

ELECTRONIC FUNDS MANAGEMENT POLICY



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).

As per the *Education Training and Reform Regulations 2007*, section 37(1) Revenue and Expenditure, at Ivanhoe Primary School all cheques and negotiable instruments drawn on any account kept under the control of the School Council will be authorised by the Principal or the Principal's delegate and a member of the school council nominated by the school council for that purpose.

The school Business Manager cannot be nominated as an authorised person under this regulation.

Ivanhoe Primary School will develop and gain endorsement of an Electronic Funds Management policy that outlines decisions made by School Council regarding the schools use of electronic funds, the scope of the implementation, internal controls required to be implemented, permissions and delegations, as well as retention and storage of documentation.

Guidelines

- School Council has authorised the use of internet banking at our school for the Commonwealth Bank Official Account.
- School Council approves Commonwealth Bank Internet Banking as the approved software for our internet banking activities.
- School Council requires that all actions related to internet banking are consistent with DET's *'Schools Electronic Funds Management Guidelines.'*
- The School's Business Manager will be responsible for setting up the initial transaction details through CASES21 and the Commonwealth Bank but cannot be nominated to authorise final payment.
- All payments through internet banking software are simply another form of payment from the school's Official & Library Fund accounts and consistent with DET requirements and must be authorised by the Principal plus one other authorised member of School Council.
- Direct Deposit into a supplier's account is the preferred internet banking practice of our School Council.
- Other methods of payment may be introduced subject to their endorsement by the School Council.

Internal Controls

Ivanhoe Primary School internal controls include:

- School council will review the current list of staff with authority to approve purchase orders, pay invoices, receive funds and extend this review to electronic procedures, including the upper dollar limit.
- Access levels to proprietary applications will be in line with approved delegations. All changes to financial delegations will 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 School Council
- Security and confidentiality of passwords and data at all times. Compliance with all bank imposed security measures, limits and requirements.
- Documentation will be kept by the school confirming all transactions related to the account(s) such as purchase orders, tax invoices, payment vouchers, payroll listings, relevant CASES 21 reports.
- The appropriate segregation of duties to ensure and maintain the accuracy and legitimacy of accounts and transactions. This will be implemented by alternating sequential tasks, so that no one person has complete responsibility for the entire transaction, and provides that some separation occurs between key activities. Functions that will be separated include authorisation, payment, custody and recording.

To maintain appropriate school internet banking procedures and practices, Ivanhoe Primary School will consider the information available on the Education Department's Financial Management website in the areas of *Internal Control for Schools* and the *School Finance Manual*.

Payments through internet banking software are effectively just another form of payment and as such, all payments will be authorised by two nominated people.

Direct Deposit

- A direct deposit facility allows the electronic transfer of a payment directly from the School Official Account to the recipient's account.
- The School Council requires all suppliers to provide tax invoice/statements to the school prior to the school direct depositing any funds from the school's account into the creditor's account.

BPAY

- BPAY is an approved method of payment for Ivanhoe Primary School.
- BPAY is a secure electronic banking product identified on a supplier/creditor account with a unique biller code.
- All of the standard controls and processes related to creating and paying orders will be met.
- Council requires that BPAY payments are made via the internet.

Direct Debit

- Direct Debit is an approved method of payment for Ivanhoe Primary School.
- A direct debit facility allows an external source such as a regular supplier to deduct / debit funds of a pre-arranged amount from our school's official account on a pre-arranged date. Typical examples may include annual insurance premiums or monthly lease payments.
- School Council requires all suppliers to provide tax invoice/statements to the school prior to direct debiting any funds from the school's account.

EFTPOS

- The Principal of Ivanhoe Primary School, will ensure all staff operating the merchant facility are aware of security requirements.
- At our school, this includes:
 - Ensure the information collected in order to undertake EFTPOS transactions must only be used for the specified invoice.
 - The proforma should be filed in a secure location with restricted access.
 - 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 authorised officer should sign the form to approve the transaction including verification of the identification. 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 the customer is on the phone.

Both the EFTPOS and CASES21 receipt must be forwarded to the cardholder as their record of the transaction.

- No “Cash Out” will be permitted on any school EFTPOS facility.
- Ivanhoe Primary School will accept EFTPOS transactions via telephone or post.
- Ivanhoe Primary School will allow locally raised funds to be processed through EFTPOS.

This Electronic Funds Management policy will be reviewed annually by School Council to confirm or enhance internal control procedures.

REVIEW PERIOD

This policy was last updated 05/02/2020 and is scheduled for review in February 2021.