



Core Funding Financial Reporting Requirements Frequently Asked Questions

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Version 1

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1. Background

In September 2022, Minister O’Gorman launched *Together for Better*, the new funding model for early learning and childcare. *Together for Better* brings together three major programmes, the Early Childhood Care and Education (ECCE) programme, including the Access and Inclusion Model (AIM), the National Childcare Scheme (NCS) and the new Core Funding scheme.

Core Funding is a grant to Early Learning and Care (ELC) and/or School Age Childcare (SAC) providers towards their operating costs. It is designed to deliver:

- Affordability for parents through ensuring no increases in fees and offering NCS and ECCE to all eligible children;
- Quality in services, including through better terms and conditions for staff and supporting graduate leadership in services; and,
- Sustainability for providers through substantially increased funding to the sector, paid on a consistent and equitable basis.

Financial reporting requirements were attached to Core Funding as a recommendation of the Expert Group in their report *Partnership for the Public Good* who identified the need for robust data to underpin funding policy. This financial reporting requirement was included in the Core Funding Partner Agreement for the 2022/23 Programme Year.

In October 2023, the Department sent a communication to the Sector, which outlined the financial reporting requirements for Year 1 of Core Funding. This initial communication outlined the requirement for services to provide a detailed trial balance as a means to fulfil this requirement. Following issues raised by the Sector regarding this requirement, the Department re-engaged with Stakeholders with the view to introducing a Transitional Phase that would significantly streamline and simplify these reporting requirements for Year 1 and 2 of Core Funding.

This revised reporting requirement will consist of a sector specific the Income and Expenditure Report which will provide a tangible foundation for the analysis of the cost drivers within the sector, providing evidence based financial data to support the development of future policy. This Income and Expenditure Report will significantly reduce the reporting requirement on services while ensuring the Department has essential data to inform the allocation model for Year 3 of Core Funding.

Further to this, the Minister for Children, Equality, Disability, Integration and Youth is required to ensure all Exchequer funding is managed in a clear and transparent manner. This includes a requirement to ensure robust and transparent financial reporting structures are in place to support the development of policy, which improves affordability, quality, and the overall sustainability of Core Funding.

This FAQ document aims to support providers in understanding these revised reporting requirements and their obligation to complete financial reporting requirements as per the Core Funding Contract for Programme Year’s 1 and 2.

Section 1: Reporting Requirements for Core Funding Year 1

1. What is the Financial Reporting requirements for Year 1 of Core Funding

The Financial Reporting Requirement for Year 1 of Core Funding is an Income and Expenditure Report underpinned by sector specific nominal codes contained in the Core Funding Chart of Accounts.

2. Who has to complete Income and Expenditure Report for Year 1 of Core Funding?

Any service, which received Core Funding Income during the 2022 /23 Programme Year, is required to complete an [Income and Expenditure Report](#) for Year 1 of Core Funding.

If you are an owner of a multi-site service, you will need to complete an Income and Expenditure Report or each service with a unique Service Reference Number (SRN).

3. What if a Partner Service retires or closes down having received Core Funding in 2022/23, are they still required to provide Income and Expenditure Report

If a Partner Services has received Core Funding during the 2022/23 Programme Year, they are required to complete the Income and Expenditure Report.

4. Will Partner Services need to report on Income and Expenditure if they opt out of Core Funding for the coming year?

If the Partner Services have received Core Funding in 2022/23 they are required to report their Income and Expenditure Report for 2022/23 (Year 1). If they do not receive Core Funding for the 2023/24 Programme Year, they are not required to complete the Income and Expenditure Report for 2023/24 (Year 2).

5. If a service/company changed ownership during or at the end of 2022/23 year who is responsible for completing the Income and Expenditure Report?

The Partner Service who has signed the Core Funding agreement for that particular year is responsible for completing the Income and Expenditure Report.

6. What are the dates covered in the financial reporting period for year 1 of Core Funding?

Your Income and Expenditure Report for Year 1 must cover the period from 1st September 2022 to 31st August 2023 inclusive. However, if you joined Core Funding during the Programme Year, then your reporting period commences on that particular date of contract activation. If you wish to submit Income and Expenditure for the entire Programme Year, that is also acceptable to the Department.

