

BPay and Internet Banking (Payment and Receipt) Policy

Rationale:

Internet banking (both payment and receipting) has become a very common banking practice that provides several distinct advantages, whilst at the same time offering high levels of security and convenience.

Aims:

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

Implementation:

School Council, after carefully considering the costs, benefits, fraud prevention, internal control, 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 DEECD guidelines and protocols: *S385-2007 School Internet Banking Guidelines*, *S464-2008 CA SES21 Finance – BPAY Receipting for Families*, Internal Controls for Victorian Government Schools (from Financial Services Division, DEECD, March 2009), School Finance Manual for Victorian Government Schools (from Financial Services Division, DEECD, March 2009), and *S396 \ 2008 - eftPOS Receipting in School*.

All payments through internet banking software are simply another form of payment from the school's accounts and consistent with DEECD requirements, must be authorised by the Principal and one other member of School Council, as nominated by the School Council, as per normal payment procedures.

The following are covered by this policy:

- Direct Debit (School Payment)
- B-Pay (DEECD / C21F implemented Community Payment - School Receipt)
- 'Pay Anyone' Facility (School Payment / Reimbursement)
- Direct Debit / Direct Transfer (Staff Payment / School Receipt)

Direct Debit (School Payment):

A direct debit facility allows an external source (e.g. a regular supplier) to remove funds of a pre-arranged amount from our school's Official Account on a pre-arranged date. Typical examples may include annual insurance premiums, monthly lease payments and the wESTPAC Schools' Purchasing Card payment.

The School Council requires all suppliers to provide tax invoice/statements to the school prior to direct debiting any funds from the school's account.

As part of our internal control, the relevant portion of the bank statement will be printed off to confirm amount, authorised by Principal and one other member of School Council, as nominated by the School Council. Transactions are confirmed as processed by the Business Manager.

The transaction is always completed in C21 Finance, as per the usual procedures and protocols.

BPay (DEECD/C21 implemented Community Payment- School receipt):

BPay is a secure electronic banking product identified on a supplier/creditor account with a unique biller code.

This facility will be available for Parents and Sundry Debtors (such as staff) to make payments to their outstanding accounts.

Parents after making a payment via BPay will inform the School Office within two business days as to which charges (invoiced items) the payment is for or the Office will allocate all funds to the oldest outstanding transactions first. Note: Once funds are allocated against a transaction they cannot be re-allocated to another.

Payment does not exclude the provision of permission forms as they must still be returned.

The transaction is always completed in C21 Finance, as per the usual procedures and protocols.

'Pay Anyone' Facility (School Payment/Reimbursement):

This form of internet banking allows the school to pay funds directly into a person's or businesses nominated bank accounts e.g. creditors, staff/parent reimbursement or local payroll employee.

Whilst this facility is particularly convenient and cost effective, it has minimal security. Consequently, internal controls surrounding the process at the school are critical.

Such controls include:

1. Proper authorisation and approval of both the initial setting up of account details and any subsequent transactions against the account(s).
2. The proper segregation of duties at all times, with one nominated School Council member acting as the organiser and the Principal acting as the second authoriser of all internet transactions.
3. The safe, secure and confidential storage of information and data, including the storage of PIN's and access codes.
4. Proper retention of all transactions relating to accounts, such as purchase orders, tax invoices/statements, vouchers, payroll listings, signed or initialled screen prints and payee details, relevant CASES21 reports etc, including Principal signature on the dated internet transaction receipt attached to authorised payment vouchers.
5. The retention of printed payment receipts that display all details of a payment so as to confirm payment details.
6. Compliance with all bank imposed security measures, limits and requirements.
7. The provision of printed documentation to the Finance Committee, School Council and Auditors as required.
8. That alternative procedures using the 'Pay-Anyone' facility exist during periods when the Business Manager or the Principal are absent for an extended period.

Direct Debit/Transfer (Staff Payment/School Receipt):

A member is able to make a payment to the school for an amount owed: e.g. Canteen costs, Coffee Club, Scholastic Book Club purchase, Fundraising item purchased.

This will allow the staff member to via internet banking make a payment directly into Melton Primary Schools' Official (Cheque) account.

The protocol of such payment by others will be that:

1. The Principal approves the person to make the payment via this method
2. The Business Manager provides the banking details. Note: It is the Staff member's responsibility to correctly key in the details when making the transfer through their personal internet banking.
3. The Office is aware of the expected amount and reason for the payment.
4. After Staff member transfers money, a copy of the transaction receipt is forwarded to the Office as confirmation. This ensures a smooth matching process at the Office.
5. The transaction is always completed in C21 Finance as per the usual procedures and protocols.

Evaluation:

This policy is required to be formally minuted and reviewed by School Council to confirm/enhance internal control procedures on an annual basis.

This policy was last ratified to School Council: June 2013