



POLICY

ELECTRONIC FUNDS MANAGEMENT

RATIONALE

Mansfield Secondary College uses internet banking to undertake various banking functions, such as checking account balances, transferring funds between accounts, direct debit, direct deposit, bPay and pay anyone.

AIMS

To utilise the advantages of internet banking for our school and parent community whilst simultaneously enhancing banking security, decreasing transaction speed and overall convenience.

- To provide alternative payments and receipting methods to cash and cheque to minimise cash/cheque handling.
- To develop protocols, processes, procedures and internal controls to meet the Department of Education and Training (DET) requirements.

INTERNET BANKING

Internet banking offers an online facility (via a secure website) which provides users with the ability to undertake various banking functions.

An important feature of dedicated internet banking software and in particular the ability to process creditor related payments through Direct Debit/Credit is that the payment is directed to one creditor/payee only and the inclusion of detailed audit trails or transaction reports results in a high level of data security and validation.

Other forms of internet banking are effectively on a 'pay anyone' basis, e.g. Direct Debit from the school's official account, using the school level payroll as distinct from utilising dedicated payroll software from a financial institution.

Direct Debit

A Direct Debit facility effectively allows an external source, e.g. financial institution or supplier, to remove or 'sweep' funds pertaining to a pre-arranged amount and date from the school's official bank account on a regular or ad hoc basis e.g. operating lease, utilities.

'Pay Anyone' Facility

This provides the school with flexibility to pay anyone (creditor, local payroll employee) by nominating their BSB and Account Number.

bPay

bPay is a secure banking product identified on a supplier/creditor account with a unique biller code. The payee transfers 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.

IMPLEMENTATION

1. Authorisation and approval of both the initial setting up of account details and any subsequent transactions against the account(s) will take place in accordance with DEECD guidelines. This particularly applies to the segregation of duties in relation to account set up, account name and account details.

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2. The Principal/Assistant Principal will verify transactions for completeness and accuracy of all details.
3. All administrative staff involved in Internet banking procedures will ensure security and confidentiality of data at all times. This includes storing NAB Connect Authorisation Tokens in the school safe.
4. The school will maintain documentation confirming all transactions related to the account(s) such as purchase orders, tax invoices, payment vouchers, payroll listings, relevant CASES21 reports.
5. The school will maintain a list of all personnel/suppliers/creditors (with accompanying BSB and payroll/account number) to be paid via the 'Pay Anyone' facility.
6. Direct Debit facility will only be used where a regular payment to a creditor is required for a specific purpose e.g. regular lease payments. Direct debit facility will only be accessed on the authority of the Principal or Assistant Principal.
7. The school will adhere to bank procedures and security measures, such as personal identification number (PIN) information and a list of personnel with administrative/authorisation responsibilities.
8. The appropriate segregation of duties will take place to ensure and maintain the accuracy and legitimacy of accounts and transactions. This means the following:

The Business Manager will:

1. Process all transactions.
2. Import CASES21 data file to internet banking (NAB).
3. Confirm all transactions and print transaction report.
4. Advise Principal and Assistant Principal to authorise transaction via NAB.
5. The Principal and Assistant Principal will sign and date the payment voucher.
6. Present monthly reports to Finance Committee, which include internet-banking transactions.

The Principal and Assistant Principal will:

1. Log in to NAB Internet Banking when the Business Manager has processed the transaction and advised that the transaction is ready for authorisation.
2. Verify the amount and details and authorise the transaction.
3. Advise the Business Manager that the transaction has been authorised.
4. Sign and date the date the payment voucher.

REFERENCES

Internal Control Procedures in Victorian Government Schools

<http://www.education.vic.gov.au/management/financial>

Schools Electronic Funds Management Guidelines

<http://www.education.vic.gov.au/school/principals/finance/pages/default.aspx>

Finance Manual for Victorian Government Schools

<http://www.education.vic.gov.au/school/principals/finance/Pages/guidelines.aspx>

Finance Business Process Guide

<http://www.education.vic.gov.au/school/principals/finance/Pages/cases21.aspx>

EVALUATION

This policy will be reviewed annually and presented to first School council each year.