

Identified key focus areas for compliance with the 2022 QKFS Funding Category Guidelines



1. Standard per child subsidy (standard subsidy)- referred to as base subsidy in 2023

QKFS funds are paid as a contribution towards the cost of delivering an approved kindergarten program to the eligible-age cohort of children for each year of enrolment and funds must be used for the relevant kindergarten cohort.

The items/activities for which the standard subsidy can **only** be spent on are stipulated in the QKFS Funding Category Guidelines, with a non-exhaustive list of items which would **not** be considered an acceptable use of the funding also provided for further clarity.

It is common to allocate a portion of the funding on quality and age-appropriate resources for the kindergarten cohort. However, to ensure fees are not a barrier to access, a fee reduction for the eligible kindergarten cohort may be applied. In addition, to support the attraction and retention of Early Childhood Teachers (ECTs), a portion may be used for the provision of improved entitlements for ECTs (such as additional pay on top of their entitled ECT award wage, lump sum bonus and/or additional paid annual leave).

When considering the purchasing of resources, the approved provider must determine how these resources support and enhance the delivery of the approved kindergarten program (please also consider the [changes for 2023](#)). Some examples (not exhaustive) are provided below:



Appropriate use of the standard subsidy for <u>kindergarten age cohort</u>		Not appropriate use of the standard subsidy	
Art & craft materials	Sports equipment	Cleaning & hygiene products	Renovations & maintenance
Books & puzzles	Herb/vegetable garden & utensils	Rates, water, electricity	General food & groceries
Board games	Home corner & dress ups	Decorations & party hire	Bedding & sheets
Blocks & construction sets	Cooking experiences	First aid material & sunscreen	Furniture & storage
Mobile play equipment, e.g. trestles, planks & ladders	Electronic devices for kindergarten group only	Safety items, e.g. softfall or shade sails	Service software programs and memberships
Natural learning materials	Cultural resources	Fixed structures for the service such as play forts, swings & slides	



2. Early Childhood Teacher (ECT) qualifications

Qualifications of the ECT should be confirmed **prior** to engagement to ensure eligibility for QKFS funding. Should an ECT hold a qualification on the [Australian Children's Education and Care Quality Authority](#) list of approved qualifications, this should be **exactly** how it is listed, including any additional conditions. For ECTs working towards an approved qualification, this requires prior approval by the department and must continue to comply, retaining up to date transcripts showing all results and unit enrolments for each semester/teaching period (it is extremely important to ensure regular transcripts are obtained from the ECT and held on file, in case they leave the service and are no longer contactable).

3. QKFS Plus Kindy Support (QKFS Plus) subsidy- one of the affordability subsidies in 2023

If a child is eligible for QKFS Plus during the claiming period (quarter) the full quarterly subsidy must be passed on to eligible families each quarter, irrespective of how many weeks in that claiming period the child was at the service. Note: if the full out-of-pocket cost for the family has been covered, the remaining funds can be used for items aligned with the standard subsidy.

To simplify this process, QKFS Plus may be paid in a lump sum each quarter after the Child Care Subsidy has been applied. Following assurance reviews of 2021 claims, it was identified that when relying on software programs to apply the QKFS Plus via an automatic daily/weekly/fortnightly fee reduction, this often results in families being under or over paid each quarter. If approved providers do not wish to apply the subsidy as a lump sum payment, a reconciliation process will need to be conducted at the end of each quarter to ensure the full amount has been passed on to each eligible family. This should be discussed with the applicable child care software provider (please also consider the [changes for 2023](#)).

4. Record keeping

All approved providers – as the entity contractually bound to ensure the record keeping and reporting requirements are met – must comply with the recordkeeping requirements contained in the QKFS Funding Category Guidelines.

Adequate records must be maintained at all times so all parties can be clear and transparent regarding the use of QKFS funding. Up-to-date records that demonstrate ongoing compliance must be available and provided on request to the department, including as part of an assurance review process. During 2021, some approved providers were unable to provide the required documentation within requested timeframes (or at all) which resulted in a recovery of funds being undertaken.

It is recommended that effective processes are implemented for accurate and easily identifiable record keeping. This includes, for example, recording each quarter how the standard subsidy has been used and retaining evidence of the spending in a dedicated kindergarten file (e.g. spreadsheet with supporting invoices/receipts specific to the kindergarten cohort, fee structure and reports/family fee statements from the service's child care management system), along with sufficient ECT qualification documentation and any other material relevant to QKFS funding.

**As assurance reviews continue to be undertaken the key focus areas will be monitored, acknowledging the changes in 2023 for QKF.*