

Child Care Benefit: The importance of a strong system to ensure you are claiming the money owed to you.

The Australian Government funds long day care services to provide care mostly for children not yet attending school, whose parents are working, undertaking vocational study, training or looking for work. The Government funds Child Care Centres through Child Care Benefit.

Every three months on a quarterly basis Centres lodge a Child Care Benefit claim to their appointed Family Assistance Office (FAO). This is achieved through manual means or copying onto data such as floppy, CD or data keys or lodging electronically.

The next part of the claim process is that FAO completes the claim, cross matching their data. From this process your child care quarters are reconciled resulting in further money owed to your service or resulting in your Service owing FAO monies. This process also results in your future amounts being set on the information you supply.

As an operator, it's imperative to your back pocket to ensure you are claiming what you are entitled to and within the law of child care legislation. As a consultant I have seen too many Centres under claiming money which they are entitled to, due to lax or not existent systems in place for the administrators of the Centres.

The main key area I find that money is not being claimed for is "extra day bookings". For example; a child has two permanent days booked on a Monday and Tuesday each week. Each and every week the family is charged for these days as it is set up in the child care program. The mother has picked up some casual work and for the last eight weeks the family has been picking up extra days on a Wednesday, Thursday and Friday, some weeks the child has attended five days. There is no routine and mum often rings at 7.00am on the mornings she needs the extra care. A room staff member takes the information, they may or may not write the information down, but for the past eight weeks the extra days have not been entered into the computer, the mother however has signed in and out of the Child Care Centre each and every day.

The mother has been consistently upholding her legal requirements both for Facsia and Licensing, as has the Centre under Licensing. The quarter ends, there is no cross checking systems in place. At the completion of each and every quarter, the "End of Quarter" process is completed, the claim gets sent off to FAO and processed, there are no cross matching systems in place from the sign in or out sheets to the child care program.

The Centre hasn't charged the family for all of these extra days, the family receives free care. The Centre not only misses out on the portion of Child Care Benefit for the family, but they also miss out on the "gap fee" portion from the family.

The Centre's not full and a high portion of families participate in this great service the Centre offers, just imagine how many thousands of dollars are lost in revenue. Or the Centre does usually put in the extra days, but again the cross matching does not occur,

the human error and inconsistency still misses one extra day each week and you've had your Centre now for five years. What does this mean for your back pocket?

It's all about a clear concise consistent system to ensure all your responsibilities are upheld and you are claiming what you are entitled to, as well as keeping your families content with little to no errors. A system of accountability and cross referencing should occur, check yourself and get a third party to check again. I guarantee if you do this, all parties checking and re checking will discover errors, where you would have resulted in losing revenue.

An experience I'd like to share on how bad it can get. One of my first Centres I did as a consultant, I had been working with the Centre for four weeks and it was the Centres fourth End of Quarter, so off I set in starting the external audit on the Centre to ensure everything was in line. It had been opened for ten months, the Director had never been a Director before and had no assistance or training in either Child Care Benefit or the Centre Child Care Program. At commencement of the audit the parent's accounts were \$9000.00. It was an absolute mess, I could not go on with the quarter I set out to start. Rather I had to spend two whole weeks with the Centre going back to the very first day of operations, pretty much start the booking systems from scratch and amongst the mess sort out each and every sign in and out sheet to wherever they were placed, from boxes, to the cupboard, to the rooms. From the beginning to the end all the End of Quarter claims needed to be resubmitted as "supplementary claims". The parent accounts rose to a staggering \$29 000.00. This was a direct result to no training, no accountability and no checking. Did you think we recovered all the money, no way. You can image how happy the parents were about owing a minuscule amount to thousands. As well as the owners losing thousands and the reputation of the Centre going backwards.

Simple strategies to keep your strong system strong

- **Train** your administrators to handle child care bookings, claims. A new Centre is legible to get a FAO assistance staff member to come to your Centre for training on the legislative requirements.
- Send your administrator to your Child Care Program provider for **training**, most providers offer training in some sense or request your Child Care Program provider to come to you. You may think it's costly, but really can you afford not to have this knowledge.
- Diary or communication books both in the office and in rooms for office messages such as extra days.
- Make the FAO's "**Child Care Service Handbook**" 2006-2007 your best friend, it's your bible for optimal revenue return and to meet your legal obligations.
- Have **FAO number** for Child Care Services **support** at hand in the office, the Facsia staff are very knowledgeable and are happy to assist in answering any queries.
- Have Child Care Program provider **number** for Child Care Program **support** at hand in the office, the providers staff are very knowledgeable and are happy to assist in answering any queries.
- Make sure your **data entry** is completed on the day, e.g. entering absences daily, enter your child care benefit statements as you receive them. Another common thing I see is that absences are completed at ad hoc, some days their done or weeks are passed or just simply not done until the end of quarter, can we really remember if they child attended or did the family forget to sign in or out that day. A frequently hear the

excuse “I don’t have time”, well get into a good routine and implement a system. The same with the Child Care Benefit statements three piled up and the fourth one arrives. How impressed are your family when they have a huge debt?

- Every quarter **cross reference** your paper copies sign in and out sheets and child care benefit statements to your Child Care Program, signing off that it’s been completed prior to lodging your claim. Yes it’s timely, but very well worth it to minimise errors and time in the future.
- Have a **third party** complete the same procedure as above, a new set of eyes will ensure errors are picked up and or reinforce the good practice of your child care benefit administrator.
- Keep your **records** in quarters and archive these chronologically in alphabetically order on a quarterly basis, if you receive a spot audit from Facsia all the information will be clear and easily assessable.

For Spot Checks with Facsia you will need to produce:

- Statement of Child Care Usage Forms
- Child Care Benefit Statement for Payment Summaries
- Attendance Records
- Documentary evidence to support Special Child Care Benefit
- Copies of Receipts for fees paid by parents
- Supporting documentation for approved absences
- Waiting Lists
- Enrolment Forms
- Service Insurance Records
- NCAC receipt of registration
- State or Territory License

This list is not exhaustive, Facsia may request further information at the time of their visit.

Sourced: Succeed Consultancy and FACSCIA www.facsia.gov.au

Date: September 2007

Proudly brought to you my industry expert Erin Allen from **Succeed Consultancy**.

Email: suxeed@bigpond.com.au www.succeedconsultancy.com.au

Phone: (02) 62 94 5420

Fax: (02) 62 94 3987