

### Rationale

This policy has been written with the schools online payments, credit/debit card payments in, credit/debit card payments out, BACS electronic payments out in mind. The policy should be reviewed and modified following changes to the legal requirements surrounding electronic payments. If you suspect that any of the procedures contained within this policy have been compromised then you must inform the schools Merchant Executive Officer: Robert Downing as soon as possible.

### Online payments in

The school has the facility to accept online payments into the Budget and Private Fund bank account. The online payments system can be accessed through the schools website or directly at <http://www.scopay.com/olqp>. Private fund payments include uniform and school trips and budget payments include dinner money.

Anyone with access to the <http://www.scopay.com/olqp> web address can setup an account within the online payments software system however only someone with a pupil link code can then link their account to a learner or staff member. Link codes can be issued by RED, LT, SQ, ES, PM, JDJ.

Once an account is linked via the pupil link code the account owner can make payments to school using their debit/credit card from any location with access to the internet. Online payments are synchronised throughout the working day and should automatically reflect within our internal financial systems the same day. For security reasons the online payments system does not store a copy of the card details which should be entered each time a transaction is performed.

### Protection and Transfer of Electronic Data

Debit and credit card data must be treated with enormous sensitivity at all times. Under no circumstances should a debit or credit details be:

**A:** recorded manually on paper or in electronic format

**B:** sent via paper or electronic format within or outside of our organisation using e-mail or other insecure messaging technologies (chat, instant messaging etc.)

### Protection, Transfer and Disposal of Paper Based Data

Debit and credit card data must be treated with enormous sensitivity at all times. Paper based sources of data that contain customer credit card numbers should be:

**A:** physically secured (locked away) at all times e.g. "to-be-shredded" container that has a lock preventing access to its contents.

### Online payments via the schools website

The online payments system is capable of recording the transaction details in our financial system SCO. Recording of online payment systems should be treated as a four step process and be completed as soon as possible:

- Step 1** Take payment from customer
- Step 2** Record payments in our financial systems (SCO)
- Step 3** Keep records in a secure location
- Step 4** Check financial system to ensure equipment is ordered

**Step 1** Take payment from customer  
The customer performs this part of the process using the Tucasi online payment software

**Step 2** Record payments in our financial systems (SCO)  
The Tucasi online payment software performs this process automatically

**Step 3** Keep records in a secure location  
Once again the Tucasi online payments software performs this process automatically

**Step 4** Check financial systems to ensure equipment is ordered  
The last step is a manual process and ensures items purchased are ordered e.g. uniform. It is the responsibility of Sue Quane to check the Schools Cash Office system to ensure uniform items are ordered.

**The online payment system is our most economical and reliable system for recording payments and therefore should be capitalised upon whenever possible.**

### Online payment system refund

Online payment refunds can be made directly onto a customer's card when required. The customer may not be present and the refund will be made to the original card that was used to purchase the items. Under no circumstances should refunds be made without the prior approval of Lynn Tipton or Robert Downing.

Recording of online payment refunds should be treated as a three step process and be completed as soon as possible:

- Step 1** Refund payment to customer
- Step 2** Record payments in our financial systems (SCO)
- Step 3** Keep paper based records in a secure location

**Step 1** Refund payment to customer

Login to the WorldPay administrator website at the following address:  
<https://secure.worldpay.com/sso/public/auth/login.html?serviceIdentifier=merchantadmin>

Select payments from the menu on the left

You can use the search feature or filter the results if you know the transaction ID, date or value

In the results select the transaction you wish to refund by clicking transaction ID

Check the payee details e.g. card holder name, address, amount, email.

Scroll down and click the refund option. It doesn't look like a button but it is.

You will be asked "Do you really want to refund this payment?" Select OK

At the point you will not be asked for any more information and the refund will take place. Press Ctrl + P and print the print the updated screen

### **Step 2** record payments in our financial systems (SCO)

Open Schools cash Office and select income and then the refund tab

Select the item originally paid for

Enter the price if applicable or choose items purchased

Select the account the payment applies to e.g. learner or staff name

Click total when transaction equals the amount on the receipt

Ensure Credit/Debit is selected

Enter the payee name in "Credit/Debit payment to"

Enter the Refund and Cost Centre into "Enter credit/debit details reference" e.g.

