



FINANCIAL PROCESSES POLICY

Insight Early Learning childcare services are small to medium businesses with the same management, administration and planning requirements as any other business. The Financial Processes Policy outlines how the IEL organises, controls and safeguards its finances and manages financial systems.

PURPOSE

We are responsive at all times to the National Quality Framework. We have specific systems in place to manage risk and enable the effective management and operation of a quality service.

SCOPE

The Financial Processes Policy & Procedure outlines the financial responsibilities of the Centre Director/Nominated Supervisor, Reporting Manager Chief Financial Officer and leadership team.

POLICY STATEMENT

Insight Early learning leadership team and team members will at all times acknowledge and be responsive to IEL Financial Processes Policy and Procedure. It is the responsibility of all stakeholders to be aware of all their legal and financial responsibilities, allowing transparency with all stakeholders.

IMPLEMENTATION

Establishing budgets and setting fees

The budget is used as a tool to set out the fee structure for each IEL service which must be adhered to in order to ensure the service remains financially viable. Budgets are based on the number of children anticipated to use the service each day along with the necessary daily staffing levels.

The CFO will set the budgets at the beginning of the financial year, with budgeting remaining an ongoing process as the year unfolds. The Centre Director will report weekly/fortnightly on the budget.

The budget identifies spending linked to occupancy levels.

- current and accurate survey results
- past figures
- trends
- local conditions.
- Budget process

Review

- Revenue and expenditure must be reviewed against the approved budget on a fortnightly basis and reported within the Directors Weekly Report.
- Significant changes to the budget must be approved by the Chief Financial Officer and Reporting Director and documented as part of the budget approval process. For example: financial reports might show that the budget is not being met or the number of children attending the program has decreased.

Child Care Subsidy

It is vital that as an approved provider, IEL services submit accurate attendance in a timely manner. This enables the Commonwealth to correctly calculate of the amount of Child Care Subsidy or Additional Child Care Subsidy (if any) that is payable for care provided to a child. Members of the leadership team who have responsibility for submitting attendances will do so each Friday. On Monday they will retrieve payment via the CMS portal.

An accurate session report must be submitted for each child for each week a session of care has been provided (including absences). It must contain at least one session of care for a week, recorded as either an attendance or absence. It must only include sessions of care for which an individual incurred a genuine fee liability.



Session reports must be accurate. If the Department of Human Services has concerns about the accuracy of session reports, they have the legal right to stop processing payments until the information has been verified. Constant inaccurate reporting may warrant the Department to audit the service.

Wages

Wages will be prepared in a timely manner and forwarded to our accounting firm for processing on a fortnightly schedule. The wages sheet must be checked by two persons to ensure accuracy and must meet the timings required by our accounting firm. IEL is responsive to Fair Work Australia's National Employment Standards (NES) . Each IEL employee will be given a copy of the NES upon employment.

The following records will be kept:

- Personal Leave
- Time In Lieu
- Annual Leave
- All other leave

Employees must be paid the correct hourly pay rate for all time worked, including time spent:

- training
- in team meetings
- opening and closing the business
- date and night shifts

IEL offers team members time spent in training to be banked as Time in Lieu (TIL) – to be taken at a time that suits both the service and the team member.

IEL issued Debit Cards

Any debit card issued by IEL for expenditure within the service is issued under the following rules:

- Receipts for expenditure must be sent through to the accounting team for acquittal on a weekly basis.
- All expenditure must include a receipt
- Under no circumstances are cards to be used for personal purchases.

Any personal spending on IEL issued cards may result in disciplinary action.

Financial Delegation

| | | |
|-------------------|--|--|
| Team members | Team members will agree to use an IEL issued Debit Card : <ul style="list-style-type: none"> • for expenditure up to any agreed amounts as discussed with the Centre Director. • only for expenditure on resources for the service | Centre Manager/Nominated Supervisor and Assistant Manager. |
| Centre Director | The Centre Director has authority to: <ul style="list-style-type: none"> • spend within the agreed budget of the service • must seek approval for any transaction above \$1500 • will report expenditure in the Directors Weekly report | Approval by CFO |
| Reporting Manager | Reporting Manager will be issued with a credit card to support the services. Up to spent will require approval. | Approval by CFO |
| Leadership team | Approval for food and accommodation is within the IEL guidelines | Approval by Executive Director |

Source

Australian Children's Education & Care Quality Authority. (2014).
 Australian Government Department of Education, Skills and Employment Child Care Provider Handbook
<https://www.dese.gov.au/resources-child-care-providers/child-care-provider-handbook>
 Australian Government Department of Education, Skills and Employment *Early Childhood and Care*
<https://www.dese.gov.au/early-childhood>
 Australian Government Services Australia. (2021). Child Care Subsidy.
 Department of Education and Training. (2016). The Kindergarten Funding Guide.
 Education and Care Services National Law Act 2010. (Amended 2018).
Education and Care Services National Regulations. (2011).

NATIONAL QUALITY STANDARD (NQS)

| QUALITY AREA 7: GOVERNANCE AND LEADERSHIP | | |
|---|----------------------------|---|
| 7.1 | Governance | Governance supports the operation of a quality service |
| 7.1.2 | Management Systems | Systems are in place to manage risk and enable the effective management and operation of a quality service |
| 7.1.3 | Roles and Responsibilities | Roles and responsibilities are clearly defined, and understood and support effective decision making and operation of the service |

| EDUCATION AND CARE SERVICES NATIONAL REGULATIONS | |
|--|---|
| 168 | Education and care services must have policies and procedures |
| 172 | Notification of change to policies and procedures |

RELATED POLICIES

Fraud Prevention Policy
 Governance Policy
 Privacy and Confidentiality Policy
 Credit card policy
 Expense policy

REVIEW

| POLICY REVIEWED | February 2022 | NEXT REVIEW DATE | February 2023 |
|-----------------|--|------------------|------------------|
| MODIFICATIONS | <ul style="list-style-type: none"> Reformatted and reviewed Managing director remove | | |
| POLICY REVIEWED | PREVIOUS MODIFICATIONS | | NEXT REVIEW DATE |
| August 2019 | Creation of new policy | | August 2020 |
| March 2021 | Reconciliation- content reviewed | | March 2022 |