

# Useful items to consider when preparing a budget



## Receipt or payment item

### Bulk funding

## Factors to consider when setting the budget

- Number of sessions held
- Number of children enrolled in each session
- Funded for three hours per session (or longer if centre license is more than 3 hours)
- Child funded hours equals number of sessions held x number of children enrolled in each session x three hours per session x forty weeks per year
- The standard ECE rate is \$8.61 per hour for children under 2yrs. The hourly rate for 20 Hrs ECE rate is \$5.52. Any children over 2yrs –are funded for any non 20Hrs ECE hours at a rate of \$4.33 per hour
- Bulk funding paid three times per year in March, July and November.
  - Full rates from the MoE funding handbook are listed below.

| PLAYCENTRE                               |                           |            |              |                           |            |              |
|--|---------------------------|------------|--------------|---------------------------|------------|--------------|
| \$ PER FUNDED CHILD HOUR (INCLUDING GST) | RATES FROM 1 JANUARY 2021 |            |              | RATES FROM 1 JANUARY 2022 |            |              |
|  | UNDER 2                   | 2 AND OVER | 20 HOURS ECE | UNDER 2                   | 2 AND OVER | 20 HOURS ECE |
|  | Quality                   | \$9.84     | \$4.94       | \$6.14                    | \$9.96     | \$5.00       |
| Standard                                 | \$8.61                    | \$4.33     | \$5.52       | \$8.71                    | \$4.38     | \$5.59       |

  

| CERTIFICATED PLAYGROUPS AND LICENCE-EXEMPT SERVICES  |                        |            |              |
|--|------------------------|------------|--------------|
| The next table shows the rates for certificated playgroups and licence-exempt services from 1 July 2020. |                        |            |              |
| \$ PER FUNDED CHILD HOUR (INCLUDING GST)   | RATES FROM 1 JULY 2020 |            |              |
|  | UNDER 2                | 2 AND OVER | 20 HOURS ECE |
| Playgroups   | \$1.83                 | \$1.83     | N/A          |

## Fees/Donations

- Donations
- Fees policy
- Number of families/children enrolled at Centre
- Fees schedule

## Grants

- Grants approved from outside funding agencies
- Funding % of special projects to be raised from outside funding agencies
- Basis for payment of grant whether paid on approval or on reimbursement of expenditure
- Timing of special project for which outside funding received or sought

## Interest

- Investment balances
- Expected use of funds invested
- Interest rates
- Playcentre Aotearoa has negotiated a special ASB account with low fees and higher everyday interest rates.

## Fundraising (net)

- Fundraising ideas
- Fundraising targets

## Levies

- Bulk funding income
- Levy schedule
- Levied currently at 50% of bulk funding income, this is paid three times per year in line with receipt of bulk funding

## Supervision

- Session Facilitator/support person costs (centre paid)
- Period of employment, number of hours employed per week, rate of pay, Holiday pay (8%), ACC levies
- Factor in for public holidays and sick
- KiwiSaver employer contributions = 3% of wages

## Education and Training

- Travel and babysitting policy to attend training courses if your centre assists with this
- Number of people to attend training courses
- First aid course fee x number of people to attend first aid courses
- Number of people to attend workshop days/weekends (if applicable)
- Number of people to attend other courses such as Professional Development, outside courses etc
- Registration fee for other courses
- Books for training purposes

## Equipment Consumables

- Number of sessions and children
- Usage of items used in children's play such as paint, paper, clay etc
- Supplier prices

## Equipment Fixed Assets

- Minimum equipment requirements
- Repairs and/or replacement of existing equipment
- New equipment
- Special projects
- Supplier prices

## Housekeeping

- Usage of items not used in children's play such as tea, coffee, first aid kit items, cleaning products etc.

## Administration

- AGM costs including presentations to office holders, gift to auditor, venue hire, refreshments etc
- Post box rental
- Xero monthly licence if upgraded to Standard Package
- Photocopying & Stationery
- Publicity material
- Printer consumables
- Travel and babysitting policy to attend Centre meetings, National meetings, officer support meetings etc

## Rent and Loans

- Lease agreement or rental

## Utilities

- Power/gas usage.
- General council rates (if applicable)
- Water rates.
- Building WOF checks
- Fire alarm checks
- Fire service checks (for extinguisher servicing if required)
- Electrical Safety Checks (Tag and Test)
- Other safety checks such as security alarm monitoring, servicing etc.
- Rubbish removal contract.
- Frequency of rubbish removal.
- Lawn mowing contract rates & frequency of lawn mowing.
- Cleaning schedule.
- For rural centres – there will be water testing for services on tank water and for those not on town sewage there will be septic tank servicing and/or cleaning.

## Property and Maintenance

- Maintenance schedule.
- Working bees suggested bi-annually.
- Items for working bees such as skip hire, hire of equipment etc.
- Repairs and/or replacement of existing property. For insurance claims have funds available to cover \$500 excess on each claim
- New or replacement safety surfacing.
- Carpet cleaning.
- Floor polishing.
- Building chemical wash including roof and gutters.
- Special projects for additions and alterations to property (Centre contribution – check funding % with National Property team - or Centre funded)

## Centre Activities

- Trips allowance for sessions.
- Centre trips.
- Xmas party.
- Subsidized social events.

