**Recording finance discussions and decisions in preschool governing council minutes**

**Introduction**

Ensuring important financial management discussions occur and recording them in governing council minutes is essential for good governance. Minutes are evidence that key information is being discussed at governing council meetings. They can be used by external bodies to assess compliance with legislation and policy (to which the preschool needs to comply with) as well as to adhere to requirements detailed within the preschool’s own internal policies or practices.

This document provides guidance to preschools on suggested wording for minuting the most common finance discussions and decisions. It’s not mandated, but is a good guide for you to use, which you can modify to your needs. This guidance wording is being provided to allow the minute preparer to ‘copy’ and ‘paste’ this wording into minutes templates where deemed appropriate and where it reflects discussions that have occurred.

The following points are provided as additional guidance when tabling, discussing and minuting finance reports in governing council meetings:

* The minutes should outline the year to date financial result and the implications for the end of year financial projection, and how these results compare to original or revised budgets.
* It is noted that the preschool may be recording a year to date and / or end of year deficit, which is a planned outcome compared to the approved budget e.g. run down in cash balances relating maintenance expenditure. On the basis that the governing council approves the decision, and it is affordable by the preschool, a planned run down in cash balances is acceptable.
* Where the financial results compared to budget are a deterioration, the minutes should be clear about what has caused the issue and how the deterioration will be managed and implications for the future. It is also relevant to note that unplanned expenditure for the current year may avoid costs in the future e.g. incurring expenditure in advance. The preschool may need to manage the unplanned impact from accumulated cash reserves.
* If more analysis is required to understand the financial impacts and implications of the financial result incurred to date, this should be explained to the governing council and appropriately minuted and an action be recorded.

**Suggested wording (to be modified where applicable):**

1. Tabling of finance reports (each meeting)

The following reports for the month and period ended ………………. 20XX were tabled and discussed:

* year to date actual vs year to date budget report
* the current approved full year budget (only if not already shown in the report above)
* explanation of variations from budget
* income and expenditure/profit and loss statement (only if this information is not already shown in the reports above)
* balance sheet OR

a listing of the balances of all operating and SASIF accounts, debtors and creditors balances, and material commitments against funds held

The governing council noted the reports.

The governing council noted that as a result of the financial position, the preschool is undertaking the following actions: …..(explain what actions are being undertaken)……

Following discussion, the reports are accepted.

Moved ………………

Seconded ………………..

Copies of reports provided are included with these minutes.

1. Preschool contribution review (each term)

The governing council noted that there are outstanding preschool contributions totalling $...................

*(if applicable)* The governing council approved the director’s recommendation that uncollected contributions totalling $ ………… no longer be pursued.

Moved ………………

Seconded ………………..

1. Debt write-off (as required, for debts other than preschool contributions)

The governing council approved the write off of ………. (type of debt)……….. debts totalling $................... in accordance with the recommendation of the director.

Moved ………………

Seconded ………………..

1. Approval of delegations (annually or when a change occurs)

The governing council approved the delegations recommended by the director.

Moved ………………

Seconded ………………..

Refer to the attached financial delegations listing.

1. Approval of the annual budget

The governing council approved the draft/final 20XX preschool budget indicating a surplus/deficit of $........... for the calendar year including expenditure of $xxx m and revenue of $xxx m as outlined in the report submitted to the governing council. The governing council noted that the reason for the projected surplus / deficit is primarily due to …(insert primary reasons)…

Moved ………………

Seconded ………………..

Refer to the attached annual budget.

1. Noting of the annual independent auditor’s report

The governing council noted the correspondence and Report of Audit Conducted provided by the external auditor.

The governing council noted that in response to the auditor’s findings, the preschool plans to ………..(list relevant actions)…………..

The governing council accepted the report and proposed actions.

Moved ………………

Seconded ………………..

Refer to the attached audit letter and report.