

Chapter 7

Special Circumstances

Overview

Introduction The Ministry has made some exceptions to the funding rules to reflect services' need for flexibility. In these cases the Ministry requires additional information to ensure that funding is delivered accurately.

This chapter explains how to ensure that funding continues when the need for flexibility arises.

In this chapter This chapter contains the following topics:

Title	Section
Funding for new services	7-1
Completing the RS3 Form	7-2
Estimating the proportion of Registered Teacher Hours	7-3
Notional rolls	7-4
Emergency closure	7-5
Substitute days and hours	7-6
Absence rule exemptions	7-7
Transitional school visits	7-8

7-1 Funding for new services

Introduction

This section is for new ECE services. It explains:

- the *RS3 Initial Application for Funding for an Early Childhood Service*
 - the funding process for new services
 - when new services can expect their first funding payment.
-

RS3 Form

The *RS3 Initial Application for Funding for an Early Childhood Service (RS3 Form)* is the key funding form for new services.

New services **must** complete the *RS3 Form* to receive their first ECE Funding Subsidy entitlement.

An example *RS3 Form* can be found in **Appendix 2**.

Funding process

The table below describes the funding process for newly licensed services:

Stage	Description
1	The new service is licensed.
2	The new service completes the <i>RS3 Form</i> .
3	The new service returns the <i>RS3 Form</i> to their Ministry local office.
4	The Ministry calculates the service's first payment based on: <ul style="list-style-type: none"> • the number of days the service will be open and • the funded hours that the service will be open and • the average number of children in each age group and the hours they are expected to attend the service during the advance period and • the estimated percentage of regulated (ratio) staff hours that will be covered by registered teachers (teacher-led centre-based education and care services only).
5	The Ministry makes an advance payment to the new service on the next available payment date.
6	The service becomes part of the normal funding cycle. Funding continues as for all services (see Section 2-5 for further details).

Continued on next page



7-1 Funding for new services, Continued

Bank account details Every funded service **must** have a bank account into which ECE funding can be paid.

The bank account number **must** be verified by:

- two signatories on the *RS3 Form* **and**
 - a bank verification stamp on the *RS3 Form* **or**
 - attaching a pre-printed bank deposit slip to the *RS3 Form* **or**
 - attaching a document printed on bank letterhead, with the bank account number visible, to the *RS3 Form*.
-

Service Providers If a service provider operates more than one service, funding for all services will be paid to the bank account of the service provider.

All funding correspondence will be sent to the funding contact person for the service provider.

Services affiliated to a school New services that are affiliated to, or located on the grounds of, a state or integrated school **must** ensure they are a separate legal entity, and have a separate management structure and bank account to that of the school.

Boards of trustees of state or integrated schools wishing to open an early childhood education (ECE) service **must** establish a separate legal entity for the ECE service.

Tip



A good business practice for community groups wanting to start a new ECE service (e.g. a university or church) is to open a separate bank account for the ECE service.

This keeps the financial records of the community group and the ECE service separate.

Continued on next page



7-1 Funding for new services, Continued

First payment New services are eligible for funding from the day that they are licensed and operating.

Use the table below to find out when you will receive the first payment.

RS3 Form received by the Resourcing Division	First payment made...	Example
on or before the 20 th of the month*	overnight on the first working day of the following month.	If your <i>RS3 Form</i> is received by the Resourcing Division on 12 August, your service will receive the first payment overnight on the first working day in September.
after the 20 th of the month	overnight on the first working day of the month after the following month.	If your <i>RS3 Form</i> is received by the Resourcing Division on 21 August, your service will receive the first payment overnight on the first working day of October.

*** Due to operational requirements, there are some exceptions to this date. Please discuss with your Ministry local office to ensure deadlines are met. Additionally, the deadline does not apply to incomplete or incorrect RS3 forms as omissions or errors may delay processing and payment.**

Services should budget to ensure funds are available to cover the period between starting to operate and receiving their first payment.

Warning: to avoid overpayment of funding

The Ministry retains the right to reduce any advance funding due to be paid to you where it deems the claimed numbers on the RS3 to be over-estimated.

The Ministry retains the right to request proof and evidence to support the numbers claimed on the *RS3 form*.

Any overpayments that occur due to over-claims on this *RS3 form* are repayable to the Ministry immediately.

7-2 Completing the RS3 Form

Completing the advance days

Use a calendar to count up the number of days your service will be open and operating during the next five months.

