



Financial Management Policy and Procedure

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Purpose

Chelsea College (The RTO) is committed to establishing a long term presence in the vocational education and training sector, as a provider of quality training and assessment services. A key factor in attaining this aim is the ongoing financial stability and wellbeing of RTO, resulting from careful, responsible and hands-on financial management, aligned to the business goals, the nature of its operations and the nuances of the market in which it competes.

This policy ensures that RTO uses efficient financial management practices and systems complying with AQTF Essential Conditions and Standards for Continuing Registration.

Policy Statement

The RTO will ensure that it maintains sound financial practices, ensuring the financial security of the RTO and enabling its ongoing viability, profitability and growth. Conservatism will prevail as the key influence over financial decisions. Equally, an uncompromising commitment to integrity and professionalism will remain the keystone to all finance, banking, investment and general business transactions.

The RTO will:

- Ensure that it is financially viable at all times during the period of its registration.
- Implement and maintain effective business planning and financial management processes;
- Ensure that accounts are certified by an independent qualified accountant (Certified to Australian Accountant Standards) at least annually and are made available to the VET Registration body upon request;
- Ensure that a full financial audit of the RTOs financial accounts from an independent qualified accountant (Certified to Australian Accountant Standards) is obtained and made available to the VET Registration body upon request;
- Implement and maintain procedures to protect fees paid in advance, to comply with the 'Condition 5 of AQTF Essential Conditions and standards for continuing Registration.
- Provide clients with complete and accurate fee information.
- Provide Refunds, as per Refund Policy.

Definitions

The following words and expressions have the following specific meaning, as in the Standards for

Users' Guide to the Essential Conditions and Standards for Continuing Registration.

- **Financial viability risk means** An assessment of the current and probable future financial health of an applicant or RTO which indicates the likelihood that it will be unable to operate in the future. This requires an assessment of financial projections at initial registration, and an assessment of the liquidity, financing and other financial risk indicators at continuing registration.
- **Registration means** Formal recognition by a registering body, in accordance with the AQTF Standards for State and Territory Registering Bodies.



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A training organisation must be registered in order to deliver and assess nationally recognised training and issue nationally recognised qualifications.

Initial registration is when a training organisation meets the requirements of the AQTF Essential Conditions and Standards for Initial Registration.

Continuing registration is when a registered training organisation continues to meet the requirements of the AQTF Essential Conditions and Standards for

Continuing Registration. Renewal of registration refers to the process of seeking another registration period as a registered training organisation.

- Scope of registration means The particular services and products that an RTO is registered to provide. The RTO's scope defines the specific AQF qualifications, units of competency and accredited courses it is registered to provide, and whether it is registered to provide:
Both training delivery and assessment services, and to issue the relevant AQF qualifications and statements of attainment, or Only assessment services, and to issue AQF qualifications and statements of attainment.: both provide training delivery and assessment resulting in the issuance of AQF certification documentation by the RTO; or provide assessment resulting in the issuance of AQF certification documentation by the RTO.

Obligations to - Financial Viability Risk Assessment Requirements

Intent

- Is to protect the fees paid in advance by individual students, for the provision of nationally accredited training and assessment
- The VET Regulator can request to demonstrate its financial viability at any point in time.
- Financial viability is about being able to generate sufficient income to meet operating payments and debt commitments while delivering quality training and assessment services and outcomes.

Obligation to submit assessment

- The RTO must submit an assessment of financial viability risk by a qualified independent financial auditor nominated by the VET Regulator at any time during the registration period, when requested.
- The obligation to submit also applies to parent organisations, affiliated companies or organisations that have a vested interest in the organisation.

Indicators for Assessment

The assessment will be undertaken by assessing common indicators of financial performance and position. These may include, but are not limited to :

- Liquidity – including current ratio and cash flow assessments;
- Solvency – including debt to assets assessment, debt to equity assessment;



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- Economic Dependency (e.g. reliance upon government funding or a particular cohort of clients);
- Revenue, profit and cash flow;
- Commercial risk'
- Audit opinion;
- Contingencies;
- Compliance with all statutory obligations (e.g. GST, taxation, superannuation)
- Compliance with accounting standards;
- Accounting policies – impact of organisation accounting policies on its financial risk.

Information to be assessed

- **Information** that could be used to assess the common indicators may include, but are not limited to:
 - Independent review of financial projections, including underlying assumptions;
 - Business planning, including forecast income streams and forecast expenditure;
 - Assets and liabilities;
 - Financial statements audited by an independent qualified auditor;
 - Financial records for the previous 12 months, including profit and loss, balance sheets;
 - Cash flow and bank accounts;
 - Short term budgets and forecasts, including assumptions;
 - Information on current and projected student enrolments, including assumptions;
 - Tax records;
 - Information about current debts and debtors, credit and creditors, loans and repayments;
 - Plans, and information on any legal disputes;
 - Inter-company dealings, transfers, ownerships and loans;
 - Contingent liabilities;
 - Ultimate ownership details;
 - Post reporting activities.

Policy Principles

The following principles underpin this policy.

Financial Management

- The RTO aims to maintain a sound financial position, which facilitates its stability, planned business growth and profit projections through
 - The RTO business planning, including forecast income and expenditure;
 - The RTO monitoring Cash flow;
 - Formulation of and adherence to annual budgets;
 - Ongoing reinvestment in the business to ensure it remains well-resourced to meet client needs;
 - Maintenance of adequate cash reserves to meet planned commitments, as well as unforeseen events;
 - Striving to remain debt free as part of its overall strategy of optimising return on investment and consequently maintaining price competitiveness;
 - Careful safeguarding of assets, via comprehensive insurance and security measures.



