

# Electronic Funds Management Policy

---

## Purpose

This policy sets out requirements for schools and school councils when managing school-related finances.

## Scope

This policy applies to:

- all staff/responsible persons involved in management of funds transacted electronically
- all transactions carried out by Hillsmeade Primary School via the methods set out in this policy

## Policy

The school has developed this policy consistently with the [Section 4 Internal Controls of the Finance Manual – Financial Management for Schools](#).

## Implementation

- School Council requires that all actions related to internet banking are consistent with [Section 4 Internal Controls of the Finance Manual – Financial Management for Schools](#)
- The School Council approves the use of Combiz 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 Council.
- School Council will determine how refunds will be processed and any refunds processed through the EFTPOS terminal [if permitted by the school] will be recorded in a refund register.
- The school will undertake maintenance and upgrading of hardware and software as required.
- The 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 Funds Management Policy

---

---

## EFTPOS

- The Principal will ensure all staff operating the merchant facility are aware of security requirements. This includes:
  - delegations – 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.
  - IT Security - access levels to proprietary applications should be in line with approved delegations. All changes to financial delegations should be included in 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 a responsible officer
  - security and confidentiality of passwords and data at all times
  - documentation kept by the school confirming all transactions related to the account(s) such as purchase orders, tax invoices, payment vouchers, payroll listings, relevant CASES21 reports
  - the appropriate segregation of duties to ensure and maintain the accuracy and legitimacy of accounts and transactions. This can be implemented, by alternating sequential tasks, so that no one person has complete responsibility for the entire transaction, provided that some separation occurs between key activities. Functions that should be separated include authorisation, payment, custody and recording.
  - School Council reporting and monitoring
  - bank imposed security issues
- Council Minutes must record which staff are authorised to process transactions.
- No “Cash Out” will be permitted on any school EFTPOS facility.
- The school will accept EFTPOS transactions via telephone or post.
- The school will not provide refunds via EFTPOS.

## Direct Debit

- All direct debit agreements must be approved and signed by School Council prior to implementation.
- The Council requires all suppliers to provide tax invoices/statements to the school prior to direct debiting any funds from the school’s account
- A direct debit facility allows an external source such as superannuation providers, etc. to a pre-arranged amount of funds from the school’s official account on a pre-arranged date. Any such payments will be authorised as appropriate and required.

# Electronic Funds Management Policy

---

---

- The school will ensure adequate funds are available in the Official Account for the “sweep” of funds to the supplier.

## Direct Deposit

- The 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 identification of staff with administrative/authorisation responsibilities [e.g. the 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 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 accounts
  - alternative procedures for processing, using the direct deposit facility, for periods of Business Manager’s and Principal leave of absence.

## BPay

The School Council will approve in writing the 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 etc.

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

# Electronic Funds Management Policy

---

---

## Further Information & Resources

- Financial Manual - Financial Management for Schools July 2020 and Reviewed September 2020
  - [Section 3 Risk Management](#)
  - [Section 4 Internal Controls](#)
  - [Section 10 Receivables Management and Cash Handling](#)
- [Schools Electronic Funds Management Guidelines](#)
- CASES21 Finance Business Process Guide
  - [Section 1: Families](#)

### References:

<https://www2.education.vic.gov.au/school/pal/finance-manual>

<https://www2.education.vic.gov.au/school/pal/records-management>

## Review Cycle

- This policy, first developed in this format in April 2019, updated in July 2019 and again in February and September 2020, will be reviewed annually (preferably in February) or if guidelines change (latest DET update early September 2020).

A mandatory policy

Approval Required

This update was ratified by School Council April 2021