

FRANKSTON HIGH SCHOOL

SCHOOL ELECTRONIC FUNDS MANAGEMENT POLICY

Approved February 2021

POLICIES AND PROCEDURES

Introduction

Frankston High School Council encourages maximisation of school revenue and minimisation of school expenses. To utilise the benefits of electronic funds whilst ensuring the schools procedures and internal controls meet the Department of Education & Training requirements in accordance with "Education & Training Reform Regulations 2007".

Schools are able to accept and provide alternative payment methods to cash or cheque by utilising Electronic Funds Transfer Point of Sale (EFTPOS), Internet Banking and Third Party Revenue Collection such as Compass and BPAY.

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).

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

- Direct Debit
- BPAY
- Direct Deposit

Schools are able to accept alternative methods to cash or cheque receipts into the official account via the following methods:

- EFTPOS
- BPAY
- Third party internet revenue collection

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

Use of this form of revenue collection allows schools 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.

Internal Controls - Third Party Internet Revenue Collection

Internal controls of third party internet revenue collection shall be consistent with DET internal policy frameworks including:

- Authorisation of all users by the Principal and a Member of School Council nominated by the school for this purpose – e.g. Deputy Treasurer of the Finance Sub-Committee (Currently Cathy Hogg)
- All transfer of funds from a third party internet revenue collection company will be paid directly to the School Council Official Account
- All transactions generated by a third party internet revenue collection company will be recorded in CASES 21

- The validity and authenticity of the third party internet revenue collection company will be assessed on a regular basis
- The website security controls in use will be identified and recorded
- Complete and accurate details will be maintained so they can be verified by a responsible officer
- Data will remain secure and confidentiality maintained at all times
- Documentation will be retained by the school confirming all transactions related to the account(s) such as purchase orders, invoices, payment vouchers, screen prints of payee(s) details, screen prints of transaction(s) confirmation details, relevant CASES21 reports, void receipts, refunds, reconciliation reports, authorisation details
- The appropriate segregation of duties to ensure and maintain the accuracy and legitimacy of accounts and transactions
- All transactions will be ratified at School Council
- All users, administrators and School Councillors are obliged to adhere to the requirements of regulations, rules and expectations of the DET and the School Council not withstanding anything contained in this policy.

Internal Controls - Eftpos Terminals

Processing Transactions

If it is determined at the time of the transaction and prior to entering the receipt on CASES21, that an error has occurred, for example an incorrect amount is processed, the School should "void" the transaction via the EFTPOS terminal. The authorised officer will refer to the instructions provided in the EFTPOS facility user guide to ensure that this is processed correctly.

Key internal controls relating to the reversal of incorrect EFTPOS transactions include:

- Void transactions must be processed on the same day as the original transaction. After that period it must be treated as a refund as per the procedures under 'Refunds' included in these guidelines
- All documentation relating to the original transaction must be obtained
- The void transaction must be signed by the cardholder
- Copies of both the original and voided transactions should be retained for audit purposes
- The school copy should be signed by the authorised officer and where possible this should not be the operator who processed the original receipt. The transaction details should be recorded in an EFTPOS 'Void Transaction' register.

Banking

There are three factors schools will need to consider when determining how to process EFTPOS receipts in CASES21 Finance either via a normal receipt batch that contains cash and/or cheques, or as a separate EFTPOS only receipt batch. These factors are:

- A Settlement* must be run on the EFTPOS terminal at the end of each day
- The volume of EFTPOS transactions undertaken by the school
- How often banking is undertaken.

Frankston High School adopts the following process for EFTPOS receipts:

- Schools include EFTPOS receipts in a normal receipts batch with cash and/or cheque receipts that is updated at the end of each day. This option helps to reduce the number of batches opened each day
- The Settlement* on the terminal is also performed at the same time as the batch is updated. The EFTPOS total (Batch total less Bank Deposit Slip total) should match the Settlement* total (unless adjustment is required for a refund)
- On the Bank Reconciliation, the EFTPOS total for that date should match the direct credit amount paid by the bank.

Frankston High School performs the settlement process where the days EFTPOS transactions are closed off for the day and a total is determined.

Information to be Retained by School

- Schools should retain the following information in relation to use of an EFTPOS facility:
- Minutes of School Council meeting approving the use of the facility
- EFTPOS policy approved by School Council
- Register of voided transactions
- Merchant copies of EFTPOS terminal receipts, voided/cancelled receipts and settlement documents
- Applicable CASES 21 reports
- Daily EFTPOS reconciliation reports and documentation in support of any adjustments.

Internal Controls - Internet Banking

- Payments through Internet banking software must be authorised by the Principal and a member of the School Council nominated to authorise payments
- The school Business Manager cannot be nominated as an authoriser even if he/she is a member of School Council
- Internet Banking may be used for payment of invoices and Local Payroll including 'Direct Debit' and 'Pay Anyone' transactions
- Setting up of initial transaction details and any changes will be the responsibility of the Business Manager or Office Manager. An authorised officer will verify accuracy of all details
- Changes to creditor and payee details will be in writing and authorised by an approving officer
- All documentation required for electronic payments will be obtained, completed, checked and authorised by approving officers as per Department guidelines
- 'Pay Anyone' transactions will be checked and authorised by the Principal and a second authorised signatory. The Business Manager or delegate will be responsible for inputting payment details from CASES 21 processing
- School Council is to be provided with and approve the list of personnel/suppliers/creditors that are paid by 'Pay Anyone' including additions/alterations to the list if they occur.

Review and Approval

This policy will be reviewed by the Principal and Business Manager in consultation with the Finance Committee and presented to School Council for approval each year.