7. What is the date for submission of Income and Expenditure Report for Year 1?

March 22nd 2024 is the deadline for submitting financial returns for Year 1.

8. What is the Transitional Phase?

The Transitional Phase refers to the reporting requirements for Year 1 and Year 2 of Core Funding. During the Transitional Phase, an Income and Expenditure Report is the financial reporting requirement for Core Funding Partner Services.

This Transitional Phase significantly reduces the reporting requirement for providers for Year 1 and 2 of Core Funding. The Income and Expenditure Report is to be submitted by the Partner Service's nominated accountant.

The Department will continue to engage with stakeholders during the Transitional Phase. This shared engagement will inform the development and implementation of the updated reporting requirements for Year 3 of Core Funding.

9. Do I have to submit Audited Accounts?

For Year 1 and 2 of Core Funding your financial return will consist of an Income and Expenditure Report, which needs to be submitted by your nominated accountant. There will be no requirement to submit audited accounts in Year 1 and 2 of Core Funding.

Section 2: Completing Your Income and Expenditure Report

In order to fulfil this reporting requirement, you will be required to complete an Income and Expenditure Report. A report template is available for download from the Hive.

This Income and Expenditure Report will need to be submitted by either a qualified accountant from a registered practice or a registered professional (ACA, ACCA, CPA, CIMA) **by March 22nd 2024**.

1. What if my nominated accountant cannot submit the Income and Expenditure Report on time?

In exceptional cases the Department may allow a preliminarily draft submission, however validated information will need to be provided before entering Core Funding Year 3

2. I have a pre-existing accountancy package; can this be adapted by my accountant?

Yes, you have the option to map your pre-existing accounting packages and the account codes within the Income and Expenditure Report. Partner Services should work with their accountants to ensure accurate data transfer and completeness.

3. I do not have an accountancy package or formal accounts, what can I do as a first step?

As a first step, it is recommended that you reach out to an accountant to inform them of this reporting ask and provide a copy of the Income and Expenditure Report. Your accountant will be best placed to inform you on what information you may need to gather to in order for them to submit the Income and Expenditure Report.

The Department recognises that some services may not currently use accountancy, therefore, in order to support such services, an optional Financial Management Tool has been also designed. Further information on this optional support can be found in Section 3 of this FAQ Document.

4. I am a multi-site service and my financial management approach does not currently provide income and expenditure information at site-level, what will I do?

Where multi-site services existing financial management approaches do not provide a breakdown for Income and Expenditure at site level, the Department will allow these costs to be split proportionally across sites at the discretion of the organisation, however, a rationale for the split will need to be provided.

5. What is the Financial Management Tool?

The sole reporting requirement for all Core Funding Partner Services for Year 1 and Year 2 is to complete and submit the Income and Expenditure Report. However, the Department recognises that some services may not be in possession of accountancy software to assist them with the completion of this Income and Expenditure Report. Therefore, in order to support such services, an optional Financial Management Tool has been designed which is available on the hive.

Section 4: Costs and Supports

1. Is there any support available to Partner Services?

Yes, 'how to' documents will be available on 'The Hive' to assist you with the completion of your Income and Expenditure Report. You can also reach out to the CCC's for any assistance or clarification you may need.

2. Will there be extra funding available to support services with this requirement?

The Department is working to ensure that adequate support is put in place to support Core Funding Partner Services with this requirement and is exploring additional supports including financial supports for those that may need it. Once these financial supports have been fully developed, the Department will communicate these to the Sector.

If a service is currently in financial difficulty, they are encouraged to reach out to their local City/County Childcare Committee (CCC) to avail of case management supports. Contact details for your local CCC can be found at www.myccc.ie

Section 5: Additional General FAQs

1. How will the Income and Expenditure Report information be used once submitted?

Once submitted, the Income and Expenditure Reports will be used to analyse and produce aggregate reports on income and costs, for ongoing policy developments and grant funding.