Refund Staffroom Fund 2012/13

Click done to record the sale

Click yes to print a receipt

### **Step 3** Keep paper based records in a secure location

Staple the WorldPay printed screen to the SCO receipt and store in it the card payments file. Enter the reason for the refund on the SCO receipt.

Record the transaction on any additional paperwork e.g. uniform order form and pass to Sue Quane.

## **Debit/Credit card payments in**

The school has recently added Debit/Credit card payments to its Private Fund account. Private fund items include uniform and school trips. **Dinner money cannot be paid for via debit/credit card.**

The card terminal although portable is stored in the Reprographics office and should only be operated by trained members of staff which has currently been revised to Eileen Smith. Sue Quane, Lynn Tipton and Robert Downing have also been trained. The terminal should be kept in a secure location when not in use. It is not acceptable to allow anyone other than those named above to operate the terminal device.

### **Physical Access to Debit/Credit card terminal, computers and software**

Access to our point-of-sale devices, payment applications and computers should be controlled and limited to employees who require access to do their jobs. We can do this by:

**A:** Issuing each employee with a unique username and password for the computer network system and each software applications including websites.

**B:** Ensuring financial software applications are only installed on designated computers within the organisation.

**C:** Ensuring access to network areas where financial data systems are held is reduced to those users who require access.

**D:** Ensure the debit/credit card terminal is secured in a safe location when not in use. E.g. in a locked room (Reprographics).

**E:** Only the following members of staff are authorised to use the debit/credit card terminal. At no point should you allow non-employees or members of the general public be allowed to supervise the use of the debit/credit card terminal.

### Access to debit/credit card machine

Employee	Access to terminal hardware	Daily Operation of Device	Access to Tucasi online, Streamline, Worldpay
RED	Yes	No	Yes
LT	Yes	No	Yes
ES	Yes	Yes	No
SQ	Yes	No	No

### Credit/Debit Card End of Day Banking

The end of day banking process will assist ES in the reconciliation of income. **This should be performed at the end of each day, once all transactions have been completed, no earlier than 3:00pm and no later than 11:00pm.**

### Performing an End of Day reconciliation

1 Press the Menu button twice. The totals option will be highlighted. Press the Green button and the Totals menu will be displayed.

2 Use the arrow buttons to select "End of Day" and press Green.

3 Swipe the supervisor card

4 Press Enter to reconcile all card types

5 The machine should print out a reconciliation statement. Pass the statement to Lynn Tipton.

## Recording a Debit/Credit card transaction

Recording of debit/credit card purchases should be treated as a three step process and be completed as soon as possible:

**Step 1** Take payment from customer

**Step 2** Record payments in our financial systems (SCO)

**Step 3** Keep paper based records in a secure location

**Step 1** Take payment from customer – Only for payments into Private Fund.

Key in amount and press enter e.g. for £5 enter 500 and 5.00 will be displayed.

Ask the customer to insert their card into the terminal, enter their pin when prompted and press enter.

Ask for the terminal back and give the customer their copy of the receipt if the transaction is successful.

Press ok and retain the schools copy of the receipt.

Mark the schools receipt with customer name and the cost centre e.g. Uniform and staple to an order form if applicable (we need to know what is being paid for).

Record the sale in SCO straight away. This would normally be done by Eileen Smith.

**Step 2** Record payments in our financial systems (SCO)

Open Schools cash Office and select the Income tab

Select Sales and choose the item paid for

Enter the price if applicable or choose items purchased

Select the account the payment applies to e.g. learner or staff name

Click total when transaction equals the amount on the receipt

Ensure Credit/Debit is selected

Click done to record the sale

Print a receipt for reconciliation and one for the customer

**Step 3** Keep paper based records in a secure location

Staple the terminal receipt to the Tucasi receipt and store it in the card payments file. Record the transaction on any additional paperwork e.g. mark as paid on uniform order form and pass to Sue Quane.

