



**Australian Government**

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**Department of Social Services**

# **electronic FINANCIAL ACCOUNTABILITY REPORT**

## **USER GUIDE for:**

- *National Respite for Carers Program (NRCP)*
- *Commonwealth Respite and Carelink Centres (CRCC) Program*
- *Assistance with Care and Housing for the Aged (ACHA) Program*
- *Day Therapy Centre (DTC) Program*
- *Dementia Education and Training for Carers (DETC) Program*

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## Glossary of Terms

Term	Description
Activity/Project	The specific activity or services specified in the schedules to each funding agreement.
Australian Government Funded Assets	A Commonwealth Government funded asset is any asset that the Commonwealth has funded initially or the proportion of any replacement assets that where either fully or partly funded from depreciation expense allowable on the original asset.
Brokered or subcontracted services	Services that are subcontracted by an organisation to an approved subcontractor. Note that for Commonwealth Respite and Carelink Centres, brokered services are those defined as subcontracted services in the <i>Program Manual for Commonwealth Respite and Carelink Centres (6th ed.)</i> .
Certification of Audited Statement of Income and Expenditure	A definitive statement by an approved auditor, as defined in the funding agreement, that the Statement of Income and Expenditure are complete and accurate.
Deficit	Overspend of funds on the activity/project at the end of the reporting period.
Funding Agreement	The legal agreement through which the organisation is engaged to provide community care services on behalf of the Australian Government.
Organisation/Provider	The organisation/provider is the legally obligated entity contracted to provide community care services through the funding agreement.
Responsible Officer	A Responsible Officer means the person occupying the position of Chief Executive Officer or Chief Financial Officer of the organisation, or a person authorised to execute documents on behalf of the organisation, and legally bind it.
One-off Funding	Funding provided to an organisation to be used for a specific project/purpose as specified in a separate schedule to the funding agreement.
SACS Supplementation funding	Commonwealth funding provided to programs affected by the Social and Community Services (SACS) equal remuneration order
Statement of Compliance	A certificate signed by a responsible officer of the organisation, certifying that the organisation has complied with the funding agreement and has used the funding provided for its intended purpose(s).
Statement of Income and Expenditure	A statement of income and expenditure in respect of the funding provided by the Australian Government through the funding agreement.
Surplus	Underspend of funds on the activity/project at the end of the reporting period.
Trading Name	The trading name of the organisation.

## A Overview

In accordance with the terms and conditions specified in your funding agreement/s with the Department, your organisation is required to submit a variety of **Financial Accountability Reports (FARs)** each year and over the life of the project:

- Annual –enables the Department to acquit your project expenses against the grant at the end of the financial year;
- Progressive –enables the Department to monitor project expenditure midway through the financial year;
- Adhoc – is used when the Department requires additional reporting against the project;
- Final –enables the Department to acquit the project after the activity/project end date in the funding agreement .

The financial accountability report provides a measure of assurance and evidence that public funds have been spent for their intended purpose, in accordance with the terms and conditions under the funding agreement through which the funds are provided to your organisation.

### The eFAR system

The eFAR (**e**lectronic **F**inancial **A**ccountability **R**eport) system was introduced in 2010 and provides an electronic lodgement capability for financial accountability reports. The system creates a separate eFAR for each project funded within your organisation.

For the National Respite for Carers Program (NRCP), Commonwealth Respite and Carelink Centres (CRCC), Assistance with Care and Housing for the Aged (ACHA), Day Therapy Centres (DTC) and the Dementia Education and Training for Carers (DETC) program - each eFAR will be pre-populated with some key information.

Once your organisation has submitted an eFAR/s online, you will be able to print a final hardcopy that includes all the information your organisation submitted. This final document must be signed and returned to the department with any necessary documentation (for further information please refer to section “Submission Requirements and Deadlines”).

Once your eFAR has been submitted online and the required hardcopy has been received by the Department, your eFAR will be assessed by staff within the Delivery Operations Branch. When the assessment has been completed your organisation will be sent an acquittal outcome letter. Please note that if your organisation has an underspend, the outcome letter will also advise on the recovery action to be taken. In the event that your outcome letter reflects an overspend no further action will be taken.

For further information on obtaining access to the eFAR system, please contact the Aged Care IT Systems Help desk by emailing [ACS\\_Support@dss.gov.au](mailto:ACS_Support@dss.gov.au) or by phone on 1800 004 578.

## Submission Requirements and Deadlines

All financial information provided by your organisation in the eFAR for a particular financial year should relate only to that financial year.

Your organisation is required to have its accounts prepared in accordance with Australian Accounting Standards Board (AASB) standards and audited\* by an approved auditor as at 30 June of the applicable financial year. Please note, however, while your organisation's accounts may be compliant with AASB standards, there are some items that cannot be claimed in the eFAR on policy grounds – please refer to section on “Items that cannot be claimed in eFARs”.

**If your organisation is a participant of the Alternate Audit Approach for the Annual eFAR, please refer to Part D “Modified Requirements for Alternate Audit Approach Participants”, which provides specific guidance on what is required under the approach.**

A Responsible Officer of your organisation is required to sign the “Statement of Compliance” in Part 6 of the eFAR.

