

Reconciling your CCB:

- **why you need to do it; and**
- **how you can do it!**

Children's Services Central has trained over 2500 people in the new Children's Services Management System (CCMS). During these information sessions we discovered that many services had never reconciled their CCB payments.

This is an important part of ensuring that your service is prepared for CCMS – ensuring that all monies owing to your service under the existing CCB payment system have been paid.

The following outlines a simple reconciliation system you can undertake. Please use it in conjunction with the Excel spreadsheet to do your workings on. If you do not have Excel you can print out the word version of the spreadsheet and do a manual reconciliation.

Reconciling your CCB

Before transitioning to the new Child Care Management System it is important to make sure you understand exactly where you stand in the CCB Acquittal Process.

Background

Under the pre CCMS CCB payment system the Family Assistance Office (FAO) would estimate the amount of CCB that your service would use and pay this to your service in advance. The financial estimate was taken from the period six months prior.

Current Period	Estimated From
2008 P02 (April – Jun)	2007 P04
2008 P01 (Jan – Mar)	2007 P03
2007 P04 (Oct – Dec)	2007 P02
2007 P03 (Jul – Sep)	2007 P01
2007 P02 (Apr – Jun)	2006 P04
2007 P01 (Jan – Mar)	2006 P03
2006 P04 (Oct – Dec)	2006 P02
2006 P03 (Jul – Sep)	2006 P01

As an example, if your service had \$35,000 acquitted for the Jan – Mar period in 2007, The FAO would have advanced you \$35,000 for the Jul – Sep 2007 quarter.

This is where the problem of reconciliation arises. Often you are closed for a couple of weeks over Christmas, so your advance will not be enough to cover the Jul – Sep period. Similarly, the advance for the Jan – Mar period will be too much as the service was open for the full quarter six months previously.

The FAO would pay the advance over the period, paying 40% in the first month, and 30% in each of the second and third months.

We'll use this table to begin our reconciliation from July 2006. Note: Many services will want to begin their reconciliation from July 2000 when CCB first began, particularly if they have done no reconciliation at all.

In order to begin you will need your acquittal reports from P03 2006. These usually came with a yellow cover sheet and should have been 2 pages long. If the report was more than 2 pages long, it indicated that your claim contained some 'errors'. Often these were errors arising from having the wrong starting date for a particular percentage for an individual child. The errors always had an explanation but sometimes they were not very clear. If your reports were longer than 2 pages, you may have not received all the CCB you were entitled to. The last section of this report will deal with interpreting the errors and submitting supplementary claims.

Three Steps to reconciling your account

Step One

Use your computer software to calculate the amount that you claimed for the period Jul 2006 – Sep 2006. Look closely at this report to make sure that all eligible children had their CRN's filled in. Some software packages allow you to put a CCB percentage in even if you have not yet received the printout from The FAO. This is usually done if the parent has a printout showing the percentage. Remember, if there are no numbers the claim did not go in electronically or on the disk. (See below)

John Andrews	204 567 578X	204 112 767K	16.70%	\$132.67
Sally Brown	204 566 990K	204 576 099J	100%	\$332.89
Brian Smith	205 668 963L		85.36%	\$288.69

In this example, the acquittal claim was submitted without ANY reference to Brian Smith. The claim and the amount acquitted will differ by the \$288.69 and a supplementary claim will need to be submitted.

Make a note of the Total Amount Claimed including any Special CCB and JET (if applicable)

Step Two

On page two of the acquittal report there are three numbers

Amount Advanced	\$32,790.88
Amount Acquitted	\$33,170.19
Over Advance	\$ 379.31

Make a note of the Amount Acquitted

Step Three

On the worksheet, fill in the appropriate numbers from above and calculate any balance

Period	Claimed	Acquitted	Difference	Balance
2006 P03	\$33458.88	33170.19	+\$288.69	\$288.69
2006 P04				

Conclusions.

