EFTPOS Receipting 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.
- EFTPOS provides schools with the ability to accept non-cash electronic payments by way of credit and debit card transactions.
- Use of EFTPOS allows schools 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.
- The Principal will be 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 remains safe from fraud. Staff authorised to process transactions should be minuted at School Council and entered into a Register.
- The introduction of EFTPOS as a means of collecting funds will require schools 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:

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:

- Physical security of EFTPOS machine
- 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
- Establishment of an EFTPOS user register outlining the name of the school user, their unique ID (if one exists) and the EFTPOS functions they are authorised to perform
- Staff familiarisation with the EFTPOS facility's functionality and User Guide provided by Financial Institution
- Register of void transactions
- Setting of minimum and maximum refund transaction limits
- Reconciliation of monthly EFTPOS statement received from the school's financial institution with CASES21 transaction records
- Reconciliation of daily EFTPOS settlement statements with CASES21 transactions.

EFTPOS Terminals:

- The School's EFTPOS terminal is 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 for 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:
- The School only processes transactions to accept school invoice payments i.e. family charges, sundry debtors, trading operation payments etc. The School does not undertake transactions which provide 'cash' to the customer as part of the transaction.

- 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 their PIN without risk of disclosure, and the PIN should never be recorded by the school
- Schools should ensure that the card number that is embossed on the card is free from alteration and that the card has not expired.

- Receipts are entered onto CASES21 at the time the EFTPOS transaction is processed and both original receipts (EFTPOS and CASES21) issued. In circumstances where this is not possible, a manual school receipt will be issued at the time, with the CASES21 receipt forwarded when it is entered on to the system. An authorised officer reconciles all manual receipts to CASES21 to ensure all funds received by the school are receipted at the end of each day prior to the batch being entered and updated.

- 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.

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, 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 audit 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 an EFTPOS 'void transaction' register.

Banking:
There are three factors the school 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.
Below is the option that Parktone Primary School adopts to process our EFTPOS receipts.

Option 1
- The School uses a separate receipt batch (not containing cash or cheque transactions for EFTPOS receipts which is updated at the end of each day.
- The Settlement* on the terminal is also performed at the same time as the batch is updated. The daily total on each should match (unless adjustment is required due to processing of a refund)
- On the Bank Reconciliation, the batch total for that date (less any refunds) should 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.

*Parktone Primary School performs the settlement process where the days EFTPOS transactions are closed off for the day and a total is determined. It is **strongly recommended** that schools perform settlement each day at a time determined by the school.*

Information to be retained by school:
The School should retain the following information in relation to use of an EFTPOS facility:

- EFTPOS policy approved by School Council
- Register of voided transactions
- Merchant copies of EFTPOS terminal receipts, voided/cancelled receipts and settlement documents
- Applicable CASES 21 Reports
- Daily EFTPOS reconciliation reports and documentation in support of any adjustments.
- Current authorised users of the EFTOPS terminals as per the EFTPOS authorised user register.

Evaluation:
This policy will be reviewed as part of the school's three year review cycle.

This policy was last ratified by School Council in February 2010