## Other

- Donations and gifts policy.
- Other sundry items.

## GST

- If Centre is not GST registered, ignore this item.
- If Centre is GST registered:

Ensure all income and expenditure items are exclusive of GST. If items estimated net of GST, do nothing. If budget estimates include GST, divide by 1.15 to give net amount.

Add net amount of all income items to which GST applies (usually all income items except interest, dividends, and donations and some grants). Multiply this total by 15% for GST on income.

Add net amount of all expenditure items to which GST applies (usually all items except on charged wages, mileage, babysitting and any payments to suppliers not registered for GST). Multiply this total by 15% for GST on expenditure.

## “Opening the Door” Costs

These are the general costs which Centres generally need to budget for.

### Building costs

- Rates
- Rent (if applicable)
- Power
- Insurance

### General Costs

- Payment for Auditor (If this applies to your Centre)
- Telephone
- Photocopying
- Postage
- P.O. Box rental (if applicable)
- Stationary
- Bank fees

### Housekeeping Costs

- Tea, coffee, sugar and milk.
- Food for children’s morning tea (if provided)
- Crockery / cutlery
- Cleaning materials and rubbish bags
- First aid items
- Civil Defence Kit items.
- Soap, towels, light bulbs, toilet tissue

### Employment Costs

- Wages for session leaders or cleaners
- ACC levy for employees
- Holiday pay for employees (unless included in hourly rate)

## Equipment Budget

Equipment can be classified as

- Consumable (will need restocking during the year e.g., flour, clay)
- Fixed. (i.e., items which can be re-used e.g., puzzles, toys etc.)

## Equipment (Consumables)

The consumables allowance is a little more difficult to budget for. Use the previous year's amount as a guide and maybe add a little more for cost increases.

It covers items such as:

- Clay, sand (do you replace it every year or two years?), timber for carpentry, nails
- Flour, oil, salt (for playdough) and cornflour (for fingerpaint.)
- Sawdust, plaster of paris
- Paints, dyes, crayons, pens, paper, glue, wallpaper paste.
- Pet supplies such as food and litter trays.

## Equipment (Fixed) Equipment for Play

- The equipment checks each year should highlight for your Centre what needs to be replaced or repaired in order to meet the minimum standards listed in the Equipment Book. Items identified for replacement during this check must be budgeted for *first*.
- Additional equipment is given in the book as suggestions to add zest to a new play area.
- Another option is to look at one or two specific corners each year for an overhaul ensuring you do so in order to visit each area in turn.
- Remember to look at purchasing items that reflect other cultures as a way of working towards a more inclusive environment. There is a bicultural equipment list of equipment that should be held by every Centre (this is included in the Equipment Book, and your bicultural officer should also have a copy).
- Remember also to purchase items that are suitable for the wide age range at Playcentres. Safety is also an important issue to consider.

## Furniture

- Remember to budget each year to maintain, replace or upgrade some furniture to avoid the need for a total overhaul all at once in 10 years' time.
- Remember to ensure that any equipment purchased for use for babies must meet safety standards so don't cut corners on purchasing second-hand cots or highchairs if you are unsure about this.

### Children's Books

- The same ideas apply as above, replace 'over-loved' books, and keep up to date with new books. Once again remember the range of cultures of the families in your Centre and the age range of the children.

### Property Budget

- Centres are expected to set aside 2% of their total bulk funding for property maintenance. Any costs which exceed this may be applied for from the Property Team. Please contact your Regional Property Coordinator for current details.

### Maintenance includes

- Care of the grounds e.g., planting, lawn mowing costs, rubbish removal
- Set aside money for internal painting (the property levy does not cover this.)
- Maintenance of floor surfaces (new carpet or cleaning an old one, or vinyl or floor polishing once or twice a year.)
- Security such as window stays, gate latches, padlocks, door locks.

### Safety Items include

- Resurfacing of ramps and steps
- Cupboard safety catches and power point covers
- Heater guards and window barriers
- Stove top guards, castor cups or ways to fix objects in case of earthquake
- Safety surfacing, replacement or relaying from time to time

### Major Projects include

- Laying safety surfacing
- Playground remodelling
- Revamp of kitchen or bathroom
- Building additions

A useful strategy is to put some money aside each year or add to it with fundraising.

### Excursions and Team Building

- If the Centre pays for some excursions allow for this.
- If Centre pays for socials, AGM costs or graduation celebration allow for this.
- If Centre pays for donations or gifts allow for this

### Fundraising Costs

- Allow for any costs for purchase of products for fundraising

## Public Relations/ Publicity Budget

- Cost of advertising in local paper (maybe once a term or once a year with an open day)
- Supplies of pamphlets/ posters for local health Centres, Plunket, community rooms
- Giveaway pamphlets
- Internal PR with termly Centre newsletter

## Education Costs

- Cost of first aid courses (licensing requirement 1 person with a current first aid certificate per 25 children present on session)
- Cost of implementing Centre policy on childcare for trainees or mileage reimbursements
- Updating of supply of books in Centre which are required for PIA, PEA and Certificate courses
- Extra allowance for one off events e.g. Centre specific professional development (where an area of need is identified), convention, learning together days or regional hui.
- Implementing Centre policy on incentives for trainees who complete certificates (maybe a book purchase or book voucher or subsidising a graduation celebration)