The acquittal report showed an overadvance of \$379.31 meaning, of course, that the service would need to return this amount. In actual fact, our calculations showed that the FAO was \$288.69 under the claim that was made, and work should be undertaken to locate the discrepancy.

Each period has to be reconciled individually, and the service needs to make a judgment as to whether any amount is worth pursuing. A difference of \$4.15 in a \$40,000 claim that takes a week to find is probably not economical to recover!

Time should be set aside to do these individual periods, remembering that the last quarter before you transition to CCMS is also very important. You will be able to work out from the table above how much will be advanced and how much will be paid to your service in the weeks of the last CCB quarter. This will need to be budgeted for, and the money would need to be available if it has to be returned.

Reading the Acquittal Report

The acquittal report usually arrives in your service with a yellow cover page.

On page 2 of the statement there is a summary of your payment for the period that has been acquitted.

Statement Period July – September Statement Indicator 2007P03

Amount advanced for this period	30643.47	
Amount of normal CCB acquitted	43529.32	(This is the number you would put on the worksheet)
Arrears	12885.85	

Often the word “Arrears” worries the service – but it actually means the FAO owes YOU the money and will pay it into your nominated account very quickly. If they have advanced you too much money the word used is “Overadvance” – this means that your service will not receive the full advance next quarter.

Included in the “Amount of normal CCB acquitted” will be any Special CCB you claimed and any JFA component for children of parents funded by the JET scheme.

If any errors were identified on your claim you will receive a printout of these errors, usually on a week by week basis.

Sometimes there will only be one line with no dates – be careful as this could mean NONE of the CCB for this child for the quarter has been paid to you.

The columns in the error report are headed as follows:

Week Ending	Always a Sunday date at the END of the current billing week.
Elig CCB Hrs	The number of hours claimed by a parent up to their maximum
Elig Non Std Hrs	Usually used by Family Day Care
Part time %	110% to 100% depending on the hours used for LDC
CCB%	The child's percentage
Stand F R	The Standard Fee Reduction ie CCB claimed
Non Std F R	Used for Family Day Care and In Home Care
Special CCB Rsn	The reason for claiming Special CCB – TFH, GCB, CRK
Incrs elig. Hrs	The reason for claiming increased hrs – CRK, EXC
Total Fee for CCB Hrs	The total fee the service charges for the CCB hrs
No of JFA Std Hrs	The number of hours claimed for JET
Total fee for JFA hrs	The total fee the service charges for JET hours claimed
JFA Claimed	The amount claimed for a JET child
Amount Paid	The total paid for the week for this child

Note: The Paid column in a Long Day Care service is usually the sum of Stand F R column and the JFA claimed column.

When you read the error code it will usually be clear to you. For example, it may be that the hours have changed where you have claimed more than the allowable hours i.e. the parent is eligible for only 24 hours and you have 50 hours in your software. Perhaps the percentage has changed and the calculation of CCB is different to what the service should have claimed. Sometimes the child has had more than the allowable absences (particularly if the child came from another service or is currently attending another service as well as yours).

Supplementary Claim

You need to lodge a Supplementary claim if you still feel that you have been underpaid. Most of the software will allow you to do this – however some services prefer to lodge supplementary claims on paper so that they can see exactly what they are claiming. On paper they can also add notations if they think that it will be clearer to the Payment team.

You need to make sure that you have claimed all the CCB due to you. If you have a percentage entered incorrectly and you do not take enough CCB, the FAO will pay the extra CCB directly to the family at the end of the financial year. If the FAO has rejected your claim for CCB for a valid reason, say too many absences (see above), you will need to recover the money from the family. You usually do this by backdating the invoices involved and adding the amount to the family account.

As we transition to the CCMS, many of these problems will disappear as DEEWR takes over the administration of the CCB. At the time of transition, however, it is every service's responsibility to ensure they have reconciled their claims.

Another check

Another check you should do for each quarter is reconciling the total fees (i.e. fees x places x days) against income received from parents + money received from The FAO. Other than discrepancies arising from vacancies, the two figures should match. If they do not, you will need to track down where and why.