At this point the payment has been taken and a record of the transaction has been made.

## Debit/Credit Card Refunds for all items

Refunds can be made directly onto a customer's card when required. The customer should be present with the original card used to purchase the item. Under no circumstances should refunds be made without the prior approval of Lynn Tipton or Robert Downing. The supervisor card required to perform refunds is stored in the school safe.

Recording of debit/credit card refunds should be treated as a three step process and be completed as soon as possible:

**Step 1** Refund payment to customer

**Step 2** Record payments in our financial systems (SCO)

**Step 3** Keep paper based records in a secure location

**Step 1** Refund payment to customer – Only for payments into Private Fund.

Press Menu on the terminal, select Refund and press enter

Key in the amount and press enter e.g. £5 should be keyed as 500

Insert or swipe the customers' card

Swipe the Supervisors Card – The card is stored in the school safe

The terminal will connect to streamline and authorisation will take place

The terminal will print off the schools receipt which should be signed by the member of staff performing the refund and the cost centre should also be written on it

Press ok, remove the customers' card and press ok again

Hand the customer their receipt

Return the terminal to its base unit/safe location

**Step 2** record payments in our financial systems (SCO)

Open Schools cash Office and select income and then the refund tab

Select the item originally paid for

Enter the price if applicable or choose items purchased

Select the account the payment applies to e.g. learner or staff name

Click total when transaction equals the amount on the receipt

Ensure Credit/Debit is selected

Enter the payee name in "Credit/Debit payment to"

Enter the Refund and Cost Centre into "Enter credit/debit details reference" e.g.

Refund Staffroom Fund 2012/13

Click done to record the sale

Click yes to print a receipt

**Step 3** Keep paper based records in a secure location

Staple the school copy receipt to the SCO receipt and store in it the card payments file. Enter the reason for the refund on the SCO receipt.

Record the transaction on any additional paperwork e.g. uniform order form and pass to Sue Quane.

At this point the refund has been made and a record of the transaction has been made.

## Debit/Credit Card Refunds for trip payments

Although the previous procedure "Debit/Credit Card Refunds for all items" can be followed there is another way of refunding trip payments which may be useful if multiple refunds are to be performed. As with the refund for all items the refund can be made directly onto the customers' card when required. The customer should be present with the original card used to purchase the items. Under no circumstances should refunds be made without the prior approval of Lynn Tipton or Robert Downing.

Recording of debit/credit card refunds should be treated as a three step process and be completed as soon as possible:

**Step 1** Refund payment to customer

**Step 2** Record payments in our financial systems (SCO). This is the different part.

**Step 3** Keep paper based records in a secure location

**Step 1** Refund payment to customer – Only for payments into Private Fund.

Press Menu on the terminal, select Refund and press enter

Key in the amount and press enter e.g. £5 should be keyed as 500

Insert or swipe the customers' card

Swipe the Supervisors Card

The terminal will connect to streamline and authorisation will take place

The terminal will print off the schools receipt which should be signed by the member of staff performing the refund and the cost centre should also be written on it

Press ok, remove the customers' card and press ok again

Hand the customer their receipt

Return the terminal to its base unit/safe location

**Step 2** Record payments in our financial systems (SCO)

Open Schools cash Office and select "Trips and events" from the top tool bar

Select the relevant trip or event

Click the 'red' payment icon next to the learners name

Within the displayed box choose "refund" followed by "payment type" followed by the "amount".

In this case you will choose "credit/debit"

If 'cheque' is chosen the system will ask you to complete the cheque details

When complete click 'Confirm Refund', details of the transaction will be displayed which can be printed.

Click yes to print a receipt

Click close window to complete the transaction.

**Step 3** Keep paper based records in a secure location

Staple the school copy receipt to the SCO receipt and store in it the card payments file. Enter the reason for the refund on the SCO receipt.  
Record the transaction on any additional paperwork e.g. uniform order form and pass to Sue Quane.

