



## **CASH HANDLING POLICY**

### **PURPOSE**

Melba College is committed to ensuring that cash handling practices are consistent and transparent across the school and that all Melba College Staff, students and Parents/Guardians are aware of the Cash handling guidelines at Melba College.

Melba College will implement the measures outlined below, in accordance with Department of Education and Training (DET) guidelines. This policy intends to safeguard and protect the staff involved in the receipting and collection of monies and to minimise the risks associated with cash handling.

### **SCOPE**

This policy applies to all school staff or volunteers involved in handling cash on behalf of Melba College.

### **RATIONALE**

Melba College can earn revenue from several sources. This may involve invoicing families and sundry debtors as well as the receipt of cash. It is important that Melba College staff, students and community recognises this revenue in a manner that best matches those that will be eventually paid. Cash receipts must be handled in a manner that minimises any associated risks.

It is essential that Melba College has robust controls in place to minimise the risk of loss. Melba College has non-cash payment options as a part of the financial risk minimisation.

### **POLICY**

#### **Roles and responsibilities of staff**

At Melba College our Business Manager and Administration Office Assistants are responsible for managing cash at our school.

Where possible, segregation of duties will be maintained so that no individual will be responsible for more than one of the following:

- receipting of cash and issuing receipts
- preparing the banking
- taking the monies to the bank
- completion of the bank reconciliation

If this is not possible due to lack of available staff, the Department's "Segregation of Duties – Cash Checklist" will be implemented and signed off for audit purposes.

### **Storage of cash**

Monies are to be kept in either a controlled access safe or cash drawer during the day. If funds are kept on the premises overnight, they must be locked in our school's secured safe.

No monies are to be kept in classrooms or left at school during holiday periods.

All monies that are collected in the classroom will be forwarded to the office in the plastic zip lock bags by the Student Engagement Leader, classroom teacher, home group teacher or other responsible teacher as soon as possible after collection.

Money collected away from the classroom or general office (eg. for food sales or sports activities) is to be handed to the office on the day of receipt unless circumstances make this impracticable.

Money received away from the office must be double counted at the point of collection and a control receipt issued before it is provided to the office for banking.

### **Records and receipting**

All receipts are to be processed in CASES21 as quickly as practicable upon receiving the funds.

Monies received from the classroom will be entered into CASES21 and receipts returned to the classroom to be handed out to students within 48 hours.

Where monies are received over the counter at the office they will be entered into CASES21 and an official receipt issued immediately to the payer.

A CASES21 bank deposit slip will be printed and reconciled with total receipts for the day and with the total of cash/cheques to be banked.

Funds are to be banked daily or as soon as possible within the week.

No receipt is to be altered. Where a mistake is made approval must be sought before reversing the incorrect receipt. Copies of the incorrect receipt should be retained with details of why it was reversed.

Prior to a receipt batch being updated a receipt can be reprinted if necessary. The word REPRINT appears on the receipt. After the batch has been updated, if a copy of the receipt is requested the Family Statement, Family Matching Transactions Report or the Family Transaction History can be printed.

### **Cheques**

No personal cheques are to be cashed.

All cheques received by mail are to be entered in a remittance book, and all cheques, which have not already been crossed "not negotiable", should be crossed as soon as they are received.

### **Fundraising**

Two parents or staff members will be designated as 'Responsible Persons' for all school fundraising events or other approved events where monies may be collected, (eg school Concert or Theatrical Production). The forms which will be completed are Cash Handling Authorised Form for Fundraising Collection.

### **Reporting concerns**

Discrepancies that cannot be accounted for must be reported to the Principal.

All cases of suspected or actual theft of money, fraud, misappropriation or corruption are to be reported to the Executive Director, Audit and Risk Division by email addressed to: [fraud.control@edumail.vic.gov.au](mailto:fraud.control@edumail.vic.gov.au)

### **Use of Petty Cash by Staff**

Melba College does not give Petty Cash to staff for any purchases at any time.

### **Further Details**

Melba College must (DET Policy):

- adhere to all mandatory (must do) policy as outlined in Section 10 of the Finance Manual
- adhere to all prohibited (must not do) policy as outlined in Section 10 of the Finance Manual

