

Collection and Receipting of Monies Policy

15/10/2021

Rationale

Electronic (internet) 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 accounts, direct debit, direct deposit, BPAY payment/ receipts and EFTPOS (Electronic Funds Transfer Point of Sale).

In order to minimise risks, Moorabbin Primary School will comply with the requirements in the ***Education Training and Reform Regulations 2007***, which outlines that all cheques and **negotiable instruments** drawn on any account kept under the control of a school council **must be authorised by the principal and a member of the school council nominated by the school council** for that purpose.

1. Aim

Moorabbin Primary School aims to ensure that current School Council policies are in place to support internal control objectives.

2. Implementation

This Policy is in place as a clear plan of the organisation, security and proper functioning of the accounting system which includes:

- Segregation of duties: No one person has the complete responsibility for the entire transaction
- Physical controls: measures to safeguard property
- Authorisations and approval: delegation of authority and approval is provided by school council
- Arithmetic and Accounting controls: Data accurately recorded and accounting records reconciled with bank statements
- Personnel: training programs provided to personnel who assume financial responsibilities
- Supervision: Systems of checks and balances responsibilities rests with the Principal and School Council
- Management controls: controls in the day-to-day routine checked with CASES21 data

Best Billing Practice

Moorabbin Primary School will ensure that:

- Where sales are offered on credit, CASES21 will refer to the amount outstanding as a debtor (family or sundry) or accounts receivable.
- It manages all outstanding invoices from debtors and ensures that good procedures are in place to encourage debtors to pay on time.
- A charging policy is in place for the supply of goods or services for their trading operations.

Raising Invoices

- Accurate records are kept of all income due. Invoices are raised and recorded for goods and services provided. Invoices are raised and issued for all debts that are due and payable.

- Invoices are issued in a timely manner so to encourage payment within the agreed terms.
- The Business manager will routinely review and reconcile receivables for trading operations.
- When raising invoices the activity may be nominated as taxable or input taxed.
- Moorabbin Primary School will ensure that tax invoices meet ATO requirements. Invoices produced in CASES21 do meet these requirements.

Keeping Accurate Records

- All relevant documentation will be maintained and updated as required. This includes any agreements or contracts (e.g. Hirers agreements).
- Sundry Debtors details (e.g. contacts, address) and terms of trading will be maintained in CASES21.

Monitoring Debts

- Moorabbin Primary School will ensure any outstanding debtor invoices are still valid and will assess the collectability of the debt at regular intervals, at a minimum of every 4 weeks. If there are any invoices deemed to be unrecoverable, approval from the Principal will be sought to write them off ensuring that the necessary documentation and authorisation is retained for audit purposes.
- Reminders and statements will be sent to debtors with outstanding invoices.

Receipting Best Practice

Receipting Process:

The ways that Moorabbin Primary School collects money are identified below. Each receipting method requires verification and endorsement for accurate processing and tracking purposes and confirms proper internal controls are in place. Moorabbin Primary School uses manual, mechanical or electronic methods for issuing receipts.

Principle methods are:

- Cheques in mail: details entered in remittance book, receipt issued, entered on CASES21.
- Money collected at the general office: receipt issued to the payer, entered on CASES21.
- Money collected from QKR: receipt issued to the payer, QKR batch entered on CASES21 and reconciled against that batch.
- Money collected away from the general office: e.g Canteen, Class cash-book, Uniform shop, fundraising. Money is counted at office, receipts issued to payer, entered on CASES 21,
- Direct credit (see Electronic Funds Management Policy)

Moneys received at points other than at the general office are to be receipted by the methods below:

- by the issue of an individual official receipt by the person receiving the money; eg Uniform shop
- by subsidiary records, fundraising where money is counted by two people and a control receipt is issued.

Cash transactions are verified by a receipting process which includes:

- promptly issuing a receipt for payment of goods or services
- using a receipt via CASES21

- where a replacement receipt is requested, a new receipt is NOT given, but the original receipt details are checked and provided to the customer with a copy of this receipt either by photocopying the original and marking as 'copy', outlining the receipt details.

All transactions to go through CASES21 utilising the family and/or the sundry debtors modules.

Cash Handling Controls

Where possible, Moorabbin Primary School seeks to limit payments to non-cash mechanisms to enhance security and accountability. These may include EFTPOS, QKR, credit card, direct deposit etc. This may cause unnecessary hardship to families who may not have access to non-cash forms of payment.

Moorabbin Primary School seeks to ensure maximum controls and optimum security measures are always in place.

- A cash float is necessary for the conduct of trading operations, such as uniform, book fair and school fete. The amount is recorded and maintained in a secure location.
- A reconciliation of cash collected versus cash banked is used to confirm a nil variance. Where under/over or nil banking occurs, an investigation into the discrepancy will be immediately conducted, with the reasons for the variance documented.
- Other cash-related trading operations, for example, Bunnings sausage sizzle, and activities will similarly be conducted.
- Any cash collected or remaining after banking that day must be stored in the school safe.
- Minimal cash is left in the school overnight and weekends.
- At the end of each school term, all cash on hand will be banked and petty cash is locked in the fireproof safe for the period of the vacation.

Best Practice in Cash Handling

- Cash collected from away from the general office should be regularly removed, counted and recorded by two independent people.
- Daily bank reconciliations performed by Business Manager on Cases 21 to balance against cash banked and monies receipted via EFT or EFTPOS facilities..
- Segregation of duties occurs - all cash and cheques collected are banked intact daily by someone other than the person collecting the money.

3. Evaluation

The Collection and Receipting of Monies policy should be reviewed at least once per year to confirm/enhance internal controls.

4. Resources

- DEECD – Internal Controls for Schools; and
- DEECD – School Finance Manual
- DEECD – Archives and Record Management for Schools
- Victorian Information Privacy Act 2000
- Public Records Act, Public Records Victoria