Banking Procedure
(Direct BACS payments and Cardnet income systems)

Our Shared Vision

Equality Mission Statement

We are committed to ensuring equality of educational opportunity and support for all pupils, parents, carers, staff and visitors irrespective of age, sex, race, disability, religion or belief, sexual orientation, pregnancy, gender reassignment, and socio-economic background. We aim to provide a fully inclusive school in which every person feels proud of their identity and is able to participate fully within the school community. We believe that a diverse school community is a strength which should be respected and celebrated by all those who learn, teach and visit here.

Approved by: Site & Financial Management Committee	**Date:**
Signature (Chair of Committee):	**Signature (Headteacher):**

Last reviewed on: March 2026	**Next review date:** March 2027

Rationale

As the school evolves and technology moves, it has become necessary to integrate innovative technology into school procedures. In 2020, during the COVID19 Pandemic, the school's Critical Incident Plan was in place and it was noted that for the school to meet its obligations to suppliers and contractors, there was a need to physically enter the school building to obtain access to school cheques for printing and posting. Although, this has been possible during this Critical Incident, this may not be possible in future. We therefore deemed BACS to be an essential financial management tool, for us to be able to provide an efficient service and meet our financial obligations to our suppliers in the future. The school has the facility to pay suppliers by BACS payment (direct into their bank account).

In response to parent/carer feedback, the school decided in 2024 to procure and imbed a Cardnet Terminal for cashless payments. This is to work alongside the existing SchoolGrid payment system. This will be a matter of personal choice for parent/carers and will further reduce the need for cash to be taken and stored at the office.

Any persons responsible for an action which is covered under this policy, will have first been provided with a copy of this policy.

BACS payments

Advantages of using BACS

The school's move to BACS payments was supported by the school's Finance Consultant and the Relationship Manager for Lloyds Bank plc (the school's bank).
The decision to move to BACS bank transfers was agreed by Governors on 14/5/2020.

- Generation of BACS file can be completed through school's Arbor Finance software system, which is internet based and can be completed off-site
- Arbor Finance software already has BACS facility and can be set-up at the 'press of a button'
- Process allowed for differentiated responsibility between staff
- Lloyds Commercial Banking On-line service - authorisation can be set-up in-line with the school's Summary of Financial Delegation (ie duel authorisation)
- Authorisation is internet based, so can be completed off-site and in isolation
- Suppliers can be paid directly, so payments are not held up by postage delays
- There are savings on the cost of pre-printed cheques and postage – approximately £1.00 for each cheque
- Cheque payments can still be completed for any supplier if preferred
- Small reimbursement payments to staff can be completed via BACS payment, which means that small reimbursement can potentially be removed

Disadvantages of using BACS

- Bank details for suppliers need to added and kept up to date in Arbor Finance manually
- Security systems must be developed to combat fraudulent attempts to divert BACS payments

- Requires Lloyds Commercial Banking On-line – at a cost of £30 per month plus a one-off £150 registration fee. This is comparable with current costs for cheques (see above).

Integrity of banking data held
The school will follow the guidelines below in relation to banking information held by the school:-

Set-up - When setting up the data bank, banking information will be taken from known supplier invoices. The school will amend the Payment Method to BACS, add the bank details to the relevant supplier code on Arbor Finance and then switch the Payment Method off for BACS (to prevent a BACS file being generated by accident). Once the BACS payments go live the Payment Method must be switched to BACS.

Maintaining the data - Any correspondence requesting a change in bank details MUST be verified by independently telephoning the supplier on a trusted phone number (preferably one taken from the internet). The Finance Assistant will note, date and sign the invoice to confirm this and Paula Thornton, the Strategic Business Lead, will check the new details on RM and counter-sign.

Staff bank details - All staff will be issued with a request form to provide their bank details so that small reimbursement payments can be made directly to their bank accounts. Once added to Arbor Finance they will be filed and archived, with records for that financial year. Any staff who have not provided bank details will be asked to do so, on submission of their next small reimbursement claim form.

BACS transfer files
How are they created? - BACS files are created as csv files in the Arbor Finance system. Payments are created at the point of entering an invoice for payment by choosing BACS as a payment method. When a BACS payment is required, a csv file is created in Arbor Finance.