- A “Responsible Officer” means the person occupying the position of Chief Executive Officer or Chief Financial Officer of the organisation, or a person authorised to execute documents on behalf of the organisation, and legally bind it.
  - Please note that the Responsible Officer cannot also sign Part 5 - Certification of Audited Statement of Income and Expenditure. Only a qualified auditor should sign Part 5 – Certification of Audited Statement of Income and Expenditure.

In order to meeting the requirements of your organisation's funding agreement, your organisation is required to:

- Submit the relevant information online for each project using the eFAR system by the required due date;
- Print a hardcopy from the eFAR system after all information has been submitted online (i.e. the hardcopy should not display the “draft” watermark),
- attach all required documentation (including a signed audited statement\* and a signed Statement of Compliance; and
- Post the hardcopy (with original signatures) plus the attached documentation to the Department at:

**Acquittals  
National Delivery Office  
Department of Social Services  
CW1 Tuggeranong Office Park  
PO Box 7576  
Canberra Business Centre ACT 2610**

*\* Note: Tier 1 respite services under the National Respite for Carers Program (excluding CRCCs) that receive annual funding less than \$100,000 (ex-GST) in a single Program Schedule are not required to have their accounts audited, in accordance with section 17 of the [NRCP Program Manual \(July 2012\)](#).*

## ***eFAR Deadlines***

You are required to submit your organisation's Annual eFAR, for a particular financial year, in accordance with the requirements specified above, to the Department by no later than:

- **Annual** - No later than 30 September in the next financial year (e.g. the 2012-13 eFAR should be submitted to the Department by 30 September 2013).
- **Progressive** - No later than 31 January in the applicable financial year (e.g. the 2013-14 ePFAR should be submitted by 31 January 2014).
- **Final** - The Final eFAR for a project must be submitted within 20 business days (or as specified in your funding agreement) of the completion of the project.
- **Adhoc** - If a project is required to prepare Adhoc eFARs, your organisation will be advised of the frequency and deadlines for each report.

If for some reason there is an extension to the submission deadline, the Department will advise you in writing.

If your organisation is unable to meet this deadline, you must advise the Acquittal Helpdesk of the reasons for this prior to the deadline date by either emailing [CO.FAR@dss.gov.au](mailto:CO.FAR@dss.gov.au)

Failure to meet the deadline or make alternate arrangements with the Department will result in the Department commencing compliance action, which may include the suspension of payments.

## **Additional Information Requirements**

As outlined in the terms and conditions of your funding agreement, the Department may request additional information following receipt of the eFAR. Your organisation must retain supporting documentation so that you can provide any additional information on a timely basis as necessary.

If requested by the Department, your organisation is required to provide Departmental staff with access to:

- any premises at which records, materials and assets related to a funding agreement are stored;
- any work which the project has undertaken; and
- reasonable access to the organisation's personnel regarding matters related to the project.

## B Structure of the eFAR

The eFAR is comprised of up to six parts.

Part 1 Organisation, contact information and project information

Part 2 Statement of Income and Expenditure

Part 3 Carry-overs and One-off Grants

Part 4 Organisation Balance Sheet

Part 5 Certification of Audited Statement of Income and Expenditure\*

Part 6 Statement of Compliance.

Please note that not all types of forms require all parts to be completed – see table below:

Type of eFAR	Annual	Progressive	Adhoc	Final
Parts of eFAR				
Part 1 – Organisation details	Yes	Yes	Yes	Yes
Part 2 – Statement of Income and Expenditure	Yes	Yes	Yes	Yes
Part 3 – Carry-overs and One-off Grants	Yes	One-off grants only	One-off grants only	One-off grants only
Part 4 – Organisation Balance Sheet	Yes	No	No	Yes
Part 5 – Certification of Audited Statement of Income and Expenditure*	Yes	No	No	Yes
Part 6 – Statement of Compliance	Yes	Yes	Yes	Yes

\* *Note: Tier 1 respite services under the [National Respite for Carers Program \(excluding CRCCs\)](#) that receive annual funding less than \$100,000 (ex-GST) in a single Program Schedule are not required to have their accounts audited, in accordance with section 17 of the [NRCP Program Manual \(July 2012\)](#).*

## **Part 1: Organisation Contact Information and project details**

The details in this section relate to the organisation which is legally contracted to provide the services through the funding agreement and which appears on the first page of the funding agreement.

The following details are pre-populated, based on the records maintained by the Department:

- name of organisation;
- contact officer for the organisation (not the project/activity);
- trading name (if applicable);
- Australian Business Number (ABN) as per the Funding Agreement
- name of project;
- project ID;
- funding stream/funded contract; and
- current period/year under review.

If the pre-populated details are incorrect, you should contact the Acquittal Helpdesk by emailing [CO.FAR@dss.gov.au](mailto:CO.FAR@dss.gov.au) .



## Part 2: Statement of project Income and Expenditure

Your organisation must report on how it has used Australian Government funding for the project in the Statement of Income and Expenditure. Only expenditure relating to the particular project for the relevant period should be included so that the resulting net surplus (deficit) accurately reflects the use of those funds, for their intended purpose.

If applicable, one-off grants provided for a specific purpose should be excluded from this section and separately reported under Part 3 – Carry-overs and One-off Grants.