At this point the refund has been made and a record of the transaction has been made.

### Reconciling credit/debit card payments

At the end of each day month the debit/credit card payments should be reconciled to the bank account statement by Lynn Tipton. Each debit/credit card receipt should be marked as reconciled and kept in the completed debit/credit card payment file. If discrepancies are found they should be addressed immediately.

### Protection and Retention of records

Records should be retained in a secure location for three years plus the current year. Although we do not record debit and credit data manually or electronically it is of vital importance that all payment records are stored in safe location away from personnel who do not require access to the data for the purpose of their employment. This location is currently the Reprographics office.

### Compromised debit/credit card data

In the event that debit/credit card numbers or the card processing device becomes compromised then it may necessary to inform one or more of the following persons or agencies:

The Headteacher – 01695 725635  
Lloyds TSB bank - 0151 801 1199  
WorldPay – 01268 258 493  
Streamline – 8457 616 263  
Police - 01695 724101

Please inform the Business Manager in the first instance and the Headteacher or Property and Resources Manager in his absence.

**Please sign below to confirm that you have read, understood and agree to the policies and procedures contained within this electronic payments policy**

**Signed** \_\_\_\_\_

**Date** \_\_\_\_\_

## BACS Electronic Payments Out

The school has the facility to pay invoices using BACS electronic payments using the SIMS FMS6 Finance Software and LloydsLink Online Banking Software.

### Supplier details

Paula Moore will be responsible for the day to day updating of supplier BACS details within the FMS6 software. A request for BACS details to be changed should always be confirmed by telephoning the accounts department of the requesting supplier **on a phone number that we know is correct and not the phone number on the request** as this could also be false. Only Paula Moore and Robert Downing should change BACS payment details within the FMS6 system.

### BACS Runs within FMS6

Like cheque runs Paula Moore will be responsible for administering BACS runs within the FMS6 system. A BACS payment must be accompanied by an invoice with corresponding delivery note or the invoice signed by a budget holder to confirm receipt of goods. On completion of a BACS run the FMS6 system will export a file to be uploaded to the LloydsLink Online Banking Software.

### Lloyds Link Online Banking Software

Only cheque signatories and Finance Department staff required to administer BACS runs will be given access to LloydsLink.

Access	Member of staff
Access to LloydsLink Software	JMS AK KL RED LT PM
Authorise BACS files	JMS AK KL RED
Upload BACS files	JMS RED PM
View account info	RED LT

### BACS Limits

The BACS payments system has the following limits

Transaction type	Limit
Single supplier payment limit	£60,000
BACS file payment limit	£100,000

### BACS File Import

Paula Moore and Robert Downing will import the FMS6 BACS files into the LloydsLink system. All files exported from the Sims FMS6 system will be frozen on import. Frozen BACS files cannot be tampered with in the LloydsLink system reducing the opportunities for fraud to take place. On import the appropriate bank account must be chosen, which will always be the Budget account, and the BACS totals should be checked.

### BACS Authorisation

Two account signatories must authorise each BACS file for payments to be made. When authorising a BACS file the individual totals should be checked against a corresponding supplier invoice. When all checks have taken place the BACS file can be sent for either further authorisation or sent for payment. This task is normally carried out by JMS and RED. When the BACS file has been approved by two signatories the file must then be submitted for payment.

### BACS and FMS6 Discrepancies

BACS files that are deemed to have discrepancies should not be authorised and cancelled within the LloydsLink system. PM should then be informed to enable the deletion of the BACS file within the FMS6 software. Changes cannot be made within the FMS6 BACS file once payment has been made within the LloydsLink software.

### LloydsLink BACS Approval Procedure

Log into Lloyds TSB here <https://lloydslink.online.lloydstsb.com/Logon/Logon.jsp>. Click on Payments and then Launch Payments to open the payment management screen. The payments screen will tell you if there is a batch awaiting approval

Category	Number of outstanding tasks
Incomplete Payment Batches	0
Payment Batches Awaiting Verification	0
Payment Batches Failed Verification	0
Payment Batches Awaiting Approval	1
Payment Batches Failed Approval	0

Payment Batches Awaiting Submission	0
Approve Migrated Accounts	0

Click Payment Batches Awaiting Approval

Click the payment batch to approve

Scroll to payment list and select details to see how much each supplier will be paid

Check the payment details to the BACS run report from Finance 6. It must match!

