

# 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, while remaining financially viable.

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 Preschool's annual business planning. It is the responsibility of the Nominated Supervisor and the Finance and Administration Officer to prepare all budgets. This will be done in consultation with the Board of Directors, staff, families, a financial 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 Finance and Administration Officer will present the draft budget for discussion at a Board of Directors 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 Finance and Administration Officer will then revise the draft and present the amended draft budget at the next available Board of Directors meeting, usually in March. Once adopted by the Board of Directors, 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 Finance and Administration Officer 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 of Directors reports detailing reasons for variations and recommendations for corrective action should that be required.

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

The last prepared Financial Statements are 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, expenditure is high or there are any other financial variations, budget lines are examined carefully with a view maintain viability. The Board of Directors are informed, and recommendations are made to overcome these changes.

Budget considerations are outlined in the Bermagui budget template and include the following areas:

#### **INCOME**

DEC - PS Start Strong Program Funding  
 DEC - LDC Start Strong Program Funding  
 DEC - PS Start Strong Fee Relief  
 DEC - LDC Start Strong Fee Relief  
 Disability and Inclusion Program Funding  
 Grants  
 Preschool Fees Received  
 Long Day Care Fees Received  
 Fundraising  
 Donations  
 Bank Interest  
 Wage Subsidy Payment

#### **EXPENDITURE**

Wages  
 Superannuation  
 Insurance - Workers Comp  
 Audit Fees  
 CentrePay Fees/Bank Fees  
 Classroom & Teaching Resources  
 Computer Software & Support  
 Consumables  
 Gardening  
 Insurance - Public Liability  
 Printing  
 Fujifilm Apeos C2570 Lease  
 Special Events  
 Repairs & Maintenance - general  
 Repairs & Maintenance - equipment  
 Staff/Committee Training & Development  
 Subscriptions/Licence Fees  
 Utilities (Electricity/Rates/Telecommunications)  
 Rent/Lease - Lands Council

**Relevant  
Legislation**

Education and Care National Regulations  
The National Quality Standard

**Resources &  
References**

Education and Care National Regulations  
The National Quality Standard

**Relevant  
Documentation**

Budget Template  
Profit and Loss Statements

**Date Adopted:**

December 2023

**Review Date:**

December 2026