NEWPORT LAKES PRIMARY SCHOOL

Financial Accountability

EFTPOS Receipting

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.

Internal controls

- Appointment by Newport Lakes Primary School Council of an authorising officer for approval of phone and refund transactions (Principal and/or their delegate)
- School Council approval is required before the implementation of additional EFTPOS terminals.
- Documentation kept by the school confirming all transactions such as merchant copies of EFTPOS receipts, voided receipts, refunds, daily EFTPOS reconciliation reports, authorisation details and relevant CASES21 reports must be retained.
- Appropriate segregation of duties to ensure and maintain the security, accuracy and legitimacy of transactions must be adhered to.
- An EFTPOS operator register outlining the name of the school user, their unique ID (if one exists) and the EFTPOS functions they are authorised to perform is to be maintained.
- Office staff are to be familiar with the EFTPOS facility’s functionality and User Guide provided by Financial Institution.
- A register of void or refund transactions is to be maintained.
- Procedures and documentation for processing phone and offline receipts and refund transactions.
- Reconciliation of monthly EFTPOS statement received from the school’s financial institution with CASES21 transaction records to be completed on a monthly basis.
- Reconciliation of daily EFTPOS settlement statements with CASES21 transactions to be undertaken at the end of each day.

EFTPOS Terminals

School EFTPOS terminals should be connected to the bank via phone connection and not via the internet. Connection via a phone line ensures that Newport Lakes Primary School is not collecting or storing customer data in a manner that makes them susceptible to fraudulent transactions.

Terminals are to be located in a secure location which will allow for no unauthorised usage, and ensure privacy for PIN transactions.
Phone/Mail EFTPOS Transactions

School Council approves the acceptance of EFTPOS transactions via the telephone, post or over the counter.

Only transactions on credit cards can be accepted via telephone or post; transactions on debit cards require the cardholder to be present at the point of sale.

All transactions via telephone or post must be processed on Newport Lakes Primary School’s Credit Card Payment Slip. The following information must be contained on the Credit Card Payment Slip:

- cardholders name and address
- card number, expiry date and security code
- transaction date
- name of staff member processing the transaction and
- invoice details.

Schools must ensure the information collected in order to undertake EFTPOS transactions must only be used for its intended purpose in accordance with the Victorian Information Privacy Act 2000.

The Credit Card Payment Slip is to be filed in a secure location with restricted access.

Full card details including card number, expiry date and security code (when required) should be obtained and confirmed by discretely reading them back to the customer and the transaction should be processed while customer is on the phone.

Both an EFTPOS and school receipt is to be forwarded to the cardholder as their record of the transaction.

Processing Transactions

Schools are to only process transactions to accept school invoice payments i.e. family charges, sundry debtors, trading operation payments etc. Schools are not to undertake transactions which provide ‘cash’ to the customer as part of the transaction.

When processing a credit card transaction that requires a signature for authorisation, the signature obtained on the merchant receipt must match 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 are to be able to enter their PIN without risk of disclosure, and the PIN is never to be recorded by school.

School is to ensure that the card number that is embossed on the card is free from alteration and that the card has not expired.

Receipts are to be 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 can be issued at the time, with the CASES21 receipt forwarded when it is entered on to the system. An authorised officer should reconcile all manual receipts to CASES21 to ensure all funds received by the school are receipted.
School must 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.

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, school must “void” or “refund” the transaction via the EFTPOS terminal. School is to 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.

Refunds

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

- 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
- School is to develop a proforma to be completed each time an EFTPOS refund is requested. It should include:
  - name of cardholder
  - card number
  - transaction details
  - date
  - name of staff member processing transaction
  - signature of cardholder and Principal.

The document should be filed securely with limited access

- 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
- Refund can be made by cheque following normal processes, or via the EFTPOS terminal to the cardholders account (Principal authorisation required in this instance)
- Refunds can only be made to the account of the cardholder that made the original payment. EFTPOS transaction refunds should not be made by cash
Cardholders should be notified that it could be 2-3 business days before the refund is credited to their account.

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.

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.

The refund should be recorded in the EFTPOS register.

Manual transactions

There may be instances when the EFTPOS facility will be off-line, for example when electronic communication with the bank is unavailable.

When the system is offline, school may approve only credit card transactions and only up to their floor limit per customer / per day.

Debit card transactions must not be performed when the school’s EFTPOS facility is off-line as a zero floor limit applies to debit cards.

An authorisation must be obtained from the bank for all transactions which are greater than the school’s floor limit.

The manual card reader must be used to complete off-line credit card transactions with reference to any instructions provided by the financial institution.

Banking

- Newport Lakes Primary School must use 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.**

*The Settlement process is where the days EFTPOS transactions are closed off for the day and a total is determined. If the Settlement is not performed by school each day, the bank will “force Settlement” at a time determined by them. As a result, one or more Settlements may cross over one or more batches containing EFTPOS transactions making it difficult for school to reconcile the EFTPOS transactions on their Bank Reconciliation.

Information to be retained by school

School must retain the following information in relation to use of an EFTPOS facility:
• Minutes of School Council meeting approving the use of the facility
• EFTPOS policy approved by School Council
• Register of approved school users
• Register of voided/refunded transactions
• Proforma/documents containing transaction details
• 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 refunds and/or adjustments.