If you are happy click View Payment Batch and then Approve Batch

Sign the Finance 6 BACS run report

You will now have to provide a response to the security challenge

Generate a response using your authenticator

Insert your card into the reader and press "R"

Enter the Challenge number displayed into the reader, then press "OK"

Enter your Authenticator PIN into the reader and press "OK"

Your reader will generate a response number. Enter the number into the "response" field above and click on the "approve" button at the bottom of the page.

If you are the second approver (you can tell if someone has approved already because they will have signed the BACS run report) you do not need to send for further approval.

At this point Lloyds TSB will email the administrator to say the batch can be passed for payment.

## Credit Card Payments Out

### 1. Credit Card Security

- 1.1. The credit card and account details will be held in the strong room safe.
- 1.2. Purchases under £250 can be authorised by the paying budget holder and one cheque signatory. Purchases over £250 must be authorised by the paying budget holder and two cheque signatories.
- 1.3. Use of the credit card will be confined to the cheque signatories and those authorised by the Business Manager
- 1.4. The credit card can be taken from school premises with permission of the card holder and another cheque signatory. If the card details are thought to be compromised, lost or stolen the Business Manager must be informed immediately.

### 2. Use of Credit Card

- 2.1. Use of the credit card will be limited to circumstances – where no other method of purchasing goods or services is available: - where discounts can be obtained by ordering / paying for services on line.
- 2.2. A signed requisition for must be completed for all orders. Purchases under £250 can be authorised by the paying budget holder and one cheque signatory. Purchases over £250 must be authorised by the paying budget holder and two cheque signatories.
- 2.3. Purchases made using the credit card will be debited against the appropriate School Budget cost centre immediately using an internal journal to 04CREDIT.
- 2.4. A transaction limit of £5000 (inclusive of VAT) will apply. This may be increased in certain circumstances e.g. booking air travel.
- 2.5. When purchasing items via the Internet strict controls will apply. (See Appendix 'A') All transactions **must** be done on school computer systems.\*
- 2.6. The credit card must not be used for obtaining cash.
- 2.7. The credit card must not be for personal use.

### 3. Payment of Credit Card statements

- 3.1. The Property and Resources Manager will be responsible for the reconciliation of the credit card statements against School Budget Share Cost Centres or School Fund Accounts and for the payment of balances, thereby maintaining a segregation of duties.
- 3.2. All statement balances will be paid in full by direct debit by the due date.

**Schools Cash Office:**  
**End of Day Reconciliation Sheet**

**Date to be reconciled:** \_\_\_\_\_

**Date reconciliation performed:** \_\_\_\_\_

**Values within the Schools Cash Office Software**

Cash sales	0.00	Reconciled
Cheque sales	0.00	Reconciled
Credit/debit sales	0.00	Reconciled
Total	0.00	

The above information must be obtained from the Schools Cash Office software. Please run a "sales and payments report", "sales report", "sales summary". Ensure the correct date is selected on the dates tab and exclude online transactions on the filtering tab.

**Actual values present in hand**

Cash sales	0.00	Reconciled
Cheque sales	0.00	Reconciled
Credit/debit sales	0.00	Reconciled
Total	0.00	

Reconciled	YES
Discrepancy value	0.00

A negative value may indicate a missing transaction in the Schools Cash Office software. A positive value may indicate an underpaid transaction.

**Please note:**

- The "End of Day Reconciliation" procedure must be performed each day
- A copy of the balanced reconciliation sheet should be passed/mailed to LT/RED
- LT/RED should be notified of discrepancies as soon as possible
- This procedure does not balance cost centres within the Schools Cash Office software
- Please enter notes/calculation on the back of this sheet if required

**Signed:** \_\_\_\_\_