



PELORUS COMMUNITY PRESCHOOL

Financial Management Policy

Education [Early Childhood Services] Regulations 2008 (and its Amendments): Regulation 47

Licensing Criteria for Early Childhood Education and Care Centres 2008: Criterion GMA9

Rationale

The two key principles of financial management of the centre are that:

- There is sufficient income and control over expenditure to ensure the continued viability of the Preschool
- Income will be maximised and expenditure controlled or minimized in a manner that will ensure the achievement of all the objectives set.

Procedures

- Management to prepare an annual budget prior to the beginning of the financial year. This budget will set out the level and sources of expected income and the level and types of expenditure necessary to achieve the continued viability of the Preschool. Senior teacher to monitor expenditure in the following expenditure categories:
 - Consumables
 - Replacement Equipment and Resources
 - Printing & Stationery
 - Professional Development
- Annual accounts are to be prepared within 90 days after the end of the financial year (31 December) and passed on to the auditor. Audited accounts to be presented at the Preschool AGM and made available to parents of the Preschool.

- Monthly Statement of Income and Expenditure to be prepared and presented to management of the preschool at monthly meeting. All items of income and expenditure to be compared with budgeted figures. Analysis to be provided to management with explanation of large variances.
- All items of expenditure to be passed for payment at monthly management meeting. In the absence of a monthly meeting, all payments are to be passed for payment via emailed consensus. All payments out of the bank accounts are to be authorised by two signatories.
- All bank accounts to be reconciled on a monthly basis and reported to the management committee at monthly meeting. Bank balances to be monitored on a daily basis by the Preschool Administrator.
- **Investments should only be secured after management have obtained competitive quotes for the Board showing best rates and terms and have ensured that cashflow can be maintained within the term of the investment. Such investment to be minuted at a Board Meeting.**
- Preschool to provide parent's with a weekly summary of their account. Outstanding and overdue accounts are to be monitored on a weekly basis by the administrator and appropriate action taken where deemed necessary. Parents are encouraged to pay fees via online banking. Where this is not an option, parents can pay by cash or cheque and a receipt issued by the Administrator. Cash and cheques to be deposited with the bank as soon as possible.
- GST and PAYE returns to be completed and forwarded to the IRD before due dates along with payment where required.
- Documentation required by the Charities Commission to be completed as and when required.
- Preschool Insurances to be reviewed on an annual basis to ensure sufficient cover is arranged.
- Accounting, APT and payroll software to be upgraded when required and backed up on a daily basis. Backups of all files to be kept off site by the Administrator after hours.
- All financial records to be kept for seven years following year of completion.

Licensing Criteria

An annual budget guides financial expenditure (GMA9).

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