## Clarinda logo

**Electronic Funds Management Policy**

**Help for non-English speakers**

If you need help to understand the information in this policy please contact Clarinda Primary School on 95443231 or clarinda.ps@education.vic.gov.au

**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.

**SCOPE**

This policy applies to all staff/responsible persons involved in the management of funds electronically and all transactions carried out by Clarinda Primary School via the methods set out in this policy.

**Policy**

Clarinda Primary School has developed this policy consistently with the [Schools Electronic Funds Management Guidelines](http://www.education.vic.gov.au/Documents/school/principals/finance/Fin%20Schools%20Electronic%20Funds%20Management%20Guidelines%20V1_2.pdf) and [Section 4 Internal Controls](https://www2.education.vic.gov.au/pal/internal-controls-finance-manual-section-4/policy) of the Finance Manual for Victorian Government schools.

**IMPLEMENTATION**

Clarinda Primary School School Council requires that all actions related to internet banking are consistent with The Department’s [Schools Electronic Funds Management Guidelines](http://www.education.vic.gov.au/Documents/school/principals/finance/Fin%20Schools%20Electronic%20Funds%20Management%20Guidelines%20V1_2.pdf).

Clarinda Primary School School Council approves the use of CommBiz as the approved software for all internet banking activities as individual authority and security tokens are required.

All payments through internet banking software must be consistent with Department requirements and must be authorised by the Principal and one other member of School Council nominated by the School Council.

Clarinda Primary School School Council will determine how refunds will be processed and any refunds processed through the EFTPOS terminal will be printed and attached to the appropriate batch report.

Clarinda Primary School will undertake maintenance and upgrading of hardware and software as required.

Clarinda Primary School will ensure proper retention/disposal of all transaction records relating to accounts such as purchase orders, tax invoices/statements, vouchers, payroll listings and relevant CASES21 reports.

**ELECTRONIC RECEIPTS**

Schools can accept alternative methods to cash or cheque receipts into the official account whichallows the school to increase the options and convenience provided to families and improves security by reducing cash kept on the premises. The following alternative methods are offered:

* **EFTPOS**
* **BPAY**
* **Third party internet revenue collection (Compass Pay)**

**EFTPOS – (Electronic Funds Transfer Point of Sale)**

EFTPOS provides the school with the ability to accept non cash payments by way of credit and debit card.

The Principal of Clarinda Primary School will ensure all staff operating the merchant facility are aware of security requirements. At our school, this includes:

* Storage of the EFTPOS machine in a secure location at all times.
* Ensuing the passcode allowing access to the EFTPOS machine is maintained.
* Setting a maximum refund limit of $200.
* EFTPOS is used for payments only with no ‘cash out’ facility.
* Copies of all EFTPOS receipts will be kept with the Financial Records of the school.
* EFTPOS transactions are reconciled on a daily basis with CASES21 finance.
* School Council minutes must record which staff are authorised to process transactions.
* Clarinda Primary School will accept EFTPOS transactions via telephone or post. A MOTO transaction will be used which records cardholder name, date of transaction, amount and card details for the purpose of the transaction.

**BPAY**

The school will allow the use of BPAY as a form of receipt from families and debtors. Each payer has a unique identification code, which will be used to identify the payer. Monies will be receipted and reconciled to the Bank account.

**THIRD PARTY REVENUE COLLECTION (COMPASS PAY)**

Schools can engage a third party or product to facilitate electronic payments by way of credit and debit card transactions through a secure payment gateway.

Compass Pay provides a safe and convenient way for payments to be made to the school by families directly.

Payments are processed and reconciled to the school bank account daily and relevant documentation is to be retained as per department guidelines for audit purposes.

**ELECTRONIC PAYMENTS**

**Electronic Payments can be made from the official account via the following methods:**

* **Direct Debit**
* **BPAY**
* **Direct Deposit**

**DIRECT DEBIT**

* A direct debit facility allows an external source eg: Vic Super (superannuation), Commonwealth Bank (bank fees), Melbourne Finance (computer lease), Lease It Ltd (photocopy lease) to withdraw funds of a pre-arranged amount from the official account on a pre-arranged date. Any such payments will be authorised as appropriate and required.
* Clarinda Primary School Council will approve in writing all direct debit agreements.
* 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.
* Clarinda Primary School will ensure adequate funds are available in the Official Account for the “sweep” of funds to the supplier.

**BPAY**

B’Pay is a secure electronic banking product identified on a supplier/creditor account with a unique biller code, eg: Optus, South East Water, Zero 3 Telecom

Clarinda Primary 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

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

**DIRECT DEPOSIT**

* Direct Deposit via an Internet banking facility provides the school with the flexibility to pay creditors or school level payroll employees directly into their nominated bank account as they nominate their BSB and account number.
* Clarinda 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 allocation and safe, secure and confidential storage of information and data, including the storage of PIN’s and security tokens in the school safe.
	+ the identification of staff with administrative responsibilities [e.g. Business Manager to access statements and upload batches]
	+ the identification of staff with authorisation/signatory responsibilities [e.g. The Principal and School Council delegate for the authorisation of payments]
	+ the Business Manager must not have banking authorisation/signatory responsibilities other than for the transferring of funds between school bank accounts.
	+ the setting up of payee details in CASES21
	+ the authorisation of transfer of funds from the official account to payee accounts
	+ the retention of printed payment receipts that display all details of a payment to confirm payment details.
	+ the provision of printed documentation to the finance committee, School Council and auditors as required.
	+ alternative procedures for processing, using the direct deposit facility, for periods of Business Manager’s and Principal leave of absence.

**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
* Annually to the School Finance Sub Committee and School Council

**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  | July 2022 |
| Approved by  | School Council  |
| Next scheduled review date  | July 2023 |