### **SECTION 10 OF THE FINANCE MANUAL (Reprint)**

#### **Mandatory policy (Must do)**

1. Implement a local cash handling policy approved by school council. For example, like having at least two people present when handling cash and a safe and secure place to hold the cash until it is banked.
2. If the school council has approved the use of electronic receipting (BPAY, EFTPOS, third party online revenue collection, etc.) the school must have an electronic funds management policy that is reviewed annually and approved by school council.
3. Issue an official receipt immediately for all monies received from all sources (e.g. cash, cheques, EFTPOS, BPAY, etc.) and process through CASES21.
4. All cheques received by mail must be entered into a remittance book on a timely basis.
5. The principal or their delegate and one other person must sign all the entries entered in the remittance book. Open cheques must be crossed 'Not Negotiable' immediately upon receipt.
6. Prior to banking monies, schools must reconcile total receipts with total monies collected (cash, cheques, manual credit card transactions to be banked).
7. If the school operates an EFTPOS terminal, they must perform settlement on the EFTPOS terminal at the same time as the CASES21 batch is updated.
8. The segregation of duties between receiving cash and banking activities must be implemented where possible and practical. The method of ensuring this safeguard is to separate those responsibilities for duties which, if combined, would enable an individual person to receive cash and bank cash received. It can be implemented, by alternating sequential tasks, so that no one person has complete responsibility for the entire transaction, provided that some separation occurs between key activities.
9. If segregation of duties is not practical (limited number of administrative staff are available for the accounting and finance function in a very small school), the principal or nominee must randomly verify the cash handling and recording process has been

correctly undertaken. A minimum of two checks to be carried out per term and a signed record of the checks maintained.

10. If monies are collected away from the office, schools must undertake the following procedure:
  - two people count money (where practical — refer to point 10.3.1.8)
  - control receipt prepared for total amount
  - original control receipt attached to class list/sales book/attendance sheet. Duplicate control receipt retained by the teacher, manager or coordinator
  - office staff reconcile list of collections/control receipts with monies handed to office and provide receipt
11. All cash, cheques, etc. must be banked intact and in a timely fashion (preferably daily) to avoid having money on school premises overnight.
12. Money kept on school premises must be locked in a secure location.
13. In preparing the banking of funds collected, schools must:
  - prepare bank deposit slips in duplicate
  - reconcile the total money received with the total amounts recorded in CASES21
  - all bank deposit slips must be signed by the depositor
14. Any refunds must be in line with the school's refund policy and must be by cheque or electronic payment and never cash.
15. On receipt of advice from the bank that a cheque has been dishonoured, the principal or their delegate must communicate with the drawer of the cheque to correct any irregularities or obtain a fresh remittance. Efforts must be made to recover bank charges from the drawer.

#### **Prohibited policy (Must not do)**

1. Cash personal cheques under any circumstances.
2. Alter any receipt. If an error is made, the receipt must be cancelled and a new receipt issued. The original of the incorrect receipt must be attached to the copy of the new receipt.
3. Issue any duplicate receipts. If a duplicate receipt is requested the receipt of money must be acknowledged by a typed note on school letterhead (general ledger receipts) or a copy of a family or sundry debtor statement showing the receipt of money.
4. Leave money on school premises during vacation periods.

#### **Definitions**

- **Finance Manual**  
Finance Manual means the Finance Manual for Victorian Government Schools as specified and defined in Ministerial Order 1174.
- **BPAY**  
Electronic bill payment system that enables payments to be made through a financial institution's online, mobile or telephone banking facility.
- **CASES21**  
CASES 21 (Computerised Administrative System Environment in Schools) is the software package

provided to Victorian government schools to support school administration, finance and central reporting.

- **Control receipt**  
A control receipt is a list of total revenue collected for example for a class list/sales for attending an excursion.
- **Dishonoured cheque**  
A cheque that has not been paid by the bank due to insufficient funds or some other irregularity.
- **EFTPOS**  
An electronic payment system involving electronic funds transfers based on the use of payment cards, such as debit or credit cards, at payment terminals located at points of sale.
- **Non cash payment options**  
Options that allow for the payment of monies without using cash or cheques. For example, BPAY, EFTPOS, direct deposit, etc.
- **Provision for non-recoverables**  
An estimate of the receivables (money owed to the school) that will not be recovered or paid.
- **Segregation of duties**  
The method of separating those responsibilities or duties which, if combined, would enable an individual person to process and record a complete transaction, such as ordering, receiving, approving and paying for goods. This is an internal control intended to prevent fraud and error to ensure that no one person has complete responsibility for the entire transaction. Functions that must be separated include authorisation, payment, custody and recording.

