

# Wooragee Primary School

## Electronic Funds Management Policy

### Education regulations

The *Education and Training Reform Regulations 2007* Section 36 (1) provide that a school council must ensure school financial records are kept in the form determined by the Secretary, proper accounts and records of the transactions and affairs of the school council and any other records necessary to sufficiently explain the financial operations and financial position of the school.

The Wooragee Primary School Council must maintain records in a form that will:

- ensure that all money payable to the School Council is properly collected;
- ensure that all money expended in the School Council's name is properly authorised and expended;
- ensure that adequate control is maintained over assets held in the name of the School Council or in the School Council's custody;
- ensure that all liabilities incurred in the School Council's name are properly authorised;
- ensure efficiency and economy of operations, and avoidance of waste and extravagance; and
- develop and maintain an adequate internal audit system.

The Wooragee Primary School Council accepts that Electronic (internet) banking offers an online facility which provides the school with the ability to undertake various banking functions, such as checking account balances, transferring funds between accounts, direct debits and, direct deposits and approves of the school's decision to use a direct deposit and payment electronic banking facility.

In order to minimise risks, Wooragee Primary School will comply with the *Education Training and Reform Regulations 2007*, section 37(1) Revenue and Expenditure which outlines that all cheques and negotiable instruments drawn on any account kept under the control of a school council must be authorised by the principal (Christine Varker) and one other authoriser from the nominated list of school council authorisers; Teacher rep (Davina Budge), Treasurer (Fiona Larkings), or President (Bron Angelini) for that purpose.

The school business manager (Wendy Walker) has the role of electronic funds administrator and cannot be nominated as an authoriser under the regulations even if she is a member of the school council.

### Financial Management

Principals and Business Managers must ensure that the official account is not overdrawn. Therefore, an understanding of the school's cash flow position and commitments due, are critical to the use of electronic funds for the payment of invoices and receipting funds.

The Wooragee School Council has given consideration to:

- the associated costs and benefits for the school of using the software
- fraud prevention
- information privacy
- internal control implications.

All decisions and modifications to prior decisions made by school council in regards to internet banking must be minuted and tabled for approval at school council.

### Internal Controls

Internal controls to support the use of electronic funds will minimise the potential financial risk to the school and its available funds. The various internal controls implemented at Wooragee include:

- delegations – school council should review the current list of staff with authority to approve purchase orders, pay invoices, receive funds and extend this review to electronic procedures, including the upper dollar limit.
- IT Security - access levels to proprietary applications should be in line with approved delegations. All changes to financial delegations should be included in school council minutes and filed appropriately as a permanent record
- completeness and accuracy of all details so they can be verified by a responsible officer
- security and confidentiality of passwords and data at all times
- documentation kept by the school confirming all transactions related to the account(s) such as purchase orders, tax invoices, payment vouchers, payroll listings, relevant CASES21 reports

- the appropriate segregation of duties to ensure and maintain the accuracy and legitimacy of accounts and transactions. This can be implemented, by alternating sequential tasks, so that no one person has complete responsibility for the entire transaction, provided that some separation occurs between key activities. Functions that should be separated include authorisation, payment, custody and recording
- school council reporting and monitoring
- bank imposed security issues.

## Electronic Payment of Accounts

### Direct Debit

The direct debit facility effectively allows an external source, i.e. financial institution, supplier etc to remove or 'sweep' funds pertaining to a pre-arranged amount and date from the school's Official Account on a regular basis. All Wooragee PS direct debits are manually entered by the business manager. (Vic Super after file is uploaded.) The Wooragee Primary School Council agrees:

- information relating to the school's official account be treated confidentially except where required for the purpose of conducting direct debits with your financial institution
- where the due date is not a business day, the creditor will draw from your official account on the nearest business day
- the creditor will at all times attempt to meet the scheduled drawing date as arranged with the school
- the school's ability to alter the drawing arrangements, subject to terms and conditions
- the school's access to appropriate recourse where a drawing is considered to have been initiated incorrectly
- the authority should be signed by the principal and a duplicate copy retained.
- The school should ensure that it receives a tax invoice/statement from each supplier prior to the direct debit 'sweep' date each month in order to confirm the accuracy of all payment's as well as any cash flow considerations. If the direct debit differs in amount or timing, the supplier must be contacted immediately and the issue resolved or the direct debit cancelled

### Information to be retained by School

The following information is to be retained:

- all details provided by the supplier relating to the amount, date of direct debit and regularity of the payment
  - original payment approval usually via an application for direct debit form (signed by principal and a designated signatory of school council)
  - schedule and timing of deductions (if not included in the above)
  - all related billing and statement details
  - relevant CASES21 Finance reports.
- original signed payment approval and creditor invoice
- relevant CASES21 Finance reports.

### Direct Deposit

Direct Deposit via an internet banking facility provides schools with the freedom and flexibility to pay creditors (creditor, school level payroll employee) by nominating their BSB and account number at the time of the transaction.

### Electronic receipt of Wooragee PS deposits

#### Direct Credit

The Wooragee Primary School Council approves of families, organisations and other educational institutions being provided with the opportunity to directly credit the Wooragee PS Official account when paying accounts.

### Evaluation:

This policy will be reviewed and endorsement of the Schools Electronic Funds Management policy will be undertaken annually.

**Endorsed: March 2015**