# Administrators video 2 - Financial Duties

*[Text: Administrator’s Financial Duties: How to create a Financial Statement Plan (FSP), understanding assets, liabilities, income and reporting them to VCAT, how to prepare an Account By Administrator (ABA).]*

Once you have been appointed as administrator, you will be responsible on all financial decisions that are important to the represented person, and that will help hopefully promote their personal and social well-being.

Your first task as administrator will be to prepare what we call a financial statement plan or FSP, and that must be submitted within 6 weeks of your appointment by VCAT.  
  
Basically the FSP is broken up into 2 key financial areas.

The first is to list the liability and assets of the represented person, and the second area is to list any fortnightly income and expenditure of the represented person.

When we look at the asset situation, we need to list bank accounts, any property owned by the represented person, giving all details, account holders, current market rates and values.  
  
When talking of assets, what you need to give is details of all bank accounts, giving names of the holders, and balances as at the date of the VCAT order, and that is very important, any property owned by the represented person, it could be termed deposit, it could be a houses, investment properties, superannuation, list all those assets and arrive at a total of the represented person’s assets.

Your next step is then look at liabilities, and in this you would list items like mortgages, credit card balances, any loans to people, again, listing and giving us as much details as possible, as at the date of the tribunal order, arriving at a total of liabilities.

Having done that, you will then move on to your next area which is basically your fortnightly income and expenditure of the represented person.

When we’re looking at fortnightly income, we are looking at any items like Centrelink pension, disability pensions, dividend interest, bank interest, all on a fortnightly basis. List them and arrive at a total.

We then go into your expenses and look at items like accommodation, rental, clothing, medical, and if the represented person owns property then they may be paying a certain share of the council rates, utilities, all those expenses must be listed, again on a fortnightly basis, and arrive at a total.

Once you’ve done that, you need to then look at both the total income and expenditure and see whether the represented person’s income covers the fortnightly expenses.

If there is a shortfall, where the expenditure exceeds the income, then you will need to let us know how you intend on addressing that issue.

Once you’ve done that, the balance of the FSP rate basically is dealing with any future steps you intend taking to look after the interest of the represented person, it might be for example you might need to decide on selling the property of the represented person in order to move them into aged care. So any such items, you would need to address. Once that is finished, you would need to submit it. It will be checked by one of us, and if there are any outstanding queries, we will get back to you, if not, your FSP will be approved.

Once having completed that, your next major step is to prepare what is called an Accounts by Administrator (ABA), and in most cases that would for the financial year to 30 June. It could be for a period, it could be for a couple of months, again to 30th June, or it could be to 30th June the following year.

The Accounts by Administrator needs to be lodged by 30th September of that year, that is important. Again, how do we approach this? The best way is to go from the figures and details you have got in your financial statement plan FSP, which would have listed your opening bank balances, assets, liabilities, but in this case you’re going to list your incomes and expenditures, on a yearly or period basis, depending on the period that was involved. So you list your total of income, breaking it down in the various categories as listed on the ABA, enter all your expenses, and then you reconcile your Accounts by Administration which is done by your opening bank balances, which should come straight from your FSP, add your total income, deduct your total expenses, and the balance that is left should by right equal your closing bank balances. It almost like preparing your tax return.

If by any chance it doesn’t balance, we do give you a 5% margin, and if it is more than that, then you need to go back and go over your figures again.

Now it’s important that you also keep a copy of your ABA form for future reference. When lodging the ABA, what you also need to lodge is all supporting documentations, including copies of bank statements, any Centrelink payments, PAYG statements. If you’re talking about any expenses, any single expense over $1000, you will need to lodge a receipt. And if you’re looking at a large combined expense, totalling more than $500 but less than $1000, again you would need to submit those receipts. For example, you might have spent $3000 for a holiday for the represented person, but split up into amounts of $500 or $600, you would need to submit receipts of that because the total expenditure of that is coming to the $3000.

Again, any expenses for accommodation, nursing home, any statements like that are best to be submitted. Now all these documentations are to be uploaded into the system using your administration reference number.

Once submitted, your ABA will be forwarded to State Trustees Limited who will examine it, and if they’re satisfied, you will be notified by VCAT that your ABA has been accepted and if not, we will write to you asking for details for any outstanding queries, and that hopefully should clear any issues with the ABA.

*[On-screen visual: VCAT logo]*

*[On-screen text: For more information about Administrators visit* [*vcat.vic.gov.au/administrators*](https://www.vcat.vic.gov.au/administrators)*]*