How are they approved? - A BACS report is printed from Arbor Finance and passed with the supporting invoices for authorisation by the Headteacher (or Deputy Headteacher). Once authorised, the csv file is checked by both the SBL and a second person (usually the Finance Officer) and then uploaded to the bank portal. Only 3 people are able to authorise payments (the Headteacher and 2 Deputy Headteachers). They must log on and approve this in the banking portal. The SBL can upload the file but is unable to authorise the payment.

Cardnet Terminal

The procurement of the Cardnet terminal device cost the school £199.00 and was approved by Governors on 13/6/2024.

Protecting card data – Only the Lloyds Bank Cardnet mobile payment terminal device (issued by the bank direct to the school) is used. Data is only collected when and where it is really needed and no data is kept, stored or recorded after the initial transaction. We only take face-to-face payments and do not take telephone or online payments, so no card data is noted or recorded. Only authorised staff are permitted to operate the terminal.

Security of terminal device – Only authorised persons who have a need to access to or use the device as part of their job will do so. These persons are trained to be aware of and challenge any suspicious behaviour around the device, including attempts to gain access to, unplug or open the device.

The device processes sensitive cardholder data; which is stored on the card's magnetic strip or chip and requires the cardholder to enter their PIN. The terminal card be used cordless but is rechargeable. To mitigate opportunities for the theft, unauthorised substitution or tampering of the terminal, it is locked away in a secure safe overnight and taken out and plugged in for charging each morning and the charging point is located away from the reception desk, so it is not left unattended or in plain view at any time.

A record of the serial number of the terminal has been made and is checked regularly to ensure that has not been replaced with a fraudulent device. Access will not be permitted for any repair or maintenance of the terminal device, unless previously booked directly with the SBL. Nobody will be allowed to inspect or upgrade the device, as criminals may claim to be repair or maintenance personnel in order to gain access to the device.

The Data Protection Team (GDPR) were consulted and no additional GDPR actions were required.

Access & security

Paper records
Access to paper records, Arbor Finance and the school bank account is controlled by the SBL. Only staff who require access will be permitted; namely the SBL, admin staff with a financial responsibility, members of the Senior Leadership Team (who are all signatories on the bank accounts) and the school's financial consultant. Paper records are kept in a locked cupboard and the SBL has the key.

Arbor Finance
Access to Arbor Finance is limited to the SBL, Finance Consultant and admin staff. Login details are password protected and permissions are only granted to parts of the system necessary for the role undertaken.

Banking records
The banking portal used to upload and approve BACS payments is password protected and a banking Card Reader is used to access the system. Only the Headteacher, Deputy Headteachers and the SBL have access.

The online bank account is accessed by the SBL and reconciled with Cardnet and BACS records regularly but no less than monthly. These are scrutinised by the external Finance Consultant and signed-off by the Headteacher.

Security Response Plan
A security incident may not be recognised straightaway, however there may be indicators of a security breach, unauthorised activity or signs of misuse.
Look out for any indications that a security incident may have taken place (or may be in progress); these may include:

- Suspicious invoices being received requesting urgent payment.
- Requests for bank details to be amended for BACS payments.
- Cardnet devices lost, stolen, substituted or behaving differently; for example chip read starts to fail every time, forcing cards to be swiped.
- Visible damage to devices or non-standard stickers covering parts of the device.

Initiating the Security Incident Response Plan
The response plan will be checked and tested at least annually. It is the responsibility of anybody involved in school banking to report any suspicions of a security incident to:

Paula Thornton (SBL) – Primary incident response contact

Marie Ziane (Headteacher) – Secondary incident response contact

They may:

1. Stop the use of the BACS or Cardnet facility
2. Contact Lloyds Bank on 01268-567100
3. Contact the Police on 101
4. Follow instructions given and request further information from you

Any breaches in this policy must be reported to the incident response contact(s) above.

Audit & record-keeping

The paper documents are kept together and checked off against Arbor Finance and the bank statement when received.

The paper files are kept locked in the SBL office and archived with all other financial documents at the end of the financial year. The BACS records will be subject to external audit in the same way as all other financial documents are examined. Internal monitoring of financial procedures is undertaken by the chair of the Site & Financial management Committee termly. Financial records and policies are chosen at random.

This procedure will be reviewed at least annually and all staff with responsibility are provided with a copy.