## RELATED POLICIES

- Finance Manual — Financial Management for Schools
  - Section 02 Governance
  - Section 03 Risk Management
  - Section 04 Internal Controls
  - Section 05 School Council Financial Assurance Program
  - Section 06 Budget Management
  - Section 07 Chart of Accounts
  - Section 08 Bank Accounts
  - Section 09 Funding Sources
  - Section 11 Expenditure Management
  - Section 12 Trading Operations
  - Section 13 Asset and Inventory Management
  - Section 14 Liabilities Management
  - Section 15 Taxation
  - Section 16 Reporting Performance
  - Section 17 End of Year (31 December)
  - Section 18 End of Financial Year Reporting (30 June)
  - Section 19 Financial Handover
  - Section 20 Opening, Closing and Merging Schools
  - Section 21 Insurance Arrangements
- Parent Payments

## RELEVANT LEGISLATION

- [Australian Accounting Standards](#) — AASB 107 Statement of Cash Flows, AASB 139 Financial Instruments and AASB 101 Presentation of Financial Statements
- Constituting School Council Orders
- [Education and Training Reform Act 2006 \(Vic\)](#) — Part 2.3 — Government School Councils
- [Education and Training Reform Regulations 2017 \(Vic\)](#) — Part 4 — Government School Councils and Parents Clubs
- [Financial Management Act 1994 \(Vic\)](#)
- [Standing Directions of the Minister of Finance 2018 under the Financial Management Act 1994 \(Vic\)](#) — Section 3.4 Internal Control System

## **APPENDIX**

- **APPENDIX A – CASH HANDLING BEST PRACTICE CONTROLS**

### **EVALUATION**

This policy will be reviewed annually by Melba College Council to confirm/enhance internal control procedures.

Proposed amendments to this policy will be discussed with Business Manager, Leadership Team, Finance subcommittee and College Council

<b>Policy Reviewed by School Council</b>	<b>Person Responsible for Policy</b>	<b>Next School Council Review</b>
2020	Assistant Principal - Accountabilities	2021

# Understanding Parent Payment Categories

## Schools

### What does the legislation say?

The Education and Training Reform Act (2006) provides for free instruction in the standard curriculum program to all students in government schools. The Act also empowers school councils to charge fees to parents for goods and services provided by the school to a child.

In the Act, a 'Parent' includes a guardian and every person who has parental responsibility for a child including parental responsibility under the Commonwealth Family Law Act 1975 and any person with whom a child normally or regularly resides.

### What do schools pay for as part of 'free instruction'?



Free instruction is the teaching staff, administration and the provision of facilities in connection with the instruction of the standard curriculum program, including reasonable adjustments for students with disabilities.

The standard curriculum for Years F-10 means implementation of the Victorian Curriculum F-10.

The standard curriculum for senior secondary schools means a program that enables a student to be awarded a VCE or VCAL qualification.

### What principles govern parent payment practice?

Educational Value | Access, Equity & Inclusion | Affordability

Engagement & Support | Respect & Confidentiality | Transparency & Accountability

## Parents

### What may parents be asked to pay for?

#### Schools can request payment for Essential Student Learning Items



These are items, activities or services that the school deems **essential** to student learning of the standard curriculum.

Where practical and appropriate, parents may choose to purchase items through the school or provide their own.

These may also be either:

#### Items the student takes temporary or permanent possession of

- e.g.
- textbooks, activity books, exercise books
- stationery, book bags
- student ID cards, locks
- cooking ingredients students will consume
- materials for final products that students take home (technology projects, build-your-own kits, dioramas)
- Picture Exchange Communication Systems

#### Activities associated with instruction that all students are expected to attend

i.e. travel, entry fees or accommodation

- e.g.
- excursions
- incursions
- school sports
- work placements

Parents can be asked to pay for items, activities and services in the three Parent Payment Categories:

Essential Student Learning Items, Optional Items and Voluntary Financial Contributions.

Schools determine how items, activities and services are classified within these categories based on the learning and teaching program of their school.

#### Schools can request payment for Optional Items

These are items, activities or services that are **optional** and are offered in addition to the standard curriculum.

Students may access these on a user-pays basis.

These may be either:

#### Items the student purchases or hires

- e.g.
- school magazines, class photos
- functions, formals, graduation dinners
- materials for extra curricular programs
- student accident insurance

#### Activities the student purchases

- e.g.
- fees for extra curricular programs or activities, such as instrumental music tuition
- fees for guest speakers
- camps, excursions, incursions, sports
- entry fees for school run performances

#### Items and/or materials that are more expensive than required to meet the standard curriculum

- e.g.
- use of silver in metal work instead of copper
- supplementary exam revision guides

Support for families experiencing hardship is available at every school and each school has a parent payment contact person. See your school's policy for more information.

For more information on Parent Payments and Personal Devices, visit the DET website at: [www.education.vic.gov.au](http://www.education.vic.gov.au)

Schools can invite **Voluntary Financial Contributions** for



- e.g.
- Building or Library fund (Tax deductible)
- Voluntary contributions for a specific purpose, such as equipment, materials, services.
- General voluntary contributions