

## 1. Purpose

VEG Education is committed to maintaining long-term financial stability to support its role in delivering high-quality vocational education and training in accordance with the *Standards for RTOs 2025*.

The purpose of this Policy is to:

- Ensure prudent, responsible, and transparent financial management practices
- Safeguard student and organisational funds
- Ensure compliance with all financial and statutory obligations
- Meet regulatory requirements for *financial viability risk assessment*
- Underpin the organisation's sustainability, capacity for growth, and ability to provide quality services throughout the student lifecycle.

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## 2. Policy Statement

VEG Education will maintain efficient, transparent, and compliant financial management systems aligned with business goals, training delivery, and market conditions.

The organisation is committed to:

- Complying with the VET Regulator's Financial Viability Risk Assessment Requirements
- Implementing effective financial planning, monitoring, and reporting systems
- Ensuring accounts are audited annually by independent, qualified accountants
- Protecting fees paid in advance, consistent with Schedule 6 of the *Standards for RTOs 2025*
- Providing accurate and accessible information to students about fees, charges, and refunds
- Ensuring financial practices support equity, transparency, and learner protection.

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## 3. Definitions

- **Financial Viability Risk Assessment Requirements:** The financial standards made under section 158 of the *National Vocational Education and Training Regulator Act 2011*, establishing minimum financial health requirements for RTOs.

- **Registration:** Authorisation of VEG Education as an RTO by the relevant regulator and entry on the National Register.
- **Scope of Registration:** The training products VEG Education is approved to deliver and assess, and for which certification can be issued.
- **VET Regulator:** The National VET Regulator (ASQA) or other state-based regulator (if applicable).

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## 4. Compliance with Financial Viability Requirements

### 4.1 Demonstrating Financial Viability

VEG Education may be required at any time to provide evidence of financial viability to its regulator.

Financial viability assessments ensure VEG Education can:

- Acquire and maintain resources to deliver its scope of registration
- Employ sufficient, qualified staff
- Support appropriate student services
- Remain solvent to ensure all enrolled students can complete their training and assessment.

### 4.2 Indicators of Financial Health

Evidence of financial performance may include, but is not limited to:

- Liquidity (cash flow and current ratio)
- Solvency (debt levels vs equity and assets)
- Profitability and revenue sustainability
- Economic dependency or reliance on single income streams
- Audit outcomes and accounting standards compliance
- Adequacy of assets and reserves
- Compliance with statutory obligations (tax, GST, superannuation)

### 4.3 Documentary Evidence

Examples of evidence include:

- Audited financial statements
- Budgets, forecasts, and business plans
- Enrolment and revenue projections

- Taxation and superannuation records
- Debt, creditor, and liability summaries

Asset registers and insurance documentation

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## 5. Policy Principles

### 5.1 Financial Management

VEG Education will:

- Maintain strong financial planning systems aligned with business strategies
- Monitor income and expenditure via detailed budgeting and forecasting
- Maintain sufficient cash reserves to support students, manage risks, and respond to unforeseen events
- Remain debt-responsible, with asset protection measures in place (insurance, security)
- Ensure reinvestment into the organisation to maintain and improve training quality.

### 5.2 Fees and Charges

- All fees and charges will be published in a Schedule of Fees and communicated transparently to students prior to enrolment.
- Fees are fair, reasonable, and consistent with funding contract requirements.
- Changes to fees will be communicated in advance, with effective dates clearly stated.
- Any government-subsidised or funding contract requirements (e.g., student fees or concessions) will be adhered to without exception.

### 5.3 Protection of Prepaid Fees

In compliance with *Standards for RTOs 2025 – Schedule 6*:

- VEG Education must not collect more than \$1,500 in prepaid fees from any individual student at one time.
- Prepaid funds will be held in trust and only accessed progressively as training/assessment is delivered.
- Flexible payment arrangements will be available to accommodate individual circumstances.
- No certification will be issued until all course fees payable have been finalised.

### 5.4 Refunds

- Refunds will be applied in accordance with the Refund Policy, ensuring fairness, compliance with legislation, and consistency across all enrolments.

## 5.5 Asset Management

- All acquisitions will align with annual business planning and training requirements.
  - Purchased assets will be insured, securely managed, and recorded in an asset register.
  - Asset replacement and improvement will form part of strategic financial planning.
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## 6. Responsibilities

- The CEO is accountable for financial management, compliance, and reporting obligations.
  - The Finance/Compliance Manager is responsible for day-to-day implementation, monitoring financial systems, and preparing evidence for audits.
  - Independent, qualified accountants will undertake annual audits and provide reports to management and regulators as required.
  - All staff must comply with internal financial procedures, especially fee collection, invoicing, and refund arrangements.
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## 7. Access and Equity

The Access and Equity Policy applies to this Policy, ensuring financial practices do not disadvantage students from equity groups.

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## 8. Records Management

Documentation of all validation activities, including meeting notes, Validation Forms, Continuous Improvement Requests, and updated assessment resources, will be securely recorded in the RTO's systems.

Records will be retained for at least seven (7) years.

Changes arising from validation will be updated in assessment tools, TAS documents, and assessor instructions, and logged in the Continuous Improvement Register.