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Course Fees

- The RTO will strive to maintain highly competitive fair and reasonable fee structures, outlining these in a “Schedule of Fees”.
- The RTO adjusts its fees and charges from time to time. Changes to fees will be fairly and equitably applied, advertised and clearly indicate the date from which the change will take effect.
- The RTO provides details of course fees in all course information.
- Course fees may be negotiated with individual clients, as approved by CEO.
- The CEO may discount or waive course fees (for example in cases of severe financial hardship) at their discretion, and where such waiver falls into compliance with any “Funding body” policy (as relevant).
- Confidentiality regarding fee arrangements is expected from clients.
- Where course fees are subsidised by a “Funding Body” (for example an Australian Apprenticeship or other State / Federal / Territory funded program) these may include a non-negotiable “Student Course Fee”.
- The RTO will ensure these fees are applied and communicated to clients at the time of enrolment, in accordance with the relevant Funding body” fees policy.
- Payment of no more than \$1,500 from each individual student prior to the commencement of the course.
- Regarding payment plans - Monies for an individual client will not exceed \$1500 at any given time.
- The RTO adopts the following to protect fees paid in advance:
 - Flexible payment arrangements/ options will accommodate individual circumstances.
 - Fees must be paid in full before certification will be issued
 - The RTO reserves the right to suspend the clients learning or assessment (or both) until all fee payments are up-to-date, in the event payment instalment arrangements become overdue and remain unpaid for a period in excess of 14 days.
- Acceptable payment options can be made via credit card, direct debit, and EFT remittance to accommodate the diverse financial situations of clients.

Payment of fees:

On acceptance of an offer in the program, participants are required to pay a *deposit. This will be invoiced before starting the program, and due payable on commencement of the training program. Participants who have difficulties in paying by the due date are encouraged to contact The RTO accounting to arrange an alternative payment option.

Schedule of Fees and Charges

The Chief Executive officer is responsible for approving The RTO Schedule of Fees and Charges. As a minimum the schedule of fees and charges is to include:

- the total amount of all fees including course fees, administration fees, material fees and any other charges for enrolling in a training program;
- payment terms, including the timing and amount of fees to be paid and any non-refundable deposit/administration fee;



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- the nature of the guarantee given by The RTO to honour its commitment to deliver services and complete the training and/or assessment once the student has commenced study;
- the fees and charges for additional services, including such items as issuance of a replacement qualification parchment or statement of results, re-assessment, RPL applications, replacement materials and the options available to students who are deemed not yet competent on completion of training and assessment; and
- The RTO refund policy.

– Fee Payment Arrangements

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The deposit invoice will be raised upon enrolment and due on commencement of training. The RTO reserves the right to not permit entry into the course until the deposit has been paid. Course materials will not be provided until the deposit is paid in full. After commencement the candidate will be invoiced according to the agreed payment plan/instalment plan.

Note certificates or SOAs will not be issued until payment is made.

Payment terms for Govt funded students

Please refer to statement of fees 2021 on <https://chelseacollege.com.au/assets/pdf/statement-of-fees-2021.pdf>

Students who have completed the unit of competencies and have been claimed, will be awarded according to the completion of the units. If not all units completed, the student will be issued with the Statement of attainment. If all the units are completed, students will be issued with the qualification.

Other fees and charges The RTO currently charges is as follows:

Tick	Item Description
<input type="checkbox"/>	RPL Fees and charges \$450 per unit



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<input type="checkbox"/>	Replacement of text or learning material – At cost
<input type="checkbox"/>	Replacement of Certificate or SOA - \$35
<input type="checkbox"/>	Re-assessment The student is given 3 attempts free of charge. The student can request to be reassessed after the 3 attempts at a cost of \$200 per unit and any attempt thereafter
<input type="checkbox"/>	Application/enrolment fees -\$250.00

Refunds

Applies refunds in accordance with the Refund Policy.

Asset Management

Acquisitions of assets are in accordance with strategic planning, training and assessment strategies and budgetary considerations.

Projected budget for asset acquisition will be included in annual strategic planning and the overall viability review for individual projects.

Responsibilities

The CEO is responsible for:

Ensuring compliance with financial management policies, procedures and systems.

Ensuring compliance with Financial Viability Risk Assessment Requirements 2011.

Monitoring and reporting on compliance with these financial management policies and procedures.

Undertaking reviews of the effectiveness of the policies, procedures and systems annually and to use the results of such reviews to drive further improvements.

When requested, provide VET Registration body with a formal assurance that has sound financial management standards for matters relating to the Scope of Registration and scale of operations.

Access & Equity

The Access & Equity Policy applies.

Records Management

All documentation from financial management processes are maintained in accordance with Records Management Policy.

Monitoring and Improvement

All Financial Management practices are monitored by the CEO and subject to ongoing review during monthly Financial Review meetings. Areas for improvement identified and acted upon. (See Continuous Improvement Policy)

The following training is delivered with Victorian and Commonwealth Funding. As per the Skills First Program, an eligible individual can commence a maximum of two (2) Government subsidised courses in a calendar year. Additional eligibility criteria must be met to access



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funding. Enrolling in the courses under the Skills First Program may impact further access to Government subsidised training.

- ACM20117 Certificate II in Animal Studies
- ACM20217 Certificate II in Horse Care

Please refer to the statement of fees:

<https://chelseacollege.com.au/assets/pdf/statement-of-fees-2021.pdf>



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