

FREQUENTLY ASKED QUESTIONS (FAQS)

Applying for a Training Initiative Funding Agreement

Will Corporate Scorecard be requesting the financial statement for 2022/2023 as part of the financial viability assessment?

The organisation will be required to supply audited financial statements for 2021/2022 and 2020/2021. If available, supply the audited financial statement for 2022/2023.

Where an organisation does not have financial statements for two consecutive years, it must provide its most recent audited financial statement.

If your organisation is unable to meet either of these requirements, contact Corporate Scorecard for further advice. Corporate Scorecard's contact details will be supplied to your organisation shortly after its submission of the online application form.

What if my organisation does not have audited financial statements?

If the organisation does not have audited financial statements, finalised financial statements that have been prepared by an accountant, including any notes to the accounts (if available), will satisfy this requirement.

What if my organisation has recently undertaken a financial viability assessment?

If the organisation has already undertaken a financial viability assessment using 2020/2021 and 2021/2022 financial information it will not need to under a new assessment unless it chooses to. Skills Canberra will contact the relevant RTOs for advice on receipt of an application. This option is not available for RTOs where there has been a change in control.

Can the RTO use financial statements from its parent company for the financial viability assessment?

To base a Financial Viability Assessment on the parent company or corporate group's financial capacity rather than the applicant RTO, a general deed of cross guarantee needs to be in place, whereby the obligations to any creditor of the applicant RTO are guaranteed. The deed would also need to provide direct rights to those creditors, for example by appointing a trustee to hold the rights under the guarantee on trust for all the creditors and must be enforceable upon the insolvency of the applicant RTO. It is the responsibility of the applicant RTO to seek legal advice about the suitability of a deed for their organisation's business structure and its establishment.

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A copy of the deed must be submitted to Corporate Scorecard, along with the other requested documentation.

A pro-forma deed is available on the ASIC website: <https://asic.gov.au/regulatory-resources/find-a-document/pro-formas/>

What defines an active enrolment? Many of our enrolments are for single day courses. Does this include non-accredited courses and courses in which we enrol the student, but we are not the delivery/assessing RTO?

To be considered active, students must be currently enrolled with the organisation in a nationally accredited Training Product at the time of completing the Training Initiative Funding Agreement application.

What are employee benefits expenses, as referenced in the Financial Health section of the application form?

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. Employee benefits include, but are not limited to, wages, salaries, paid annual leave, paid sick leave, profit-sharing, bonuses, non-monetary benefits (such as medical care, housing, cars), pensions other retirement benefits, long service leave, termination benefits.

Source: Australian Accounting Standards Board <https://www.aasb.gov.au/>

How do I respond to the Financial Health section of the application form if the RTO is part of a larger organisation? Do I provide income figures for the RTO only or the whole organisation?

The income fields relate to income generated across the RTO only.

What are 'contracting and consulting fees', as referenced in the Financial Health section of the application form?

"Contracting and Consulting Fees" are any fees paid by the RTO to an external person/entity for the delivery of training courses or education programs. This may include, but is not limited to, the design and development of training and assessment materials, training delivery and assessment services.

How do I calculate trainer and assessor staff numbers on a full-time equivalent basis?

One full-time equivalent ("FTE") is equivalent to a full-time worker. If you have one or more part-time workers, you should count them as a decimal value representing their percentage of hours compared to a full-time worker.

For example: if the RTO has a trainer who works 50% of the hours of a full-time worker and another who works 70% of the hours of a full-time worker, they would be counted as 0.5 and 0.7 respectively. These numbers should be added to the number of full-time workers to get the total numbers of trainer and assessor staff (FTE).