Advance funding is calculated separately for the days your service is operating as All-Day and operating as Sessional. Complete only the advance days column relevant to the service's operating structure.

Advance funding can only be paid up to the end of the current advance funding period. Refer to **Section 2-4** for details on the funding cycle. Your Ministry local office can also assist with further details.

While the number of operating days in the first five months is collected on the RS3 form, new services do not necessarily receive advance funding for five months in their first payment.

For information on advance funding please refer to **Chapter 2** of this Handbook.

Advance funding exceptions

Playcentres choosing to take up 20 Hours ECE in their centres cannot claim initial advance funding for 20 Hours ECE.

Start date

Enter the date of the first day of operation. This is the date on which your funding will begin.

Estimating your ECE Funding Subsidy

Follow the steps below to estimate your children and hours for the ECE Funding Subsidy.

Remember: you may claim up to **six hours per day** and **30 hours per week** for each licensed child-place.

Children receiving any 20 Hours ECE at your service must not be included in the Two and Overs estimate. Count them separately as your 20 Hours ECE funding.

Step	Action
1	For each day of the week estimate the number of under two- year-old children that will be enrolled in your service.
2	For each day of the week estimate the total number of Under Two Funded Child Hours you will claim.
3	Complete the above steps for the children who are Two Years and Over. Note: Exclude three-year-olds, four-year-olds and five-year-olds that will be receiving 20 Hours ECE at your service.

Continued on next page

7-2 Completing the RS3 Form, Continued

Estimating 20 Hours ECE funding

Use the table below to calculate your 20 Hours ECE funding.

Remember:

- Your service may claim up to six hours per day and 30 hours per week of funding per child.
- Up to 20 hours per week may be claimed as 20 Hours ECE for eligible children for whom a parent/caregiver has provided a signed attestation. Remaining hours up to the 30th hour may be claimed as Plus 10 ECE.

Step	Action
1	For each day of the week estimate the number of children receiving 20 Hours ECE that will be enrolled in your service. This is the total number of three-year-olds, four-year-olds and five-year-olds you estimate will receive 20 Hours ECE.
2	For each day of the week estimate the number of 20 Hours ECE hours each child will claim. You must not claim more than six hours per day and 20 hours per week of 20 Hours ECE hours per child. Total the daily 20 Hours ECE hours for all children.
3	For each day of the week estimate the number of hours each child is enrolled in your service. For each child use the lower of the enrolled hours or six hours per day up to a maximum of 30 hours per week. Total these by day for all children. This is the total hours that can be claimed.
4	For each day of the week deduct the 20 Hours ECE hours (step 2) from the Total Hours (step 3). This is the Plus 10 ECE hours you will claim.

Tip



The following is a list of things you may like to consider when estimating how many funded hours you will claim for Under Two, and Two and Over:

- Estimate how many children you think will enrol in your service.
- Look at how many children are already enrolled to attend your service when it opens.
- If your service is to offer 20 Hours ECE, only count your two-year-olds as Two and Over hours. Count your three-year-olds, four-year-olds and five-year-olds separately in the 20 Hours ECE hours row. **This is necessary so that your three-year-olds, four-year-olds and five-year-olds are not double-counted.**

Help with estimating

For further help completing your *RS3 Form*, contact your Ministry local office.

7-3 Estimating the proportion of Registered Teacher Hours (teacher-led centre-based services)

Introduction This section provides additional details on estimating the proportion of Registered Teacher Hours for an ECE service (**for teacher-led centre-based education and care services only**).

Read Section 7-1 first The information provided in **Section 7-1** and **7-2** also applies to teacher-led centre-based services.

Please read **Section 7-1** and **7-2** before reading this section.

Proportion of Registered Teachers New teacher-led centre-based services must estimate the number of Registered Teacher Hours and Other Teacher Hours for the first five months the service is open and operating.

See Section **3-B-2** for information on Registered and Other Teacher Hours.

Caution when estimating **It is critical that your estimated proportion of registered teachers is as accurate as possible.**

If your initial funding rate is **higher** than your actual teacher hour entitlement, you may receive a significantly reduced wash-up payment.

If your initial funding rate is **lower** than your actual teacher hour entitlement your advance funding may not adequately subsidise the cost of employing a larger proportion of registered teachers.

Help with estimating The following page provides an example of how to estimate your proportion of registered teachers.

Contact your Ministry local office for further assistance.

