisation with the EFTPOS facility's functionality and User Guide provided by Financial Institution
- register of void or refund transactions
- procedures and documentation for processing phone and offline receipts and refund transactions

- 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.
- Cash Out facility will not be provided
- College EFTPOS terminals will be connected to the bank via phone connection and not via the internet.
- The College will accept EFTPOS transactions by phone/mail for credit cards only. Both the EFTPOS and CASES21 receipt will be forwarded to the cardholder as their record of the transaction.
- void transactions will be processed on the same day as the original transaction. All documentation relating to the original transaction will be obtained, the void transaction will be signed by the cardholder, copies of both the original and voided transactions are retained for audit purposes and the school copy will be signed by the authorised officer. The transaction details will be recorded in an EFTPOS 'void transaction' register.

The following information is to be retained:

- minutes of school council meeting approving the use of the facility
- EFTPOS policy approved by school council
- 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

BPAY is an electronic bill payment service providing families with the option of paying their school account at any time, day or night, on any day of the year via telephone or internet banking.

BPAY receipting for families has been introduced into CASES21 Finance and will allow the College to provide BPAY facilities to its families.

THE Department's default BPAY provider is the Westpac bank.

When families pay via BPAY the information is transferred from their bank account to Westpac Clearing House and then Westpac process the payment through to your School Council Official Account. BPAY receipts will be automatically transferred to CASES21 to the family account. The receipts will then be allocated to the correct invoices.

Fees associated with BPAY transactions will be debited from the School Council official account.

Any variance between the batch total and the total deposit in the Official account **must** be investigated and details documented and filed with the batch report.

This policy was last approved by school council on February 27, 2019 and is scheduled for review in February 2020.