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EFTPOS POLICY

Rationale:

Schools are able to accept and provide alternative payment methods to cash or cheque by utilising Electronic Funds Transfer Point of Sale [EFTPOS] facilities. This policy should be read in conjunction with the DET publication: Schools Electronic Funds Management Guidelines available on the DET Finance website and the Cranbourne West Primary School Electronic Funds Management Policy.

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

Aims:

Use of EFTPOS to allow the school to increase the options and convenience provided to parents/debtors, as well as improves security by reducing the amount of cash handled and kept on school premises.

Implementation:

- The Principal will be responsible for ensuring that staff operating the merchant facility, are made fully aware of the security requirements, and that all data obtained through processing EFTPOS transactions remains safe from fraud.
- The introduction of EFTPOS as a means of collecting funds will require the school to acquire and retain customer information. Schools must do so in accordance with *Schedule 1 of the Victorian Information Privacy Act 2000*.
- To assist in the preparation and development of appropriate school procedures, practices and a policy, consideration of the following information is recommended:

Internal Controls:

Schools should refer to the publication, Internal Control for Schools, which can be accessed at: <http://www.education.vic.gov.au/management/financial> for information regarding internal control measures applicable to receipting.

The internal controls that need to be considered in relation to EFTPOS include:

- Proper authorisation and approval of the initial setting up of the facility by School Council
- Physical security of EFTPOS machines
- The number of terminals that will be installed
- Documentation kept by the school confirming all transactions such as merchant copies of EFTPOS receipts, voided receipts, daily EFTPOS reconciliation reports, authorisation details, relevant CASES21 reports.
- The appropriate segregation of duties to ensure and maintain the security, accuracy and legitimacy of transactions.

- Staff familiarisation with the EFTPOS facility's functionality and User Guide provided by Financial Institution.
- Register of void transactions
- Reconciliation of daily EFTPOS settlement bank statements with CASES21 transactions

EFTPOS Terminals

- The school EFTPOS terminals are connected to the bank via phone connection.
- Connection via a phone line ensures that schools are not collecting or storing customer data in a manner that makes them susceptible to fraudulent transactions.
- Terminals are located in a secure location which will allow no unauthorised usage, and ensure privacy for PIN transactions.
- Appropriate procedures should be implemented to ensure the security of the terminals during operation and when they are not in use.

Processing Transactions

- Cranbourne West Primary School only processes transactions relevant to the school i.e family charges, sundry debtors, trading operations payments etc. The school does not undertake transactions which provide 'cash' to the customer as part of the transaction.
- Only transactions on credit cards may be accepted by telephone or post, transactions on debit cards require the cardholder to be present at the point of sale.
- The maximum amount of a credit/debit card transaction is determined by the cardholder's limit.
- When processing a credit card transaction that requires a signature for authorisation, the 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 should be able to enter the PIN without risk of disclosure, and the PIN should never be recorded by the school.
- Schools should ensure that the card number is embossed on the card is free from alteration and that the card has not expired.
- All transactions, refunds and void transactions are recorded in the EFTPOS register
- Debit card transactions are not to be performed if the school's EFTPOS facility is off line.
- Receipts are entered onto CASES21 within 24 hours of the EFTPOS transaction is processed and original EFTPOS receipts issued. An authorised officer reconciles all manual receipts to CASES21 to ensure all funds received by the school are receipted within 24 hours.
- The school always prints both the merchant and customer copies of the receipt for both credit and debit card transactions, and retains the merchant copy for audit purposes.

Refunds

- All transactions, refunds and void transactions must be recorded in the EFTPOS register
- Refunds must be approved by an authorised officer [ie. principal] prior to processing to ensure segregation of the authorisation of refunds from the processing of the refund.
- Refunds can only be made to the account of the cardholder that made the original payment and cannot be made by cash
- If the refund is not performed on the same day as the receipt, it should not be processed until confirmation has been obtained that the funds have been credited to the official account
- Refunds may be made by cheque following normal processes or via the EFTPOS terminal to the card holders account. Principal authorisation is required for both instances.
- Alternatively, funds may also be held by the school as 'family credit' for use by the cardholder at a later date

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 processed, the school should 'void' the transaction **via the EFTPOS terminal**. The authorised officer will refer to the instructions provided in the EFTPOS facility user guide to ensure that this is processed correctly.

Key internal controls relating to the reversal of incorrect EFTPOS transactions include:

- Void transactions must be processed on the same day as the original transaction. After that period it must be treated as a refund as per the procedures under 'Refunds' included in these guidelines.
- All documentation relating to the original transaction must be obtained.
- The void transaction must be signed by the cardholder.
- Copies of both the original and voided transactions should be retained for audited purposes.
- The school copy should be signed by the authorised officer and where possible this should not be the operator who processed the original receipt. The transaction details should be recorded in the EFTPOS 'Void Transactions' register.

Banking

There are three factors schools will need to consider when determining how to process EFTPOS receipts in CASES21 Finance either via a normal receipt batch that contains cash and/or cheques, or as a separate EFTPOS only receipt batch. These factors are:

- A settlement must be run on the EFTPOS terminal at the end of each day.
- The volume of EFTPOS transactions undertaken by the school
- How often banking is undertaken

At Cranbourne West Primary School the following processes will be followed to process EFTPOS receipts:

- The school processes EFTPOS receipts in a separate receipts batch.
- The settlement on the terminal is also performed at the same time as the batch is updated.
- The EFTPOS total [Batch total less Bank Deposit Slip total] should match the settlement total [unless adjustment is required for a refund.]
- On the bank reconciliation, the EFTPOS total for that date should match the direct credit amount paid by the bank.

Information to be retained by the school

Schools should retain the following information in relation to use of an EFTPOS facility:

- Minutes of School Council meeting approving the use of the facility [policy].
- EFTPOS policy approved by School Council
- Register of voided transactions if applicable
- Merchant copies of EFTPOS terminal receipts, voided/cancelled receipts and settlement documents.
- Applicable CASES21 reports
- Daily EFTPOS reconciliation reports and documentation in support of any adjustments.

EVALUATION

This policy will be reviewed on an annual basis.

School Use only

Version	8
Date	25/7/17
Ratified	14/8/17