Continued on next page

7-3 Estimating the proportion of Registered Teacher Hours (teacher-led centre-based services), Continued

Help with estimating

Use this example to see how you can estimate the proportion of registered teachers for your service:

If your service operates a mixture of All-Day and Sessional days, you will have to estimate the proportion of registered teachers for both separately.

Step	Action	Example	Example Calculation
1	<p>Calculate the number of staff your service will need each day to meet your ratio requirements over the next five months.</p> <p>This is your regulated (ratio) staff.</p>	<p>Kowhai Street Childcare Centre needs three staff members to meet their licensed maximum ratio requirements.</p> <p>They have employed six staff members to ensure their ratio requirements are met at all times.</p> <p>Only three staff members will be counted towards regulated (ratio) staff at any one time.</p>	3
2	<p>Add up the number of hours that registered teachers will be working on each day – when they are being counted as regulated (ratio) staff.</p> <p>These are your Registered Teacher Hours.</p>	<p>Kowhai Street has two registered teachers.</p> <p>Each registered teacher will be counted towards regulated (ratio) staff for eight hours of each day.</p>	$8+8 =$ 16 Registered Teacher Hours per day
3	<p>Multiply your answer in step 2 by the number of operating days in each of the following five months.</p>	<p>Kowhai Street opened in July. They must complete their <i>RS3 Form</i> for:</p> <ul style="list-style-type: none"> ❖ July – 22 operating days ❖ August – 22 operating days ❖ September – 22 operating days ❖ October – 22 operating days ❖ November – 22 operating days. 	<p>July = 22 operating days x 16 Registered Teacher Hours = 352</p> <p>August = 22 operating days x 16 Registered Teacher Hours = 352</p> <p>September = 22 operating days x 16 Registered Teacher Hours = 352</p> <p>October = 22 operating days x 16 Registered Teacher Hours = 352</p> <p>November = 22 operating days x 16 Registered Teacher Hours = 352</p> <p>Total Registered Teacher Hours = $352+352+352+352+352 =$ 1760</p>

Continued on next page

7-3 Estimating the proportion of Registered Teacher Hours (teacher-led centre-based services), Continued

Help with estimating (continued)

Step	Action	Example	Example Calculation
4	<p>Add up the number of hours that Other Teachers will be working on any day – when they are being counted as regulated (ratio) staff.</p> <p>These are your Other Teacher Hours.</p>	<p>Kowhai St. has four teachers counted as Other Teachers:</p> <ul style="list-style-type: none"> ❖ One teacher will be counted for eight hours each day. ❖ One will be counted for four hours of each day. ❖ Two will be counted for one hour of each day. 	$8+4+1+1=$ 14 Other Teacher Hours per day
5	<p>Multiply your answer in step 4 by the number of operating days in each of the following five months.</p>	<p>Kowhai St opened in July. They must complete their <i>RS3 Form</i> for:</p> <ul style="list-style-type: none"> ❖ July – 22 operating days ❖ August – 22 operating days ❖ September – 22 operating days ❖ October – 22 operating days ❖ November – 22 operating days. 	<p>July = 22 operating days x 14 Other Teacher Hours = 308</p> <p>August = 22 operating days x 14 Other Teacher Hours = 308</p> <p>September = 22 operating days x 14 Other Teacher Hours = 308</p> <p>October = 22 operating days x 14 Other Teacher Hours = 308</p> <p>November = 22 operating days x 14 Other Teacher Hours = 308</p> <p>Total Other Teacher Hours = 308+308+308+308+308 = 1540.</p>
6	<p>Add your answers from step 3 and step 5 together.</p> <p>This is your total regulated (ratio) staff hours.</p>		$1760 \text{ Registered Teacher Hours} + 1540 \text{ Other Teacher Hours} = 3300 \text{ regulated (ratio) staff hours.}$
7	<p>Divide your answer in step 3 by your answer in step 6.</p>		$1760 \text{ Registered Teacher Hours} / 3300 \text{ regulated (ratio) staff hours} = 0.53.$
8	<p>Multiply your answer from Step 7 by 100.</p> <p>This is your proportion of Registered Teacher Hours.</p>		$0.53 \times 100 = 53\%.$
9	<p>Write your answer in the 'Proportion of Registered Teachers' box of your <i>RS3 Form</i>.</p>	<p>Kowhai Street writes 53% on their <i>RS3 Form</i>.</p>	



7-4 Notional Rolls

Introduction

Some ECE services serve a special function in the community.

These services require a different approach to funding so that continued viability of the service is ensured.