**All amounts should exclude GST.** They should be rounded to whole dollars i.e. do not include cents.

### Income

Note	Description	To be Reported
1	<u>Annual/Final</u>  Australian Government Funding Agreement – operational	This will be pre-populated by the Department and is based on the payments made to the organisation. If the amount shown is considered to be incorrect, please contact the Acquittal Helpdesk on 02 6289 1637.
	<u>Progressive/Adhoc</u>  Proportion of Approved Upper Limit (AUL)	This will be pre-populated by the Department and is based on the proportion of your annual recurrent grant made to the organisation for the reporting period. If the amount shown is considered to be incorrect, please contact the Acquittal Helpdesk.
2	Australian Government Funding Agreement – brokerage.	This item is currently not used. Any funds are included in Item 1 Australian Government Funding Agreement – operational.
3	Surplus funding held from previous year	<p>This item only relates to Annual and Final eFARs.</p> <p>This will be pre-populated by the Department and shows the amount of funding that was held by your organisation from the previous financial year and would have been recovered from payments in the current financial year.</p> <p><i>Please note: the amount of Australian Government Funding Agreement – operational (refer Note 1 above) plus the Surplus funding held from previous year equals the total Australian Government funding available to your organisation for the specified period.</i></p> <p>If the amount shown is considered to be incorrect, please contact the Acquittal Helpdesk.</p>

Note	Description	To be Reported
4	Interest received on Government funds	Any interest earned in the relevant reporting period on funds paid to the organisation by the Department through the funding agreement.
5	User fees received	<p>All user fees payable from clients for the relevant reporting period (Refer clause 12.3 of the Terms and Conditions for aged care funding, March 2012).</p> <p>If some user fees were uncollectable and subsequently written off, these should be included, with an itemised entry in Item 18 “Other Support and Administration Costs” for debts written off.</p> <p>For FAR purposes, it is assumed that any user fees received are expended before any Commonwealth funding is used.</p>
6	Other (please specify)	<p>Other revenue generated from project activities for the relevant reporting period e.g. donations given specifically to the project.</p> <p>Include any funding received from the Commonwealth under the SACS equal remuneration order (June 2012) as a separate line item ‘<b>Other – SACS funding has been expended on SACS wages</b>’.</p> <p>For FAR purposes, it is assumed that any SACS funding received is expended before any grant funding is used.</p> <p>Note: Revenue received from other funding bodies should not be included. Your organisation’s financial systems should be able to separately identify Australian Government funds and their use, as specified in the funding agreement.</p>

## Expenditure

Only expenditure incurred in undertaking the project should be reported in the Statement of Income and Expenditure. Expenditure relevant to services operated and funded from other sources of funding should be excluded.

One-off funding should be excluded and separately reported under Part 3 – Carry-overs and One-off Grants.

## Direct Costs

‘Direct costs’ means those costs associated with providing services to clients or providing the services specified under the funding agreement. They include the full cost of employees engaged in

providing those services, together with direct travel and carer resources provided to clients. All other expenditure should be included in Support and Administration Costs.

Note	Description	To Be Reported
7	Employee expenses	<p>All employee costs associated with staff engaged to provide the services to clients as detailed in the funding agreement for the project, including:</p> <ul style="list-style-type: none"> <li>• salaries and wages;</li> <li>• superannuation;</li> <li>• payroll tax;</li> <li>• SACS supplementation</li> <li>• where organisations will carry a liability into future years as a direct result of employee entitlements being accumulated during the reported financial year, the Department will allow an expense item equivalent to that liability in that financial year. The organisation is then responsible for ensuring that adequate provisions are made to cover these and any other debts (for more detail see “Handling of Employee Related Entitlements”); and</li> <li>• other direct employee costs.</li> </ul> <p>Staff training should be excluded from this category and included in Support and Administration Costs.</p>
8	Brokerage/Subcontracting	<p>The full cost of services, including employee costs of the brokered or subcontracted service, where this is provided through an approved subcontracting arrangement.</p> <p>The staff costs that organisation incurs in relation to organising brokered services should be included in Item 7 “Employee expenses”.</p>
9	Travel	<p>Travel costs incurred by employees for travel directly associated with provision of services to clients.</p> <p>Travel costs incurred by clients should be itemised in Item 11 “Other costs”.</p>
10	Carer resources	<p>Resources provided directly to clients which are directly related to the funded activity. For NRCP activities/projects, these should be itemised e.g. wheelchairs on loan, or other similar equipment.</p>

Note	Description	To Be Reported
11	Other direct costs	<p>Any other direct costs incurred in providing services to clients, for example transport costs for clients, reimbursement of volunteer expenses and reasonable catering for volunteers should be included in this section. Costs must be itemised and a description of the expenditure provided.</p> <p>Support costs such as printing and postage, office supplies and property operating expenditure should be included in “Other support and administrative costs” rather than here.</p>

## Support and Administration Costs

‘Support and Administration Costs’ means the cost of all administrative support provided by your organisation to the project. Broadly this includes all staff and costs incurred in supporting the staff providing services directly to clients. For respite services under the National Respite for Carers Program, total administration costs should not account for more than 30 per cent of total income without the agreement of the Department for each funded activity.

