Glen Waverley Primary School
Established 1960
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INTEGRITY. INITIATIVE. RESPECT. GLOBAL EMPATHY.

Electronic Funds Management Policy

(Ratified by School Council: February 2023)

PURPOSE:

Electronic (Internet) banking offers an online facility that provides the users with the ability to perform various banking functions, such as checking balances, transferring funds between accounts, direct debit, direct deposit, BPAY Payments /receipts and EFTPOS (Electronic funds point of sale)

AIMS:

To utilise the advantages of electronic internet banking for our school whilst simultaneously enhancing banking security, decreasing transaction speed, improving convenience and lessening environmental impact.

IMPLEMENTATION:

- School Council, after carefully considering the costs, benefits, fraud prevention, internal controls, and information privacy implications etc., has authorised the use of Internet banking at our school. In doing so, School Council requires that all actions related to Internet banking are consistent with DE's Schools Electronic Funds Management Guidelines (2015)
- All payments through internet banking software are simply another form of payment from the school's accounts and therefore consistent with the Department's requirements, must be authorised by the principal and one other member of Council. (School Council Nominee)
- School Council approves the use of the National Australia Bank Internet Banking and NAB Connect as the approved software for internet banking activities.

ELECTRONIC PAYMENTS

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

- Direct Debit
- BPAY
- Direct Deposit

Direct Debit

This facility allows for an external source eg. Westpac for purchasing card or Toshiba for lease payments etc.to remove or 'Sweep' funds which relate to a prearranged agreement which could be regular or ad hoc.
The school should ensure it receives a tax invoice for each debit.

BPAY

BPAY is an alternative to paying by cheque. It is a secure electronic banking product identified on a supplier/creditor account with a unique biller code.
The school must ensure suppliers/creditors are paid the correct amount and by the due date.
All of the standard controls related to creating and paying orders are to be met.

Direct Deposit

Direct Deposit via an Internet banking facility provides the school with the freedom and flexibility to pay creditors or school level payroll employees by nominating their BSB and account number at the time of the transaction.
While this facility is particularly convenient and cost effective, it has minimal security. Therefore, internal controls surrounding the process are critical. Such controls include:

1. Proper authorisation and approval of both the initial setting up of the account details and any subsequent transactions against the account.
   The Principal and the previously mentioned School Council Nominee(s) only are authorised to use their security token associated with NAB Connect banking software.
2. The proper segregation of duties at all times.
3. The safe, secure and confidential storage of information and data including the storage of PIN's and security tokens in a safe place
4. Proper retention of all documentation relating to transactions. Including documentation signed by the Principal and School Council Nominee authorising payments.
5. Compliance with all bank imposed security measures, limits and requirements.
6. Alternative procedures using the 'Direct Deposit' facility exist during periods when the business manager or the principal are absent for an extended period.

ELECTRONIC RECEIPTS

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

Electronic Funds Transfer Point of sale (EFTPOS)
EFTPOS provides the schools with the ability to accept non cash payments by way of credit and debit card.
EFTPOS settlement will be undertaken at the end of each day.

BPAY
The school will allow the use of BPAY as a form of payment for families and debtors. Each payer has a unique identification code, which will be used to identify the payer. Monies will be receipted and receipt vouchers to be provided at the earliest convenient time. All receipts reconciled to the Bank account.

Third Party Revenue Collection
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.
The school uses this form of revenue collection to increase the options and convenience provided to parents/debtors, as well as reducing the amount of cash handled and kept on school premises.

School Council after consideration of the costs and benefits to the school, accountability, fraud preventions, privacy and security controls have opted for Compass

COMPASS
School Council have agreed to the use of the third-party package Compass. This facility allows parents to make payments online, again eliminating cash entering the school. All payments are to be processed and reconciled to the school bank account daily and all relevant documentation is to be retained as per department guidelines for audit purposes.

RELATED LEGISLATION:

Finance Manual for Victorian Government Schools

Internal Controls for Schools for Victorian Government Schools

POLICY EVALUATION:

Evaluation will be conducted annually by the Business Manager, Principal, Administration and Finance Committee of the School Council.

DUE DATE FOR REVIEW:

This policy is due for review in February 2024.