

Milton Keynes Council Online Banking Briefing Note



INTRODUCTION AND BACKGROUND

- 1.1 The LMS Scheme for Financing Schools, including Financial Procedures for Schools coupled with Notes for Guidance on Local Bank Accounts in Schools, gives permission to schools to make use of electronic banking facilities.

[LMS - Banking pages](#)

- 1.2 It is recognised that many schools now wish to improve the automation of their systems. This guidance note seeks to set out the requirements that schools must adhere to in setting up automated banking arrangements. If further clarification is still needed having read this guidance schools should contact the Schools Finance by email SchoolsFinance@milton-keynes.gov.uk in the first instance.

PROCEDURE REQUIREMENTS

- 1.1 The use of electronic banking facilities and staff user rights must be approved by the Headteacher and the school governing body. School governors are not permitted to have online access as they are not members of staff of the school or the Local Authority but it is permissible for schools to give their financial providers read only access.
- 1.2 Separation of duty arrangements and authority to approve payments should be consistent regardless of whether the means of processing payments is via BACs or cheques.
- 1.3 Schools are reminded that section 3.2 of the Notes for Guidance on Local Bank Accounts in Schools sets out the rules for cheque signatories. In setting up online access and approval rights schools must ensure compliance with the requirement for a minimum of two signatures up to a certain limit specified by the governing body (up to a maximum of 2% of School Budget Share) and three signatures for any amount above that limit.

ADMINISTRATION SET UP, SECURITY AND COSTS

- 1.4 For those schools who bank with NatWest through the pooling arrangement, the Schools Finance team will act as administrator in setting up access to online banking for school governing body approved staff. Schools need to complete the online banking request form and return it to the team to initiate the set up process. Upon set up, each Bankline user will be notified of their system login details direct from the Schools Finance Team. For those schools that have banking arrangements outside the Council pooling arrangement a school member of staff will need to be approved as the online banking administrator.
- 1.5 In order to authorise payments online approvers will be issued with a Bankline Smart Card, PIN Smartreader and PIN number. For those arranging their online banking through the Council these will be sent to the Local Authority in the first instance. Onward delivery to the school will be arranged on their arrival. Security of these devices is important, and they should be kept about your person or locked away at all times. Under no circumstances should the card or PIN number be shared with another staff member or anyone outside the school.
- 1.6 With effect from 1 April 2015 banking charges relating to school activity for schools using Council banking arrangements will be charged direct to school accounts. School staff need to manage their banking transactions in order to minimise costs. Consolidating a number of payments into a BACs payment run is a means of achieving this.
- 1.7 Separate operational guidance will be produced and circulated for those schools who intend to process automated payments under the Council NatWest pooling arrangement