Note	Description	To Be Reported
12	Employee expenses	<p>All employee costs associated with staff providing support to the staff delivering services for example accounts processing staff, human resources, etc. The cost should include:</p> <ul style="list-style-type: none"> <li>• salaries and wages;</li> <li>• superannuation;</li> <li>• payroll tax;</li> <li>• where organisations will carry a liability into future years as a direct result of employee entitlements being accumulated during the reported financial year, the Department will allow an expense item equivalent to that liability in that financial year. The organisation is then responsible for ensuring that adequate provisions are made to cover these and any other debts (for more detail see “Handling of Employee Related Entitlements”); and</li> <li>• other employee costs.</li> </ul>
13	Training costs	All staff training costs, including for those staff providing services to clients.
14	Premises and accommodation costs	All costs relating to premises used for the provision of project services. Where the project forms part of

Note	Description	To Be Reported
		your organisation's broader operations, the cost should be attributed proportionately to accurately reflect usage.
15	Depreciation	<p>Apportioned costs for the Depreciation on assets used in association with providing the services under the funding agreement, with a value greater than \$10,000.</p> <p>For further information please see section below on depreciation and refer to the relevant Program Manual.</p>
16	Promotion and advertising costs	Costs incurred in connection with the promotion and advertising of the project.
17	Management fees	<p>Management fees, or general overhead recovery charges, allocated to the project by the organisation. The attributed cost must be proportionate to the level of support actually provided to the project.</p> <p>Auspice fees allocated to project by your organisation. The attributed cost must be proportionate to the level of support actually provided to the project.</p> <p>The organisation may be asked to justify any management or auspice fees charged to the project. For respite services under the National Respite for Carers Program, a breakdown of management fees should be itemised.</p>
18	Other support and administration costs	<p>All support and administration costs, other than as included above.</p> <p>Examples of other support and administration costs include printing, stationery and postage, communications costs, accounting and professional fees and minor asset purchases below \$10,000, which must be separately itemised.</p> <p>If user fees that were payable and subsequently written off have been included in Item 5 "User Fees received" , then the actual amount debts written off can be itemised here.</p> <p>This does not include Fringe Benefits Tax, donations, provision for bad debts, loans, interest paid on any loans or borrowings, etc. Please contact the Grants and Acquittals service desk for more information.</p>

Where staff are involved in both the provision of services to clients and provide administrative support to the project, their costs should be attributed to each category, based on a careful estimate of resource usage.

## **Items that cannot be claimed in eFARs**

The following is list of expenditure items that cannot be claimed in your organisation's eFAR i.e. they must be excluded from your organisation's eFAR:

- depreciation on land and buildings and depreciation on refurbishment and fit-out – however, your organisation can charge a rental amount in lieu of this if your organisation has not already claimed a rental charge under Premises and Accommodation costs;
- NRCP, CRCC & DETC: depreciation on Commonwealth funded assets – this includes any replacement assets that were funded from depreciation expense claimed in previous years' eFARs;
- taxes including Fringe Benefits Tax, Stamp Duty
- cost of police checks for staff and volunteers, unless it is stipulated in your funding agreement as an allowable expense;
- provision for bad debts;
- expenditure that did not occur in the relevant financial year or period;
- profit margins.
- capital improvement costs, ie fit out.
- loss on disposal of assets, ie loss of sale of vehicles etc.

## **Handling of Employee Related Entitlements**

Example: An organisation employs 2 staff @ \$40,000 per annum. Staff can be paid up to 4 weeks sick leave full pay per annum, but on average each staff member takes 8 days sick leave per year. After 10 years continuous service, staff are entitled to 3 months long service, however only 20% of staff ever make it to 10 years' service.

If the organisation chooses to set up provision accounts in the balance sheet to meet any future costs associated with this accumulated leave, then the amount claimed would be calculated as follows:

- **Sick Leave** – 8 days (actual amount taken on average) X 2 (number of staff employed) X daily rate of salary (based on \$40,000 per annum). This amount would be claimed in the eFAR but transferred to the balance sheet as a provision for sick leave. When staff claim sick leave, the cost of the leave is funded from the provision account and not claimed as "employee expenses".
- **Long Service Leave** – For staff with less than 10 years' service, the amount charged per annum for long service leave should be 0.3 months' salary X percentage of chance they will achieve 10 years' service. For staff with 10 or more years' service, 0.3 months' salary should be charged per annum.

Example:

If one staff member had achieved 10 years' service and one had not, then the amount that could be claimed would be 0.3 X \$40,000 (for the staff member with > 10 years' service) plus 0.3 X 20% X \$40,000 (for the staff member with <10 years' service). This amount would be claimed in the eFAR but transferred to the balance sheet as a provision for long service leave. Depreciation of Australian Government Funded Assets

National Respite for Carers Program (NRCP), Commonwealth Respite and Carelink Centres (CRCC) and Dementia Education and Training for Carers (DETC) program

- Depreciation may be claimed for apportioned costs for depreciation on assets funded by your organisation, used in association with providing the services under the funding agreement, with a value greater than \$10,000.
- Alternatively, an organisation that uses its own assets may claim a direct cost associated with operating the asset to deliver the service (e.g. in the example of a car, this would include fuel, registration and maintenance, insurance).
- Depreciation of Australian Government funded assets must be excluded. Organisations are not able to claim depreciation expense on any assets funded by the Australian Government, directly or indirectly in the eFAR.

