

ARMIDALE & DISTRICT FAMILY DAY CARE

Payment of Fees/Provision of Statement/Fee Setting Policy

Related documentation Policy/policies:	Code of Conduct; Inclusion Policy
Regulation/s/ Standards:	Education and Care National Regulations 168, 170, 171 &172 National Quality Standards 7.3.1 & 7.3.2
Related procedures:	Management of Records
References:	Australian Government Childcare Handbook 2020 My Home, My Business. A Business Handbook for Family Day Care Services. Dorrat, L and Nicolson AFDC Business Training Module
Date effective	May 2021
Date for review	May 2023
Purpose	To outline AFDC's responsibilities, under Family Assistance Law, for the management of AFDC's Fee Structure; To provide guidance to Educators regarding their fee Setting and charging and invoicing practices, and To ensure families are aware of their obligations in relation to the payment of fees.
Responsibility	AFDC Directors, Management, staff and Educators .

Key information

As the operator of an approved family day care service, it is AFDC's responsibility to manage all aspects of the operations of the service, including the management of fee setting, invoicing and, receipting practices, the distribution of Child Care Subsidy on behalf of families and the provision of Statement of Child Care Usage to families on a fortnightly basis.

Commonwealth legislation makes it very clear that it is not AFDC Educators that are charging families for care, AFDC is charging the fee.

Responsibilities

AFDC is responsible for:

- Setting AFDC's fee charging schedule. AFDC is legally required to ensure Educators comply with the service's fee charging schedule and policy;
- Ensuring that families are charged fees. This is a requirement of AFDC, not the Educator, in order for families to be eligible for Australian Government Child Care Subsidy;

AFDC may be required from time to time to notify the Department of Education of the range of fees charged by Educators and when those fees change.

When Coordination Unit staff report the attendance of children through Harmony software, including the fees charged, they are responsible for the accuracy of the data reported

Payment of Fees:

The fee educators charge a family must be a *real* fee – that is, it must be the fee that the family is actually liable to pay. AFDC must not report a fee to the Child Care Subsidy System unless the family is liable to pay that fee under a Compliant Written agreement with AFDC.

If a family is receiving Additional Child Care Subsidy or other additional supplement to their fee reduction, Educators must not charge this family a higher fee than would have been charged if the family were not eligible to receive one of these payments.

AFDC must pass on full amount of fee reduction amounts to families within 14 days of the service being notified of the amount by Child Care Subsidy System.

Provision of Statements of Child Care Usage:

AFDC must provide each family using our service with a statement of their child care usage, fees payable and CCS on a fortnightly basis. All families have an entitlement to be informed about their use of care, how much it costs and how much financial assistance they are getting from the Australian Government.

AFDC acknowledges that the Statement of Entitlements generated by *Harmony* Software programme contain all information and data of which the Commonwealth requires families to be informed.

Fee Setting:

- Educators should develop an independent fee schedule applicable to their service. The fee schedule should identify:
 - The Educator to whom it applies,
 - The Educator's address and contact telephone number,
 - The Educator's Australian Business Number,
 - The date upon which the Fee Schedule becomes effective,
 - An hourly rate for booked hours of care during core hours (8am - 6pm),
 - An hourly rate for before and after school hour care and vacation care,
 - An hourly rate for weekend and out of core hours care,
 - An hourly rate for casual emergency care and care provided on Public Holidays, and
 - Booked minimum hours taken for non-school aged and school aged children, if applicable.
- Educator hourly rates should incorporate AFDC's Child Care Management Fee, which will be deducted fortnightly through Harmony software;

- Educators may charge families normal fees for all absences from booked hours of care, including Public Holidays, Annual Leave and Sick Leave Absences.
- Educators are not required to provide care on Public Holidays. If a child's usual booked care day falls on a Public Holiday, the normal fee applies.
- Both families and Educators must provide two weeks' notice of their intention to cancel care, and days of absence cannot be used in lieu of notice.
- Child Care Subsidy is not payable for and first day absence from care nor for an absence from which a child does not return to care;
- All Educators should provide families with a copy of their Fee Schedule and request them to sign and acknowledge it prior to the commencement of care;
- Educators may set fees for additional services such as meals, provision of nappies, etc; fees for additional charges do not attract Child Care Subsidy;
- Educators may determine suitable penalties for early arrivals and late pickups, providing the payment is equitable across all families within the Educator's service. Receipting should identify the penalty portion as a separate payment item;
- Educators cannot:
 - Charge fees for care if the Educator is not available to provide care, unless Public Holiday provisions are in place,
 - Charge fees for any child not registered with the service, nor
 - Charge fees for a grandchild who resides in the Educator's home, unless approval is granted by the Commonwealth.

Amendments/Variations to Fee Schedules

Educators should give four week's notice to families and Management in writing of their intention to vary their fees via an amended Fee Schedule.

Invoicing and Receipting by Educators to Families

- Educators must provide families with Invoices on a fortnightly basis, either through *Harmony* software or manually;
- Families **must not** be invoiced via
 - Facebook,
 - In a text message, nor
 - Via informal means such as sticky notes;
- In accordance with good business practice, Educators **must** issue receipts to families for all monies received.

Surety Deposits

- Educators are encouraged to charge families a Surety Deposit prior to the commencement of care to protect against non-payment of fees;

- The Surety Deposit may be the equivalent of one to two weeks' total cost of care, at the discretion of the individual Educator;
- Families must be issued with receipts for Surety Deposits paid;
- Surety Deposits must be refunded to families upon cessation of care and settlement of the family's account.

Coordination Unit Procedures

- AFDC will provide all Educators with a Payment Advice fortnightly through *Harmony* software, upon the successful processing of Child Care Subsidy;
- AFDC will deposit Child Care Subsidy, paid by the Commonwealth on behalf of families, into Educators' nominated bank accounts as soon after CCS processing as practicable;
- AFDC will provide Educators with Payment Histories quarterly following the processing of the final fortnight of the quarter;
- AFDC will provide all Educators, active and archived, with Payment Histories and Recipient Created Tax Invoices as soon practicable after the 30 of June annually;
- Educators should provide the Coordination Unit team with a copy of their Fee Schedule, signed by each family upon enrolment, for AFDC's records;
- AFDC Management and staff will not enter into discussions with families in relation to the value of an individual Educator's service;
- If a family declines care due to the costs involved in an Educator's Fee Schedule, management may choose to inform the Educator of this decision;