

## COLAC SECONDARY COLLEGE

### ELECTRONIC FUNDS AND INTERNET BANKING POLICY

#### 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 and 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 DET'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 CBA (Commonwealth Bank Association) and WBC (Westpac Banking Corporation) 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 e.g., Westpac for purchasing card or Southern Cross Technology 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 or statement 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:

The principal and the previously mentioned School Council Nominee(s) only are authorised to use their security token associated with CBA banking software.

- The proper segregation of duties at all times.
- The safe, secure and confidential storage of information and data including the storage of PIN's and security tokens in a safe place
- Proper retention of all documentation relating to transactions. Including documentation signed by the Principal and School Council Nominee authorising payments
- Compliance with all bank imposed security measures, limits and requirements
- 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.

### **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 two third party packages.

**COMPASS**

School Council have also 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.

**EVALUATION**

This policy will be reviewed every year or more frequently if necessary due to changes in regulations or circumstances.

Council Approval date	February 13, 2024
Review date	2025
DET/VRQA required	Yes