

## Foster Primary School Electronic Funds Management Policy

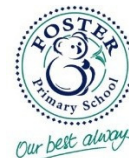
**PREPARED BY:** Lorraine Gurnett  
**APPROVED BY COUNCIL:** March 2018  
**REVIEWED:** March 2020

### **AIM:**

Electronic Funds Transfer Point of Sale (EFTPOS) provides schools with the ability to accept non-cash electronic payments by way of credit and debit card transactions. Use of EFTPOS allows the school to increase the options and convenience provided to parents/debtors as well as improves the security by reducing the amount of cash handled and kept on school premises.

### **IMPLEMENTATION :**

1. The Principal is responsible for ensuring that staff operating the merchant facility are made fully aware of security requirements, and that all data obtained through processing EFTPOS transactions remain safe from fraud. The office/administration staff are the only ones authorised to process transactions.
2. The introduction of EFTPOS as a means of collecting funds requires schools to acquire and retain customer information, in accordance with *Schedule 1 of the Victorian Information Privacy Act 2000*.
3. Schools should refer to the publication, Internal Control for Schools which is accessed at: <http://www.education.vic.gov.au/school/principals/finance/Pages/guidelines.aspx> for information regarding internal control measures applicable to receipting, and the *S396-2008 EFTPOS Receipting in Schools Guidelines*.
4. **EFTPOS Terminal:** The Foster Primary School's EFTPOS terminal is connected to the bank via the phone connection and not via the internet. Connection via a phone line ensures that there is no collecting or storing of customer data in a manner that makes it susceptible to fraudulent transactions. The terminal is located in a secure location in the Administration Building, which allows for no unauthorised usage, and ensures privacy for PIN transactions. Appropriate procedures are implemented to ensure the security of the terminal during operation and when not in use.
5. **Processing Transactions:** Foster Primary School only process transactions for school invoice payments i.e. family charges, sundry debtors, trading operation payments etc. Foster Primary School does not undertake transactions which provide 'cash' to the customer as part of the transaction.
6. Receipts are entered onto CASES21 at the time the EFTPOS transaction is processed and the original receipt (EFTPOS) issued. In circumstances where this is not possible, a manual school receipt is issued at the time. An authorised officer reconciles all manual receipts to CASES21 to ensure all funds received by the school are receipted.
7. Banks have recently introduced new software for processing of credit card transactions which allows customers the option of using a "Pen" (Signature) or "PIN" (Personal Identification Number) to authorise transactions. When processing a credit card transaction that requires a signature for authorisation, Foster Primary School ensures that the signature obtained on the merchant receipt matches the signature on the card and that the signature panel has not been altered in any way. When processing a credit card transaction that requires the entry of a PIN, customers are able to enter their PIN without risk of disclosure, and the PIN is never recorded by our school. Foster



Primary School ensures that the card number that is embossed on the card is free from alteration and that the card has not expired.

8. Foster Primary School always prints both the merchant and customer copies of the receipt for both credit and debit card transactions. At the end of each day the Settlement Printout is checked and reconciled with merchant copies and is retained for audit purposes
9. **Incorrect Transaction Processing:** If it is determined at the time of the transaction and prior to entering the receipt on CASES21, that an error has occurred; for example an incorrect amount is processed, Foster Primary School will “void” or “refund” the transaction via **the EFTPOS terminal**. Foster Primary School also refers to the instructions provided in the EFTPOS facility user guide to ensure that this is processed correctly. If voiding these transactions Foster Primary School ensures the following:
  - Void transactions should be processed on the same day as the original transaction or else they must be treated as a ‘Refund’ (*refer to Refund Guidelines below*)
  - All documentation relating to the original transaction must be obtained
  - The void transaction must be signed by the cardholder
  - The school copy should be signed by the authorised officer and where possible this should not be the operator who processed the original receipt.
  - Copies of both the original and voided transaction must be retained for the auditor
10. **Refunds:** Before Foster Primary School processes a refund, the original receipt is to be produced or the receipt number identified, and the refund must be approved by the Principal. The refund will be made by cheque.
11. **Banking:** Foster Primary School will process EFTPOS receipts in CASES21 Finance as a separate **EFTPOS only** receipt batch and this will be updated at the end of each day. The Settlement on the EFTPOS terminal is also performed at the same time as the batch is updated. On the Bank Reconciliation the batch total for that date will match the direct credit amount paid by the bank. Using this option provides the school with clear and current information regarding EFTPOS transactions in case of any enquiries. It is also an effective internal control measure reducing the risks of fraud or misappropriation of funds.
12. **Information retained by the school:** Foster Primary School will retain the following information in relation to use of an EFTPOS facility:
  - Minutes of School Council meeting approving the use of the facility
  - EFTPOS policy approved by School Council with \$10 minimum per transaction and \$500 maximum per transaction
  - Names of approved school users to be kept with Bank EFTPOS detailed records
  - Merchant copies of EFTPOS terminal receipts, voided/cancelled receipts and settlement documents are attached to the bank deposit sheets
  - Applicable CASES 21 Reports are filed accordingly to DET procedures
  - Daily EFTPOS reconciliation reports and documentation in support of refunds and / or adjustments are attached to the bank deposit sheets.

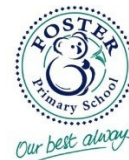
#### **EVALUATION:**

The EFTPOS Policy to be reviewed annually and endorsed by School Council as required for audit purposes.

#### **REFERENCES:**

*Circular S396-2008 – EFTPOS Receipting in Schools Guidelines*

*Circular S349-2011 - Schools Electronic Funds Management Guidelines.*



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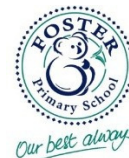
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