ELECTRONIC BANKING
POLICY

RATIONALE

School Council has a responsibility to manage school funds and in doing so, has a responsibility to ensure that payments and receipts are made and received in a safe, timely and efficient manner while adhering to the internal controls and guidelines of the Department of Education and Training.

AIM

- To establish a secure Electronic Banking facility for Cavendish Primary School.

- To implement strict internal controls for payments on a 'Pay Anyone' basis, e.g. Direct Debit from the school's official account, using the school level payroll and payments to creditors.

- To provide users with the ability to undertake various banking functions, such as checking account balances, transferring funds between accounts, Direct Debit and Credit and BPay.

GUIDELINES FOR IMPLEMENTATION

- Abide by all DET financial guidelines relating to electronic banking.

- Principal and School Council have responsibility for authorising the setting up the School Council Bendigo Bank electronic banking account using the electronic banking product included within the CASES21finance environment.

- Provide a secure electronic banking system with the Principal, School Council nominated members, and Business Manager assigned individual log in, password and security tokens.

- Ensure all payments through electronic banking are authorised by two people - the school principal and a member of the school council nominated by school council.

- The school business manager cannot be nominated as an authoriser even if he or she is a school council member.

- There will be proper processing and approval of both the initial setting up of account details and any subsequent transactions against the accounts. e.g. Direct Debit and Pay Anyone account details

- Relevant security and confidentiality documents will be held in the locked fireproof safe at all times.

- The Principal and School Council nominated members are not to store security tokens with their Bendigo Bank log in and passwords.

- Documentation confirming all transactions related to the accounts, such as purchase orders, payment vouchers, payroll listings, screen prints of payee(s) details, screen prints of transaction(s) confirmation details and relevant CASES21 reports will be stored in an orderly manner in a secure area.

- There will be appropriate delegation and segregation of duties to ensure and maintain the accuracy and legitimacy of accounts and transactions.

- The segregation of duties will be shared between the Business Manager who initialises and processes the Local Payroll and Creditor payments and the Principal and school council nominated members who must authorise the final payment using their individual security tokens.

References: www.sofweb.vic.edu.au/internet.htm

SPECIFIC GUIDELINES FOR DIRECT DEBIT

Direct Debit - This facility effectively allows an external source, e.g. financial institution or supplier, to remove funds pertaining to a pre-arranged amount and date from the school'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 school will ensure that it receives in writing from the supplier all relevant details of the Direct Debit which include the actual amount, the day/date on which the payment will be processed, and the regularity of the payment

The school will ensure that it receives a tax invoice/statement from each supplier prior to any Direct Debit 'sweep' date each month in order to confirm the accuracy of all payments as well as any cash flow considerations.

If the direct debit differs in amount or timing, the supplier will be contacted immediately and the issue resolved or the direct debit cancelled.

The school will ensure all relevant information is kept. This includes the original Application for Direct Debit Form signed by Principal and a designated signatory of school council, information relating to the amount, date of Direct Debit and regularity of the payment, all related billing and statement details and relevant CASES21 Finance reports.

SPECIFIC GUIDELINES FOR BPAY

BPay – This facility is a secure electronic banking product identified on a supplier/creditor account with a unique biller code. The payee selects either the internet or telephone option to transfer funds from the school's official account to the supplier and follows a series of steps to attach the amount owed to the creditor's account and biller code.

When using BPay the school will ensure that suppliers'/creditors' accounts are always paid by the due date and for the correct amount.

Standard controls related to creating an order, setting up the commitment and determining the date and amount for the transfer will be maintained.

The invoice will 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 then attached to the original payment approval/invoice.

If the phone is used to action a BPay payment, the BPay receipt number and date of transaction will be noted on the original payment approval/invoice information.

The school will ensure all relevant information is kept, including the 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, and all relevant CASES21 Finance reports.

SPECIFIC GUIDELINES FOR 'PAY ANYONE' FACILITY

'Pay Anyone' Facility - This is a form of electronic 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 or local payroll employee) by nominating their BSB and Account number.

The Principal will communicate and raise awareness of the risks involved with using this method of payment and the need for strict internal controls.

School Council will approve in writing the school's decision to use a 'Pay Anyone' internet banking facility, following consideration of the advantages and disadvantages, and internal controls required to be implemented.

Internal Controls will include:

Create a list of all personnel/suppliers/creditors (with accompanying BSB and payroll/account number) to be paid via the 'Pay Anyone' facility with any changes over time approved by the Principal and another school council member.

Abide by existing bank-imposed restrictions or security measures, such as daily withdrawal limits, personal identification number (PIN) information and a list of personnel with administrative/authorisation responsibilities.

Ensure all transactions are appropriately authorised:

For payroll payments, print the screen for each individual's pay prior to processing the final payment screen and obtain the Principal's signature on the printout

For creditor payments, 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 print out to the original tax invoice and have the Principal sign and verify that the details on the tax invoice are identical to the screen print.

Ensure there is segregation of duties for the business manager and principal.

Retain 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.

Ensure there are alternative procedures for processing using the 'pay anyone' facility" for periods of Business Manager and Principal leave or absence, otherwise do not use this facility during those periods.

Require the principal to sign and date the internet transaction receipt, and attach this to the authorised payment voucher.

Ensure safe and secure storage of all documentation.

Provide printed documentation to finance committee, School Council and school auditors.

The school will ensure all relevant information is kept including School Council minutes recording approval of the 'pay anyone' basis of electronic banking, all signed or initialed screen prints as part of the approval to pay creditors/local payroll and all relevant CASES21 Finance reports.

EVALUATION

- This policy will be reviewed annually) by School Council to confirm/enhance controls.
- This policy will be reviewed as part of the school's yearly review cycle.

This policy was last ratified by School Council in....	**February 2020**

References:

DEECD School Internet Banking Guidelines
http://www.education.vic.gov.au/management/financial/policy.htm
Schools Electronic Funds Management Guidelines
http://www.eduweb.vic.gov.au/edulibrary/public/schadmin/Management/Finance/Schools_Electro nic_Funds_Management_Guidelines_V1_20110325.pdf
Internal Control for Schools and School Finance Manual
http://www.eduweb.vic.gov.au/edulibrary/public/schadmin/Management/Finance/Internal_Contro l_document_v3_Final_20111010.pdf
School Policy and Advisory Guide
http://www.education.vic.gov.au/management/governance/spag/default.htm