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## 9. Monitoring and Continuous Improvement

- Financial performance and compliance are reviewed during monthly financial meetings and reported quarterly to the CEO.
- Audits, internal reviews, and risk assessments inform continuous improvement of financial practices.
- This Policy will be reviewed biennially, or earlier if required by changes to legislation, standards, or regulator conditions.

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# Financial Compliance Checklist

*(Standards for RTOs 2025, Schedule 6, ATO & ASIC alignment)*

### A. Financial Viability & Risk Assessment

- Has the RTO undertaken a financial viability risk assessment when requested by the regulator (e.g., ASQA)?
- Are annual financial statements independently audited by a qualified accountant?
- Is there evidence of regular internal reporting and financial monitoring (monthly or quarterly)?
- Does the RTO demonstrate capacity to remain solvent and meet ongoing student delivery requirements?
- Are budgets, cash flow forecasts, and business continuity plans regularly reviewed and updated?

### B. Protection of Student Fees (Schedule 6 – Standards for RTOs 2025)

- Prepaid student fees do not exceed \$1,500 at any time.
- Student prepaid fees are held securely until training/assessment commences.
- Payment plans ensure that prepaid amounts at any given time remain below the \$1,500 cap.
- Students have access to flexible payment arrangements.
- Fee protection measures are documented in financial procedures.

### C. Fee Transparency & Refunds

- All course fees and charges are published in a *Schedule of Fees* and provided before enrolment.

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- Marketing and enrolment materials correctly disclose all costs, including concessions or government-subsidised fees.
- Refunds are administered in line with the documented Refund Policy.
- Policy and processes ensure refunds are timely and consistent with consumer law and funding contract requirements.
- A clear statement is provided that certification is only issued once all due fees are paid.

| Compliance Area                | Requirement   | Evidence Source                                 | Responsible Officer   | Review Date | Compliance Status (Yes/No/Partial) | Notes/ Actions |
|--------------------------------|---|---|-----------------------|-------------|------------------------------------|----------------|
| A. Financial Viability         | Annual financial statements audited by independent qualified accountant     | Audit report, financial statements              | CEO / Finance Manager |             |                                    |                |
|                                | Financial viability risk assessment completed when requested by regulator   | Risk assessment report                          | CEO                   |             |                                    |                |
|                                | Cash flow forecasts and budgets reviewed regularly                          | Forecast reports, board/finance meeting minutes | Finance Manager       |             |                                    |                |
|                                | Organisation demonstrates solvency and capacity to meet student commitments | Balance sheet, cash reserves evidence           | CEO / Finance Manager |             |                                    |                |
| B. Fee Protection (Schedule 6) | Prepaid fees do not exceed \$1,500 per student                              | Fee records, enrolment agreements               | Admin / Finance       |             |                                    |                |
|                                | Prepaid fees held securely until training commences                         | Bank/Trust account proof                        | Finance Manager       |             |                                    |                |
|                                | Payment plans structured to remain under \$1,500 cap                        | Payment plan records                            | Finance Manager       |             |                                    |                |
| C. Fees & Refunds              | Course fees disclosed prior to enrolment                                    | Marketing materials, enrolment handbook         | Compliance Manager    |             |                                    |                |

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|-------------------------------------|--|-------------------------------------|--------------------------|--|--|--|
|                                     | Refunds applied in accordance with Refund Policy                   | Refund logs, student communications | Admin / Finance          |  |  |  |
|                                     | Certification not issued until full payment                        | Certification process records       | RTO Manager              |  |  |  |
| <b>D. Statutory/Tax Compliance</b>  | ATO obligations (GST, BAS, PAYG, Superannuation) met               | BAS statements, tax returns         | Finance Manager          |  |  |  |
|                                     | ASIC obligations met (business name, annual statements)            | ASIC lodgement documents            | CEO                      |  |  |  |
|                                     | Appropriate insurances current                                     | Insurance certificates              | CEO / HR Manager         |  |  |  |
| <b>E. Staff &amp; Governance</b>    | CEO oversight of financial systems                                 | Governance/policy documents         | CEO                      |  |  |  |
|                                     | Staff trained in fee handling and compliance                       | Training records, induction logs    | HR / Compliance          |  |  |  |
|                                     | Delegation of authority documented (expenditure limits, etc.)      | Policy document                     | CEO / Finance Manager    |  |  |  |
| <b>F. Records &amp; Audit Trail</b> | Financial records maintained in line with legislation (7 years)    | Recordkeeping system evidence       | Compliance Manager       |  |  |  |
|                                     | Evidence available for regulator during audits                     | Audit prep documents                | Compliance Manager       |  |  |  |
| <b>G. Continuous Improvement</b>    | Monthly/quarterly financial review meetings held                   | Meeting minutes, review reports     | CEO / Finance Manager    |  |  |  |
|                                     | Financial KPIs monitored (liquidity, solvency, growth)             | Internal KPI reports                | Finance Manager          |  |  |  |
|                                     | Non-compliances corrected under improvement procedures             | Continuous improvement register     | Compliance Manager       |  |  |  |
|                                     | Financial policies reviewed biennially or when legislation changes | Policy review log                   | CEO / Compliance Manager |  |  |  |