

# INTERNET BANKING PROCEDURE POLICY

## Purpose

Internet (electronic) banking offers an online facility (via a website) which provides users with the ability to undertake various banking functions, such as checking account balances, transferring funds between account, direct debit/credit and BPay.

## 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.

Prior to agreement with a supplier to utilise the Direct Debit payment option, the school should ensure that it receives in writing from the supplier all relevant details of the Direct Debit for example the actual amount, the day/date on which the payment will be processed, and the regularity of the payment should be included in these details.

Records required:

- 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

## BPay

BPay is a secure electronic banking product identified on a supplier/creditor account with a unique biller code. The payee selects either the internet or telephone option to transfer 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. Schools will receive an invoice in the normal manner. The invoice should then be attached to the pre-approved purchase order and forwarded to the principal for approval for payment. The payment officer will have authority to complete this transfer, however the authorisation of the payments will not take place until the vouchers have been authorised by the principal and the college council member nominated for that purpose. Authorisation will take place by one of these signatories once they have verified that the file is complete and the account numbers to which the payments are being made match the account numbers on the paid invoices. Once payment has been made using BPay, the BPay receipt number and details of the transaction should be printed from the internet banking website. This printed receipt should then be attached to the original payment approval/invoice. If the phone is used to action a BPay payment, the BPay receipt number and date of transaction should be noted on the original payment approval/invoice information.

Records required:

- Original signed payment approval and creditor invoice
- Printout of BPay receipt (if processed through the internet), clearly displaying BPay receipt reference number and date of transaction.
- Relevant CASES21 Finance reports

## Direct Credit of Creditor Payments

Details of creditors Bank account details will be maintained on the CASES21 Finance system in the creditors module.

Details of schools local payroll details will be maintained on the CASES21 Finance system in the payroll module.

When payments to creditors are made the file compiling the details of payment will be transferred to the relevant banking authority as a complete file. The payment officer will have authority to complete this transfer, however the authorisation of the payments will not take place until the payment vouchers have been authorised by the principal and the college council member nominated for that purpose. Authorisation will take place by one of these signatories once they have verified that the file is complete and the account numbers to which the payments are being made match the account numbers on the paid invoices.

Records required:

- A copy of the direct deposit listing duly authorised will be filed with the CASES Finance report of direct deposit details (CR2110S) for audit purposes.
- Original signed payment approval and creditor invoice
- Relevant CASES21 Finance reports

When payments through local payroll are made the file compiling the details of payment will be transferred to the relevant banking authority as a complete file. The payment officer will have authority to complete this transfer, however the authorisation of the payments will not take place until the vouchers have been authorised by the principal and the college council member nominated for that purpose. Authorisation will take place by one of these signatories once they have verified that the file is complete and the account numbers to which the payments are being made match the account numbers on the paid invoices.

Records required:

- A copy of the direct deposit listing duly authorised will be filed with the CASES Finance report of direct deposit details (PE21321S) for audit purposes.
- Original signed payment approval and creditor invoice
- Relevant CASES21 Finance reports

## **“Pay Anyone” Facility**

This is a form of internet banking that is effectively on a ‘pay anyone’ basis for example, it provides schools with the freedom and flexibility to pay anyone (creditor, local payroll employee) by nominating their BSB and Account number. This process will only be used for once off payments such as payments from the General Ledger.

The payment will be completed in the usual manner and then the direct credit option will be selected in the relevant banking authority’s on-line facility. Details from the invoice will be entered directly onto the website. The payment officer will have authority to complete this transfer, however the authorisation of the payments will not take place until the payment vouchers have been authorised by the principal and the college council member nominated for that purpose. Authorisation will take place by one of these signatories once they have verified that the file is complete and the account numbers to which the payments are being made match the account numbers on the paid invoices.

Records required:

- A copy of the direct deposit listing duly authorised will be filed with the CASES Finance report of direct deposit details (CR2110S) for audit purposes.
- Original signed payment approval and creditor invoice
- Relevant CASES21 Finance reports

## **Access Account Balances and Transaction details.**

The Business Manager (and their delegate if required) will have authority to access account balances and transaction details from the on-line facility of the relevant banking authorities.

The Business Manager and the payments officer will have authority to enter transactions onto the website but will not under any circumstances have access to tokens or passwords belonging to the Principal or any other authorised signatories on the College accounts.

## **Authorised Personnel**

All cheques and negotiable instruments drawn on any account kept under the control of the College Council must be authorised by the principal and a member of the college council nominated by the College Council for that purpose.

Registered signatories at the bank for these accounts must comprise the principal as a mandatory signatory and a second co-signatory who must be a member of the college council and approved by council as a signatory. The Business manager cannot be nominated as a signatory to college accounts , even if a member of the college council.

## **Banking Institutions**

Mildura Senior College will use the online facility known as CommBiz, a service provided by the Commonwealth Bank for the day to day operations of the college bank accounts.

The High Yield Investment Account will be used for investment purposes and transfers will be processed through the CASES21 Finance system as required and duly authorised under the College Investment Policy. Read only access will be available to the Principal and his delegate and the Business Manager.

## **Passwords and Tokens**

Password and token holders will maintain strict confidentiality with their passwords and tokens. Passwords will be changed and tokens returned when staff are no longer employed at the College or cease membership of the College Council.

## **Annual Review**

The College Council is to formally minute and review annually this internet banking policy

## **Information to be retained by the College**

- College Council minutes containing approval of internet banking policy
- A register of token holders
- A copy of the signing authorities for all college accounts
- Relevant CASES21 finance reports.

Date reviewed by Council:

17/03/2014