The Ministry may approve funding on a notional roll in recognition of the special function of the service.

Examples

Examples of special services that may be eligible for notional rolls are:

- women's refuge centres
 - kindergartens
 - hospital-based services.
-

Notional rolls

Services on a notional roll are funded on **expected** average enrolment for a specified period.

Services funded on notional rolls receive the same funding rates as other services. They do not receive additional funding (except where eligible for equity funding).

Services cannot be funded on a notional roll and claim funding for normal funded child hours (FCHs) generated.

Getting approval

Contact your Ministry local office for further details.

Record keeping

Services funded on a notional roll **must** keep the same records (e.g. enrolment records, attendance records and staff records) as other services (see **Chapter 11 Record Keeping**).

Applying for funding

Services funded on a notional roll complete the *RS7 Form*. Instead of entering their funded child hours, services on a notional roll may claim their full notional roll figure for each day it operated.

Teacher-led services operating on a notional roll must keep Staff Records, and enter the Staff Hour Count in the usual way, **calculating regulated (ratio) staff hours based on the children who actually attend**.

Reviews

Notional Rolls will be reviewed by the Ministry local office at least once each year and updated where the notional roll is substantially different from the normal attendance.

7-5 Emergency Closure

Introduction An emergency closure occurs when circumstances beyond the control of individual services cause temporary closures.

Closures are normally for one or two days only.

Funding continuity Funding will continue where a service was forced to close for a short time, in an emergency only when funding approval for the emergency closure is obtained from the Ministry local office.

Example: emergency The following are examples of emergencies where funding will continue:

- extreme weather conditions
 - interruptions to essential services
 - non-controllable health and safety issues
 - civil defence emergencies.
-

Example: non-emergency The following examples are **not** emergencies:

- lack of staff
- person responsible is absent
- funerals in the community¹
- A&P show.

The Ministry will not fund closures caused by these circumstances.

Approval required If your service is forced to close in an emergency:

Step	Action
1	Contact your Ministry local office at the first available opportunity.
2	Ministry local office will approve/not approve funded emergency closure.
3	Attach a copy of the letter from your Ministry local office confirming your service was closed due to an emergency, to your next <i>RS7 Form</i> .

Continued on next page

¹ There may be exceptions to this. Contact your Ministry local office for further details.



7-5 Emergency Closure, Continued

Record keeping requirements

The following table shows the record keeping requirements for services that have closed unexpectedly:

If your service...	then you must...
was given Ministry local office approval for an emergency closure	<ul style="list-style-type: none">• note the Emergency Closure on your <i>RS7</i> using the code 'EC' on the day of the emergency closure• record the same enrolment pattern on the <i>RS7</i> for the days of closure as for the previous month• attach a copy of the approval letter to your <i>RS7</i>• keep the original approval for your records.
was not given Ministry local office approval for an emergency closure	record the days of closure as days of non-operation on your <i>RS7</i> .



7-6 Substitute days and hours

Introduction Services can get special permission to be open at times for which they are not usually licensed. This can be for a substitute day, or a number of substitute hours.

For the definition of a 'substitute day' refer to the **Glossary** in this Handbook.

Approval required Services **must** contact their Ministry local office for approval to operate at times other than those for which they are licensed.

Examples A service might request a substitute session when their afternoon session conflicts with a community event (e.g. the A&P show).

A service might request a substitute day when there is a special event or hui taking place.

Funding **Note:** Funding is only available for a substitute day or hours if approved by the Ministry local office.

Funding for a substitute day or hours is on the basis of **attendance only**.

Attendance **must** be recorded as a casual booking because attendance on this day will differ from the child's enrolment agreement.

Absences cannot be claimed for children who do not attend the substitute day or hours.

Completing the RS7 form This table shows how to record substitute days or hours on the *RS7 Form*:

Step	Action
1	Note the date of a substitute day or hours against the substitute day.
2	Record the number of FCHs claimed for the substitute sessions in the box for that day.
3	Attach a copy of the Ministry local office approval letter to the RS7 form.

Two sessions on one day You **must** record the FCHs specific to individual sessions where two sessions are held on a day usually licensed for one session.

Continued on next page

7-6 Substitute days and hours, Continued

**Example:
Funded Child
Hours**

Here is a substitute session recorded in the Funded Child Hour Entitlement Section of the *RS7 Form*:

		Funded Child Hours	
		Under 2	2 & Over
Mon	1		180
Tues	2		180
Wed	3		180
Thur	4		90/180
Fri	5	Held morning Thurs 4th	
Sat	6		

**Record
keeping
requirement**

A copy of the Ministry local office approval letter **must** also be kept at the service and must be available on request to authorised persons.

