

BERMAGUI PRESCHOOL



2.05 Budget

Written By

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Aim

This policy is designed to set out the process for compiling, monitoring and reviewing Bermagui Preschool's annual budget. Bermagui Preschool operates as a not for profit organisation.

The Board of Directors at Bermagui Preschool is responsible for overseeing the budget and for ensuring that the Preschool operates within a responsible, sustainable financial framework.

Procedure

A budget planning process is undertaken each year as part of the Preschools annual business planning. It is the responsibility of the Nominated Supervisor and Administrator to prepare all budgets. This will be done in consultation with the Board of Directors, Staff, families, a Finance Advisor and/or Auditor.

The Preschool operates under a budget that must be flexible in responding to unforeseen events, including possible reductions in cash flow, and therefore be regularly monitored and reviewed. In December each year, the Nominated Supervisor and Finance and Administration Officer start preparing the budget estimates as part of the Business Plan for the financial year.

The process includes:

- considering operational costs;
- setting payroll costs; and
- estimating income.

The initial budget estimates are based on the current expenditure projections to end of year, plus Consumer Price Increments for salaries or relevant wage increases, revisions to awards/contracts, and a 10% increase on operating expenses such as power, telephones, etc. The Board of Directors at Bermagui Preschool shall be provided with information about how cost increases will be absorbed or will lead to increases in service charges.

The Nominated Supervisor and Administrator will present the draft budget for discussion at a Board meeting. The Board of Directors may accept the estimates as presented or may request variations, within the context of the Business Plan. The Nominated Supervisor and Administrator will then revise the draft and present the amended draft budget at the next available Board meeting, usually in March. Once adopted by the Board, this becomes the official operating budget for Bermagui Preschool for the following financial year, and all Board members and employees must work within the financial limits stated or implied by this document.

Monitoring and Reviewing the Budget

The Nominated Supervisor and Finance and Administration Officer are responsible for monitoring the Preschool's expenditure, reviewing the actual and budgeted expenditures, and reporting on the progress of such expenditure.

Financial reports will be prepared by the Administrator each month showing the year-to-date expenditure and its variation from the budget estimates, and indicating any increases or decreases in funding. A commentary should be attached to Board reports detailing reasons for variations and recommendations for corrective action should that be required.

The Nominated Supervisor and Administrator will indicate what effect any variations will have on the budget projections and provide this information to the Board. The Nominated Supervisor and Administrator will also report on any other financial matters that may be related to the Business Plan.

The last prepared Financial Statement is used as an overall guide to the forthcoming year and discussed at the AGM.

Budget recommendations are reported to the Board of Directors when required at general meetings.

If there are any shortfalls in income the Board of Directors is informed and recommendations are made to overcome this shortfall. If expenditure is high, areas are examined carefully with a view to cut costs.

Budget Considerations are outlined in the Bermagui Budget Template and include the following areas:

- DEC and other Funding
- Preschool and LDC/OSHC/VAC Fees
- Fundraising
- Donations
- Bank Interest
- Wage Expenses
- Superannuation
- Insurance - Workers Comp
- Advertising
- Audit Fees
- Bank Fees
- Centrepay Fees
- Classroom & Teaching Resources
- Computer Expenses
- Consumables
- Gardening
- Insurance - Public Liability
- Expenses - LDC/OSHC/VAC
- Fundraising Expenses
- Printing, Stationary, Postage
- Ricoh Copier Machine for 12 months
- Special Events
- Repairs & Maintenance - general
- Repairs & Maintenance - equipment
- Special Events
- Staff/Committee Training & Development
- Subscriptions/Licence Fees
- Utilities (Electricity/Rates/Telecommunications)

**Relevant
Legislation**

Education and Care National Regulations 2011
The National Quality Standard (2010)

Resources & References

Education and Care National Regulations
The National Quality Standard (2010)

Relevant Documentation

Budget Template
Profit and Loss Statements

Date Adopted:

September 2020

Review Date:

September 2023