

Financial Management Policy

Policy Statement

Industry Pathways will ensure that it can demonstrate to its registering body, on request, that it is financially viable at all times during the period of its registration.

- Industry Pathways Management and Consultants will provide the following fee information to each client: The total amount of all fees including course fees, administration fees, materials fees and any other charges
- Payment terms, including the timing and amount of fees to be paid and any non-refundable deposit/administration fee
- The nature of the guarantee given by the NVR RTO to complete the training and/or assessment once the student has commenced study in their chosen qualification or course
- The fees and charges for additional services, including such items as issuance of a replacement qualification testamur and the options available to students who are deemed not yet competent on completion of training and assessment, and
- The organisation's refund policy.

Where the RTO collects student fees in advance it must ensure it complies with one of the following acceptable options:

- (Option 1)** the RTO is administered by a state, territory or commonwealth government agency, or
- (Option 2)** the RTO holds current membership of an approved Tuition Assurance Scheme, or
- (Option 3)** the RTO may accept payment of no more than \$1500 from each individual student prior to the commencement of the course. Following course commencement, the RTO may require payment of additional fees in advance from the student but only such that at any given time, the total amount required to be paid which is attributable to tuition or other services yet to be delivered to the student does not exceed \$1,500, . **(This is the option Industry Pathways will adopt.)** or
- (Option 4)** the RTO holds an unconditional financial guarantee from a bank operating in Australia for no less than the full amount of funds held by the RTO which are prepayments from students (or future students) for tuition to be provided by the RTO to those students
- (Option 5)** the RTO has alternative fee protection measures of equal rigor approved by the registering body.

The Managing Director of Industry Pathways will ensure its accounts are certified by a qualified Accountant to Australian Accounting Standards at least annually, and provide the certificate to its registering body on request. If the registering body reasonably deems it necessary, the chief executive must provide a full audit report on the RTO's financial accounts from a qualified and independent accountant.

Purpose

Industry Pathways has developed this policy to ensure:

- A system is established to transparently record the appropriate management of finances and to ensure that Industry Pathways remains financially viable.

Aims

Information about fees must be clearly expressed and in language that clients understand. All fees and charges must be included in this information, including possible fees and charges such as RPL charges and additional charges imposed if the learners do not successfully complete their programs. If this information is complete and clear both the client and RTO are protected.

Each year, RTO's are required to have their accounts certified by a qualified Accountant as being prepared in accordance with Australian Accounting Standards. **They must maintain records of the certification for each year of operation.** The RTO may be asked to have its accounts audited by a qualified and independent auditor in accordance with Australian Auditing and Assurance Standards and should ensure that it can obtain such an audit if it is requested. An independent auditor is someone who does not have a personal connection to or interest (financial or otherwise) in the RTO.

An RTO must be able to demonstrate that it is financially viable at any time that it is requested to by its registering body. 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.

The options available to RTOs if they collect fees in advance are designed to protect individual students in the event that an RTO is unable to deliver the training, assessment and support services as agreed.

A tuition assurance scheme will provide the student with tuition by another provider if the RTO is no longer able to operate. A maximum on the amount of fees able to be collected in advance will limit the amount that a student may lose if an RTO collapses with no financial assets. A bank guarantee for an amount of no less than the amount that an RTO collects in advance will ensure that students are able to get back the money they have prepaid to an RTO. Any other proposed measures to protect student fees paid in advance, must be approved by the registering body.

Scope

This policy applies to all Industry Pathways management.

Industry Pathways prepares annually a budget forecast identifying projected income, and expenses as part of the business plan. The accountant prepares weekly income and expenditure statements. A monthly report including Profit & Loss statement is prepared for management.

Industry Pathways gives ASQA with a formal assurance that it has sound financial management standards for matters related to its scope of registration and scale of operation. A qualified accountant who has membership of either the Certified Practicing Accountants Australia or the Institute of Chartered Accountants of Australia certifies Industry Pathways financial accounts at least annually. If requested by ASQA Industry Pathways will make available a full audit report from an independent qualified accountant who has membership of either of the organisations mentioned above.

Student fees are paid by students according to Industry Pathways fees and payment policy. Receipts for all payments are printed, given to students, and recorded appropriately by the administration manager. The Finance Manager records all fee payments on the electronic student management system.

The Finance Manager appropriately records student refunds.

A qualified person appointed by Industry Pathways professionally monitors all financial transactions. Dedicated software is used for managing and reporting for financial audit purposes. The current system meets Audit requirements.

The Finance Manager manages Petty Cash and staffs are requested to provide all receipts for purchases. Petty Cash receipts are recorded and presented to the Industry Pathways accountant for appropriate recording. Industry Pathways has an established Charges and Refund Fees policy that is fair and equitable.

Related Documents

Policies

[Refunds Policy](#)

[Fees & Payment Policy](#)