Day Therapy Centres (DTC)

In accordance with section 7.11 of the [DTC Program Manual \(July 2012\)](#):

- From 1 July 2012, service providers must seek the Department's prior written approval before using funding to acquire an item with a value of \$10,000 or more;
- Depreciation of Assets which have been purchased with Commonwealth funding is allowed, provided that these Assets have been listed on the Assets Register. They may be included as an expense in the Financial Accountability Reports (FARs) submitted to the Department.

Assistance with Care and Housing for the Aged (ACHA)

In accordance with section 7.10 of the [ACHA Program Manual \(July 2012\)](#):

- From 1 July 2012, service providers must seek the Department's prior written approval before using funding to acquire an item with a value of \$10,000 or more;
- Depreciation of Assets which have been purchased with Commonwealth funding is allowed, provided that these Assets have been listed on the Assets Register. They may be included as an expense in the Financial Accountability Reports (FARs) submitted to the Department.

## **Social and Community Services (SACS) Supplementation Funding**

Any SACS supplementation funding received can be acquitted as a separate line item under 'Income, Other – SACS' in your organisation's eFAR. Insert the following statement on the same line: 'SACS funding has been expended on SACS wages'. A separate statutory declaration is not required.

It is assumed that any SACS funding received is expended before any grant funding is used and there will be no carry-over of unspent SACS funding.

### Part 3: Carry-overs and One-Off Grants

When an organisation is approved to carry-over surplus recurrent funds from the previous year to fund a special requirement, a special one-off grant is created and reported here.

From time to time, the Department also approves one-off funding for organisations to carry out “one-off “projects. Where funding has been approved for a specific purpose this section should be used to report actual expenditure for any “one-off “project during the relevant financial year.

The amount of funding and the nature of the project for which the funding has been approved and provided will be pre-populated by the Department, including any approved carryovers from previous financial years. Accordingly your organisation is only required to report the amount of actual expenditure.

If your organisation has not spent the full amount of one-off grants by the agreed date, your organisation will be required to request a carryover of funds or alternatively repay the funds by cheque to the Department.

Note	Description	To Be Reported
19	Grant reference number	Refers to the grant ID or contract number generated by the Department
20	Purpose of Expenditure	The details of the purpose for which the one-off funding has been provided to the organisation (pre-populated by the Department).
21	Grant Total	The total amount of the funding provided for the project (pre-populated by the Department).
22	Expenditure already acquitted	<p>The amount of funding already acquitted in previous year's eFAR (pre-populated by the Department).</p> <p>This amount includes funds spent, and any funds returned to the Department via cheque or direct deposit, or written off.</p>
23	Expenditure this period	The amount of expenditure associated with the one-off funding during the current reporting period – to be reported by the organisation.

Expenditure associated with recurrent grants or unrelated sources of funding should not be reported in this section.



## Part 4: Organisation Balance Sheet

Part 4 – An organisation's Balance Sheet is a mandatory requirement for Annual and Final eFARs and should match the audited financial statements of the organisation.

Under Part 4 your organisation can either enter the data into the eFAR system or alternatively agree to attach a hardcopy of your Balance Sheet when submitting your completed acquittal.

If your organisation does not prepare its own balance sheet because it is part of a larger group of entities, it should provide the group's balance sheet.

Where an organisation is subject to audit by the Auditor-General of the Australian Government or a State, these projects are not required to provide a balance sheet.

## Part 5: Certification of Audited Statement of Income and Expenditure

Part 5 – Certification of Audited Statement of Income and Expenditure is a mandatory requirement for Annual and Final eFARs. The only exception is that Tier 1 respite services under the National Respite for Carers Program (excluding CRCCs) that receive annual funding less than \$100,000 (ex-GST) in a single Program Schedule are not required to have their accounts audited, in accordance with section 17 of the [NRCP Program Manual \(July 2012\)](#).

If your organisation is a participant of the Alternate Audit Approach, please refer to the additional guidance provided at Part D "Modified Requirement for Alternate Audit Approach Participants".

Organisations need to ensure that the Certification of Statement of Income and Expenditure for each project is signed by an approved auditor. A separate Certification is required for each funded project. This certification confirms that the statement of income and expenditure for the project for the relevant reporting period is complete and accurate.

Alternatively the organisation can attach a letter signed by an auditor (in lieu of Part 5) provided the letter includes certification that the Income and Expenditure for the relevant reporting period is complete and accurate etc.

The certification or letter provided with the eFAR hardcopy must be an original and should be sent to the Department at the address set out in Section C– Submission of Report – Department of Health and Ageing. ***Photocopies, scanned copies or facsimiles are not acceptable.***

Where the organisation is not subject to audit by the Auditor General of the Australian Government or a State, the Certification of Audited Statement of Income and Expenditure must be certified by an approved auditor, in accordance with the funding agreement. The auditor should also not be a principal, member, office holder or employee of the organisation.

Where an organisation is subject to audit by the Auditor-General of the Australian Government or a State, these projects are required to provide a Certification of Audited Statement of Income and Expenditure signed by an officer responsible for auditing the administration of the funding. Please note that the Responsible Officer who signs Part 6 – Statement of Compliance cannot also sign the Certification of Audited Statement of Income and Expenditure.

## Part 6: Statement of Compliance

Part 6 – Statement of Compliance is required for the Annual, Progressive, Adhoc and Final eFARs.