7-7 Absence rule exemptions

Introduction Children with special needs or health problems may be exempt from the Frequent Absence Rule or funded for continuous absences beyond the three week period.

This section explains the criteria for exemption from the absence rules, and how services can apply for an exemption.

For more information on the absence rules refer to **Chapter 6** of this Handbook.

Criteria A child will qualify for an exemption from the absence rules if:

Either the child has been identified as having an ongoing special need, and this is supported by:

- an Individual Development Plan (IDP) issued within the previous six months by the Ministry's Group Special Education or an alternative accredited early childhood special education provider **or**
- a completed *EC13 (Medical Reasons for Exemption to Use Early Childhood Absence Rule for Children with Special Health Needs)* **or**
- Child Disability Allowance documentation

Or the child has a short term illness or condition that is supported by an *EC13 Form*, and this specifies the period of the exemption.

Not eligible Children without special needs or health problems but who have parents or siblings with special needs or health problems are **not** eligible for an exemption from the absence rules.

Application Services seeking an exemption from the absence rules **must** complete an *EC12 Form* (and *EC13 Form* where applicable).

These forms, along with supporting documentation, **must** be retained by the service.

Services **must** provide these documents to the Ministry or its Resourcing Auditors on request.

Continued on next page



7-7 Absence rule exemptions, Continued

Limits of exemption - general

Absence rules exemptions apply only to the specific enrolment agreement for each child. Children with special needs that are enrolled at two services for the same hours of attendance cannot be funded for absences at both services.

Limits of exemption – Three Week Rule

Services may claim funding for all the sessions/days a child was enrolled to attend, but was absent from, within a **12 week** period. The 12 week period begins on the first day of absence.

No funding may be claimed for any continuous absences from the 13th week onwards.

Filling the child-place

Another child may **attend** in the absent child's place (provided licence maximums are not exceeded), but funding **must not** be claimed for this child if funding is being claimed for the absent child.

For more information on filling child-places refer to **Section 6-2** of this Handbook.

7-8 Transitional school visits

Introduction	Some early childhood services choose to offer a ‘transition’ period between early childhood education and school attendance.
<hr/>	
General funding rule	<p>The ECE Funding Subsidy must only be claimed for children less than six years of age who are not enrolled in school.</p> <p>Once a child is enrolled at school, no funding can be claimed by an ECE service.</p>
<hr/>	
Transitional school visits funding rule	<p>Children under six years of age who are enrolled at an ECE service may attend school as part of a transitional school visit.</p> <p>The service will be funded for the child’s enrolled hours at the ECE service, as per the usual funding system.</p>
<hr/>	
Recording school visits on the enrolment agreement	<p>Transitional school visits must be specifically noted on the child’s enrolment agreement.</p> <p>As a minimum, records should include the:</p> <ul style="list-style-type: none"> • date the transition arrangement began • signature of a parent/caregiver (dated).
<hr/>	
Recording school visits on attendance records	When a child is away from your service on a transitional school visit, you must record “SV” (for school visit) on the attendance record.
<hr/>	
Recording absences	<p>Children who are absent on a day when a school visit was planned should be recorded as absent with an ‘a’, as usual.</p> <p>The normal absence rules apply to these absences.</p> <p>For more information on the absence rules refer to Chapter 6 of this Handbook.</p>

Continued on next page



7-8 Transitional school visits, Continued

Exemption from Frequent Absence rules

School visits recorded on the attendance record with 'SV' will not be counted towards the Frequent Absence Rule.

School visits counted towards the attendance will be recorded on the attendance record.

If the school visit is not recorded, then the absence rules will be applied.

Example

Sione currently attends Huia Playcentre from 8:00am to 11:00am on Mondays, Wednesdays, and Fridays.

Huia Playcentre arranges for Sione to visit James Cook Primary School from 8:30am to 11:00am every Wednesday for one month before he begins attending James Cook Primary School.

Huia Playcentre marks their attendance register with 'SV' each Wednesday when Sione is on a school visit. Funding may be claimed for Sione's enrolled hours as per the normal funding system.

If Sione is absent from Huia Playcentre on a day when he would usually go on a school visit, his absence must be marked with an 'a' on the attendance register. The normal absence rules apply to this absence.
