



# McKinnon Primary School

## EFTPOS Policy

### 1. Rationale:

- 1.1 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.

### 2. Aims:

- 2.1 EFTPOS allows the school to increase the options and convenience provided to parents and debtors, as well as improves security by reducing the amount of cash handled and kept at the school.

### 3. Implementation:

- 3.1 McKinnon Primary School is able to accept and provide alternative payment methods to cash or cheque by utilising Electronic Funds Transfer Point of Sale (EFTPOS) facilities.
- 3.2 EFTPOS provides McKinnon Primary School with the ability to accept non-cash electronic payments by way of credit and debit card transactions.
- 3.3 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 will be minuted at School Council and entered into a Register.
- 3.4 The introduction of EFTPOS as a means of collecting funds will require McKinnon Primary School to acquire and retain customer information. McKinnon Primary School must do so in accordance with Schedule 1 of the Victorian Information Privacy Act 2000.

#### 3.5 EFTPOS Terminals

- 3.5.1 Terminals should be located in a secure location, which will allow for no unauthorised usage, and ensure privacy for PIN transactions. Appropriate procedures will be implemented to ensure the security of the terminals during operation and when they are not in use.

#### 3.5.2 Phone/Mail EFTPOS Transactions

- 3.5.3 Only transactions on credit cards can be accepted via telephone or post;

- 3.5.4 Transactions on debit cards require the cardholder to be present at the point of sale.

#### 3.6 Processing Transactions

- 3.6.1 McKinnon Primary School should only process transactions to accept school invoice payments i.e. family charges, sundry debtors, trading operation payments etc. are not to undertake transactions, which provide 'cash' to the McKinnon Primary School customer as part of the transaction. The maximum amount of a credit/debit card transaction is determined by the cardholder's limit unless School Council determines a maximum transaction limit for the school. The school should always print both the merchant and customer copies of the receipt for both credit and debit card transactions, and retain the merchant copy for audit purposes.

#### 3.7 Incorrect Transaction Processing

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

- 3.7.1.1 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

- 3.7.1.2 All documentation relating to the original transaction must be obtained

- 3.7.1.3 The void transaction must be signed by the cardholder

- 3.7.1.4 Copies of both the original and voided transactions should be retained for audit purposes

- 3.7.1.5 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.

#### 3.8 Refunds

- 3.8.1 If an EFTPOS refund transaction has been processed and the receipt entered on CASES21, the following refund guidelines should be applied:

- 3.8.1.1 Before a school processes a refund, the original receipt is to be produced or the receipt number identified, and the refund must be approved by an authorised officer

- 3.8.1.2 McKinnon Primary School will complete the Refund proforma each time an EFTPOS refund is requested. It should include:

- 3.8.1.2.1 name of cardholder

- 3.8.1.2.2 transaction details

- 3.8.1.2.3 date

- 3.8.1.2.4 name of staff member processing transaction



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3.8.1.2.5 signature of cardholder and Principal

3.8.1.2.6 the document should be filed securely with limited access

- 3.8.2 If the refund is not performed on the same day as the receipt, the school should not process the refund until they have confirmed the funds have been credited to their official account by the settling bank
- 3.8.3 Refund can be made by cheque following normal processes, or via the EFTPOS terminal to the cardholders account (Principal authorisation required in this instance)
- 3.8.4 Refunds can only be made to the account of the cardholder that made the original payment. EFTPOS transaction refunds will not be made by cash
- 3.8.5 Cardholders should be notified that it could be 2-3 business days before the refund may reach their account
- 3.8.6 The cardholder should be given the customer copy of the refund voucher and must sign the merchant copy which is to be retained by the school
- 3.8.7 The EFTPOS refund should be processed on the terminal and CASES21 on the same day. The original receipt and merchant copy of the refund is to be attached to the CASES21 payment voucher which must be checked and approved by the authorised account signatories before being processed on the EFTPOS terminal
- 3.8.8 The refund should be recorded in the EFTPOS register.
- 3.9 Manual transactions**
- 3.9.1 When the system is offline, McKinnon Primary School may approve only credit card transactions and only up to their floor limit. If a manual card reader is not available (they are not mandatory), the school should complete the pro-forma used for phone transactions and process the transaction as soon as connection to the financial institution is restored.
- 3.10 Banking**
- 3.10.1 A Settlement must be run on the EFTPOS terminal at the end of each day
- 3.10.2 McKinnon Primary School use a separate receipt batch (not containing cash or cheque transactions) for EFTPOS receipts which is updated at the end of each day
- 3.10.3 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)
- 3.10.4 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 McKinnon Primary 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.
- 3.11 Information to be retained by school**
- 3.11.1 McKinnon Primary School should retain the following information in relation to use of an EFTPOS facility:
- 3.11.1.1 Minutes of School Council meeting approving the use of the facility
  - 3.11.1.2 EFTPOS policy approved by School Council
  - 3.11.1.3 Register of approved school users
  - 3.11.1.4 Register of voided/refunded transactions
  - 3.11.1.5 Proforma/documents containing transaction details
  - 3.11.1.6 Merchant copies of EFTPOS terminal receipts, voided/cancelled receipts and settlement documents
  - 3.11.1.7 Applicable CASES21 Reports
  - 3.11.1.8 Daily EFTPOS reconciliation reports and documentation in support of refunds and/or adjustments.

#### 4. Evaluation:

- 4.1 This policy is required to be reviewed annually by School Council to confirm/enhance internal control procedures.

Review Date: March 2019

This policy was last ratified by School Council in: **March 2018**