The Statement of Compliance must be signed by a Responsible Officer (see Section A for details) of the organisation. The organisation is required to complete all details in the Statement of Compliance, confirming that all funding received from the Department has been used for the provision of approved services and that all conditions included in the funding agreement have been met. Please note that giving false or misleading information is a serious offence.

Any areas of non-compliance should be fully described in detail in the section provided.

***Note: your organisation must ensure that any expenditure items specifically excluded in Part 2 – Statement of Project Income and Expenditure have not been included in your eFAR.***

## C eFAR Alignment with Standard Chart of Accounts

### Income

Note	Description	To be reported	Proposed SCOA Item	SCOA Description
1	Australian Government Funding Agreement - operational	This will be pre-populated by the Department and is based on the amount specified in the relevant schedule to the Funding Agreement. If the amount shown is considered to be incorrect, please contact the Acquittal Helpdesk.	<b>4-1010 – Grants (Commonwealth) Operating - Recurrent</b>	This account including operating, recurrent funds received from Commonwealth including whole of organisation grants per capita. This includes annual funding or multi-year funding.
2	Australian Government Funding Agreement – brokerage.	This will be pre-populated by the Department. If the amount shown is considered to be incorrect, please contact the Acquittal Helpdesk.	<b>4-1100 - Grants Other</b>	This account represents any other government or agency contribution, or community organisation contribution including grants received through mediating agencies.
3	Surplus funding held from previous year	This will be pre-populated by the Department and shows the amount of funding still held by your organisation identified from previous years' surpluses. If the amount shown is considered to be incorrect, please contact the Acquittal Helpdesk.	<b>4-1010 - Grants (Commonwealth) Operating - Recurrent</b>  <i>This amount relates to and forms part of the Grant referred to in Note 1 above.</i>	This account includes operating, recurrent funds received from the Commonwealth including whole of organisation grants per capita. This includes annual funding or multi-year funding.  <b>Refer to Note 1 above.</b>

Note	Description	To be reported	Proposed SCOA Item	SCOA Description
4	Interest received on Government funds	Interest earned for the relevant reporting period on Funds paid to the organisation by the Department through the Funding Agreement deposited into the prescribed bank account.	<b>4-5010 - Interest Restricted</b>  <b>4-5020 – Interest Unrestricted</b>	<p>This account represents bank interest earned on the investment of funds provided for a specific purpose.</p> <p>This account includes interest earned on cash or banked funds, classified as operating funds.</p>
5	User fees received	All contributions received from carers in the form of fees and donations for the relevant reporting period.	<b>4-4010 to 4-4080 Trading/Operating Activities</b>	This includes sales of goods, fees and charges, Sponsorship and licensing fees, Income from Raffles and Gaming, Sales of tickets, Membership fees.
6	Other (please specify)	<p>Other revenue generated from project activities for the relevant reporting period</p> <p><b>Note:</b> Revenue received from other funding bodies should not be included. Organisations' financial systems should be able to separately identify Australian Government funds and their use, as specified in the funding agreement.</p>	<b>4-2010 to 4-2050 Donations, gifts &amp; bequests</b>  <b>4-3010 to 4-30540 Contributions</b> (public, government & philanthropic trusts & corporations, traders)  <b>4-5030 to 4-5060 Other income</b> (except interest)	<p>Fundraising – Gifts – made voluntarily and do not provide a material benefit to the donor.</p> <p>Contributions – voluntary contributions other than donations and gifts.</p> <p>Income that is not in any other category e.g. sale of assets funded by the Commonwealth.</p>

# Expenditure

## Direct Costs

Note	Description	To be reported	Proposed SCOA Item	SCOA Description
7	Employee Expenses  Salaries and wages	All employee costs associated with staff engaged to provide the services to clients as detailed in the funding agreement for the project, including:	6-0600 to 6-0649	
		Salaries and wages	<b>6-0611</b> <i>(portion of staff that are directly involved in the delivery of the project)</i>	<p>Salaries and wages: this account represents all salaries and wages paid to all staff employed by the non-profit organisation on a permanent basis or casual basis (including replacement staff).</p> <p>It should not include any expenses for leave taken in the current financial year by employees (e.g. Recreation Leave, Sick Leave, Long Service Leave etc.) if the organisation maintains a provision account. These costs should be funded from the organisation's provision account.</p> <p><b>Please note that the Commonwealth recognises expenditure as an eligible item an amount equivalent to the additional liability incurred in the financial year for employee-related entitlements – see end note “Employee-related Entitlements”</b></p>

Note	Description	To be reported	Proposed SCOA Item	SCOA Description
		Superannuation	6-0607	This account covers all expenses relating to superannuation, as paid for salaried or casual staff.
		Payroll Tax	An account in the 6-0600 series should be set up to record payroll tax expense.	
		Employee-related entitlements –  Where organisations will carry a liability into future years as a direct result of employee entitlements being accumulated during the reported financial year, the Department will allow an expense item equivalent to that liability in that financial year. The organisation is then responsible for ensuring that adequate provisions are made to cover these and any other debts	An account in the 6-0600 series should be set up to record the amount of employee-related entitlements.	This account represents the amount equivalent to the additional liability incurred in the financial year for employee-related entitlements.  <i>This amount must be reflected in the relevant provision account in your balance sheet (Liabilities Accounts 2-1170 onwards)</i>
		Other direct employee costs  <b>Note:</b> Staff training should be excluded from this category and included in Support and Administration Costs.	Any other 6-0600 series items that are not included elsewhere.	
8	Brokerage/Subcontracting	The full cost of services, including employee costs, where this is provided through an approved sub-contracting arrangement.	6-0110 to 6-0200	Client Support Services - these accounts cover the costs associated services provided to client/organisations, including brokerage.

