



BGA Capital Grants Program

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The Association of Independent Schools of New South Wales Limited

Level 12, 99 York Street
Sydney NSW 2000
Phone (02) 9299 2845
Fax (02) 9290 2274
Web www.aisnsw.edu.au
Email ais@aisnsw.edu.au
ABN 96 003 509 073

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We are fast approaching the application season for BGA grants so it's an opportune time to mention a few preliminary items relating to this year's program.

New Online Application Form

AIS NSW has upgraded its website and back-office computer systems. The new website includes many enhancements to the way schools can access information, register for courses, and apply for grants. A critical part of this redevelopment has been the BGA application which is now in the final stages of testing. We are planning for it to be ready for schools by mid-March with a closing date for BGA applications at the end of Term 1. Once it is ready, schools will be notified that they can commence preparing their submission and we'll provide more details including a schedule of dates and deadlines in a future newsletter.

2011 Applications

This year's application collects more information than previously, especially financial data. Please ensure the financial data in your application form aligns with the data in the 2010 financial statements as these will be verified during the school visit and later during the financial assessment.

The financial data requested incorporates the previous financial year's (2010) actuals, the current financial year (2011) budget, and two forward projected years (2012 & 2013). In previous years' applications, some schools submitted data for the two projected years that indicated the school was planning for significant losses. This projected data is as critical as the actual data when AIS BGA conducts the financial assessment on your finances, and incorrect or incomplete data may result in your school not receiving a grant due to perceived financial management inadequacies.

The determination of financial need is a compulsory criterion established by both the Commonwealth and State Governments with respect to the Capital Grants Program.

2011 Briefing Sessions

It is anticipated that AIS BGA will hold at least one briefing seminar in Sydney in mid March to give schools an opportunity to ask questions regarding the application form or AIS BGA processes in general. If there is enough demand we may hold similar briefings in Coffs Harbour and/or Albury. Please advise Wendy Godden (wgodden@aisnsw.edu.au) from the AIS BGA team if you would be interested in attending a country seminar so that we can arrange these as soon as possible.

Strategic Plans

A strategic plan refers to an organisation's process of defining its strategy, or direction, and making decisions on allocating its resources, including its capital and people, to pursue this strategy. Ideally, the plan should cover multiple years; include targets for expected accomplishments; and propose specific performance measures used to evaluate progress towards those targets.

The AIS BGA Assessment Committee consider it best practice for schools to have a strategic plan showing projected growth, capital works and finances over a 5-10 year period. This should itemise expected capital works, loans, grants, income projections based on enrolment growth, expenditure on staffing, even timing of curriculum changes etc.

The plan should also state the assumptions (CPI, AGSRC, class size policy, streams, interest rates, basis for enrolment projects eg waiting lists, demographic analysis, local council statistics, retention rate statistics etc) made in order to formulate the financial plan. A strategic plan is not compulsory for BGA capital grant applications however, as it reflects positively on the school's management, you are encouraged to develop one.

Master (Facilities) Plans

The AIS BGA Assessment Committee would like a master facilities plan incorporating a site plan and maintenance plans for buildings and grounds to be made available at the time of the school visit. This plan shows existing and proposed facilities, how the development will be staged over time, and how the growth aligns with your expected enrolments. The plan should be professionally produced and include such things as parking and roads, room numbers and dimensions, and should reflect the school's curriculum and how it intends to cater for future curriculum priorities. It should also incorporate maintenance schedules for buildings and grounds.

Financial Statements Format

In July last year, the Australian Accounting Standards Board (AASB) decided to proceed with its plan to introduce a revised differential reporting framework in Australia known as the Reduced Disclosure Regime. Although it doesn't become mandatory until 2012, some entities are adopting the changes in the current year. Your school may be able to take advantage of this change and you are encouraged to discuss this with your auditors.

In previous years AIS BGA has stipulated that schools prepare general purpose financial statements so that an accurate and equitable financial assessment of your school's finances can occur. AIS BGA acknowledge that some schools may now be able to use the reduced disclosure regime, and may no longer be required to incorporate all of the requirements of general purpose financial statements. For the 2011 application round, the AIS BGA is willing to accept special purpose financial statements however will still require certain minimum disclosures to ensure a complete assessment of your school's finances can be made.

To prepare best practice (minimum disclosure) special purpose financial statements as per ASIC requirements, all the measurement and recognition principles of all the AASB statements should be applied and the disclosure requirements of specific AASB statements should be applied. These are noted in the first table below.

AASB 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110:	Events after the Balance Sheet Date
AASB 1031:	Materiality

AIS BGA requires the following additional disclosures in order to ascertain other financial commitments and aspects of the school's operations. These additional AASB statements are noted in the table below.

AASB 117:	Leases
AASB 118:	Revenue
AASB 124:	Related Party Disclosure
AASB 137:	Provisions, Contingent Liabilities and Contingent Assets

Further to AASB 118 (Revenue), the AIS BGA will also require the following items separately disclosed in your accounts in either the revenue section or in a separate note:

1. Federal Government recurrent grants (per capita)
2. State Government recurrent grants (per capita)
3. State Government interest subsidy
4. Federal Government targeted grants (eg Language, Literacy/Numeracy & Special Learning Needs, National Partnerships, AGQTP, VET)
5. Federal Government Digital Education Revolution (DER) grants
6. Federal Government Building the Education Revolution (BER) grants (P21, NSP, SLC)
7. Federal Government BGA grants (IOSP, Capital Grants Program, IBIP)
8. Federal Government Trade Training Centre grants (TTC)
9. Federal Government National Solar Scheme Grants

Land Acquisition

The *Schools Assistance Act 2008* Administrative Guidelines state that grants for capital expenditure may be used for... "the purchase of land, with buildings or parts of buildings, or in special circumstances, without buildings."

The use of Capital Grants for the purchase of land without buildings is problematic in that the process can take many months for a grant to be approved by the Minister, during which time the sale price may have substantially increased or the opportunity to purchase the land may have lapsed because action couldn't be taken quickly enough. There have also been instances where the land wasn't actually available and the grant application was purely speculative.

In some cases, the funds allocated to proposed land purchases that did not eventuate were returned to DEEWR. This is regrettable as the funds could have been allocated to schools ready to proceed with constructing buildings.

As the funds available for the 2011 application round for the Capital Grants program are again less than in previous years, and in an effort to protect against the requirement to return funds to DEEWR, this year the purchase of 'land without buildings' will not be considered except in special circumstances. Each case will be assessed on its merits and you will need to discuss your situation with the BGA office in order to determine if your circumstances warrant special consideration.

Funds Available for 2011

At this stage we have only an indication from the Commonwealth Government as to the funds available for the current year. Once we receive information from the State Government we will advise the total funds available for distribution.

BGA Team

David Buley
Director BGA/BER/DER/TTC Programs
dbuley@aisnsw.edu.au

Wendy Godden
Assistant Director – Grants Management
wgodden@aisnsw.edu.au

Emma Christie
Senior Administrator – BER Program
echristie@aisnsw.edu.au

Corwin Hooper
Administrator – BGA/DER Programs
chooper@aisnsw.edu.au

Nick Evans
Administrator – BGA/TTC Programs
nevans@aisnsw.edu.au

Phone: (02) 9299 2845

Fax: (02) 9290 2274

Website: www.aisnsw.edu.au