Note	Description	To be reported	Proposed SCOA Item	SCOA Description
9	Travel	Travel costs incurred by employees for travel directly associated with provision of services to clients.	6-0710	This account represents all travel expenses incurred in relation to staff employed by the non-profit organisation.
10	Carer resources	Resources provided directly to clients, e.g. wheelchairs on loan, or other similar equipment.	6-0210	Client Support Consumables – this account covers the costs of providing consumables, medical and surgical supplies to clients/organisations.
11	Other direct costs	Any other direct costs incurred in providing services to clients should be included in this section. Costs must be itemised and a description of the expenditure provided. Support costs such as printing and postage, office supplies and property operating expenditure should generally not be included here.	Any other item in the 6-0000 series not included elsewhere	

## Support and Administration Costs

Note	Description	To be reported	Proposed SCOA Item	SCOA Description
12	Employee expenses	All employee costs associated with staff providing support to the staff delivering services. The cost should include:		
		Salaries and wages	<b>6-0611</b> <i>(portion of staff that are involved in support/admin roles)</i>	Salaries and wages: this account represents all salaries and wages paid to all staff employed by the non-profit organisation on a permanent basis or casual basis (including replacement staff).  It should not include any expenses for leave taken in the current financial year by employees (e.g. Recreation Leave, Sick Leave, Long Service Leave etc.) if the organisation maintains a provision account. These costs should be funded from the organisation's provision account.  <b>Please note</b> that the Commonwealth will fund an amount equivalent to the additional liability incurred in the financial year for employee-related entitlements – <b>see end note "Employee-related Entitlements"</b>
		Superannuation	<b>6-0607</b>	This account covers all expenses relating to superannuation, as paid for salaried or casual staff.
		Payroll Tax	<b>An account in the 6-0600 series should be set up to record payroll tax expense.</b>	



Note	Description	To be reported	Proposed SCOA Item	SCOA Description
		Employee-related entitlements - Where organisations will carry a liability into future years as a direct result of employee entitlements being accumulated during the reported financial year, the Department will allow an expense item equivalent to that liability in that financial year. The organisation is then responsible for ensuring that adequate provisions are made to cover these and any other debts.	<b>An account in the 6-0600 series should be set up to record this amount.</b>	This account represents the amount equivalent to the additional liability incurred in the financial year for employee-related entitlements.  <i>This amount must be reflected in the relevant provision account in your balance sheet (Liabilities Accounts 2-1170 onwards).</i>
		Other employee costs	<b>6-0310 - Employee Support &amp; Supervision Costs</b>	This account covers all costs associated with employment support (e.g. job support, vocational development, supervision costs). It excludes salaries and wages of the staff undertaking the role.
<b>14</b>	Premises and accommodation costs	All costs relating to premises used for the provision of project services. Where the project forms part of the organisation's broader operations, the cost should be attributed to accurately reflect usage.	<b>6-0100 – Cleaning</b> <b>6-0570 - Rent</b> <b>6-0650 - Security Expenses</b>	This account represents the costs of security paid for the current year including alarm systems, replacement locks, keys and security firms and an outgoings component.

Note	Description	To be reported	Proposed SCOA Item	SCOA Description
15	Depreciation	Depreciation on assets (\$>10,000) that are used in association with providing the services under the funding agreement.	<b>6-0260 - Depreciation – Motor Vehicle</b>	For the portion of motor vehicles funded from organisation's own funds that are used by the project.
		Depreciation on buildings is not allowed.	<b>6-0270 - Depreciation – Plant &amp; Equipments</b>	For the portion of plant & equipment funded from organisation's own funds that are used by the project.
16	Promotion and advertising costs	Costs incurred in connection with the promotion and advertising of the project.	<b>6-0020</b>	This account covers all advertising, marketing and promotion fees paid by non-profits in the course of marketing, advertising and promotion of events and services etc. It includes all printing relating to promotional material and website maintenance, design, content.
17	Management and auspice fees	<p>All management fees, or general overhead recovery charges, allocated to the project by the organisation.</p> <p>The organisation may be asked to justify any management fees charged to the project.</p>	<p><b>6-0470 - Management Fees</b></p> <p><b>6-0060 - Auspice Fees</b></p>	<p>This account represents fees paid to another organisation which performs governance and financial services for the non-profit (e.g. payroll services, shared office space fees etc.)</p> <p>This account represents fees paid by a non-profit organisation to another organisation for providing support. The auspice organisation signs agreements, carries financial risk and legal responsibility for activities of the auspice organisation.</p>

Note	Description	To be reported	Proposed SCOA Item	SCOA Description
18	Other support and administration costs	All support and administration costs, other than as included above.	<b>6-0010 - Accounting Fees</b>	This account represents accounting and book keeping fees.
		Examples of other support and administration costs include printing, stationery and postage, communications costs, accounting and professional fees and minor asset purchases below \$10,000, volunteer costs.	<b>6-0050 - Audit Fees</b>	This account represents fees directly associated with an audit of financial statements.
		This does not include Fringe Benefits Tax, donations, bad debts, loans, loss incurred from the disposal of an asset etc. Please contact the Grants and Acquittals service desk for more information.	<b>6-00780 - Bank Charges</b>	This account represents all charges associated with the various bank accounts held by a non-profit organisation in relation to the funded project.
			<b>6-0730 - Volunteer Costs</b> <i>Any other item in the 6-0000 series not included elsewhere</i>	This account represents all costs relating to volunteers, including training of volunteers.

## D Modified requirements for Alternate Audit Approach Participants

This section applies only to organisations that have applied and been accepted to participate in the Alternate Audit approach for the Annual eFAR. If you are unsure whether your organisation has been accepted to participate, please contact the Acquittal Helpdesk by email to [CO.FAR@dss.gov.au](mailto:CO.FAR@dss.gov.au).

The eFAR is comprised of up to six parts:

		Modified for Trial Participants
Part 1	Organisation, contact information and project information;	No
Part 2	Statement of Income and Expenditure;	No
Part 3	Carry-overs and One-off Grants;	No
Part 4	Organisation Balance Sheet;	No
Part 5	Certification of Audited Statement of Income and Expenditure;	Yes
Part 6	Statement of Compliance.	No

**Please note that the eFAR submission date for the Alternate Audit approach participants is 30 September 2014, in line with the normal reporting deadline.**

### Background

Under the Alternate Audit Approach, you have the option of providing a segment note or an extraction report. Specific details for each of the options are detailed below:

#### Segment Note Option


Under this option, your organisation must incorporate any Commonwealth funding received for the National Respite for Carers Program (NRCP), Commonwealth Respite and Carelink Centres (CRCC), Assistance with Care and Housing for the Aged (ACHA), Day Therapy Centres (DTC) and the Dementia Education and Training for Carers (DETC) program into a community aged care services segment in your audited general purpose financial statements.

The Segment Note must comply with Australian Accountability Standard (AASB) 114 Segment Reporting (as amended) and is to be audited accordingly.

In addition, you must complete the standard eFAR requirements for Parts 1, 2, 3, 4 and 6.

However, on Part 5 – Certification of Audited Statement of Income and Expenditure, you should tick the box, so the following screen is displayed. Your auditor's name, firm and phone number

(optional) should be detailed here.

**Certification of Audited Statement of Income and Expenditure** 

☒ Certification will be attached with the hard copy submission of the FAR

If you would like the system to generate the Certification of Audited Statement of Income and Expenditure for your auditor to sign please complete the details below. Once signed by your auditor, the Statement should be included with the hard copy FAR and supporting documentation for posting to the Department of Health and Ageing.

Alternatively, if you wish to attach the auditor's version of the Statement, please tick the box and include it in the hard copy package for posting to the Department of Health and Ageing.

<b>Name *</b>	<input type="text" value="Enter auditor name"/>
<b>Firm *</b>	<input type="text" value="Enter auditor firm"/>
<b>Phone</b>	<input type="text"/>

Once you have submitted your eFAR on line, your organisation is required to:

- Print a hardcopy from the eFAR system after all information has been submitted online (i.e. the hardcopy should not display the “draft” watermark),
- attach a copy of your organisation’s audited general purpose financial statements;
- attach a copy of the Statement of Compliance signed by your organisation’s responsible officer (must be original); and
- post the hardcopy (with original signatures) to the Department at:


**Acquittals  
National Delivery Office  
Department of Social Services  
CW1 Tuggeranong Office Park  
PO Box 7576  
Canberra Business Centre ACT 2610**

## Extraction Report Option

Under this option, your organisation is required to extract a report directly from your organisation’s financial management system that details all income and expenditure relating to each project participating in the approach.

This report will form the basis of financial information included in the eFAR. You must complete the standard eFAR requirements for Parts 1, 2, 3, 4 and 6.

However, on Part 5 – Certification of Audited Statement of Income and Expenditure, you should tick the box, so the following screen is displayed. Your auditor’s name, firm and phone number (optional) should be detailed here.

**Certification of Audited Statement of Income and Expenditure**


☒ Certification will be attached with the hard copy submission of the FAR

If you would like the system to generate the Certification of Audited Statement of Income and Expenditure for your auditor to sign please complete the details below. Once signed by your auditor, the Statement should be included with the hard copy FAR and supporting documentation for posting to the Department of Health and Ageing.

Alternatively, if you wish to attach the auditor's version of the Statement, please tick the box and include it in the hard copy package for posting to the Department of Health and Ageing.

Name \*

Enter auditor name

Firm \*

Enter auditor firm

Phone

Once you have submitted your eFAR on line, your organisation is required to:

- print a hardcopy from the eFAR system after all information has been submitted online (i.e. the hardcopy should not display the “draft” watermark),
- provide a copy of the extraction report with an audit opinion certifying that the financial information in the report has been extracted from the financial records which form the basis of the Financial Statements;
- attach a copy of the Statement of Compliance signed by your organisation’s responsible officer (must be original); and
- post the hardcopy (with original signatures) to the Department at:

**Acquittals**  
**National Delivery Office**  
**Department of Social Services**  
**CW1 Tuggeranong Office Park**  
**PO Box 7576**  
**Canberra Business Centre ACT 2610**