



Bowen Children's Centre

Bowen Children's Centre

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Financial Policy: Budgeting

Policy

Bowen Children's Centre operates according to a budget, approved by the Board, for each fiscal year. Each budget must:

- set out projected revenues and expenses
- include projected revenue from Ministry and other revenue with a reasonable certainty of being received
- reliably indicate the monthly operating cash needs of the programs and services.

Each month, the Financial Manager will review the budget against the actuals with the Financial Committee, and report to the Board on a monthly basis.

Purpose of this Policy

BCC believes that a carefully developed budget that is regularly reviewed plays an essential part in healthy financial management. Proper budgeting helps BCC to have a clear picture of its financial position and to anticipate challenges or opportunities that may arise.

Procedures

1. Process for developing and approving the annual budget

The Financial Committee including the Executive Director, Assistant Director, Financial Manager and Treasurer, will develop an operating budget before the beginning of each fiscal year to be:

- finalized and approved by the Board, and then
- presented to the BCC membership at the Annual General Meeting.

Once approved, the budget is ready for the Executive Director to implement.

2. Budget considerations

Whenever possible, BCC should work towards building a surplus to assist with:

- sudden and unforeseen drops in revenue (for example, a decline in enrolment, or the loss of grant funding) or increases in operating expenses
- inflation
- building a contingency fund equal to three months of operating expenses

a) **Fees** BCC operates within the \$10 a day provincial Early Learning and Care Program and fees are set by the Ministry of Education and Child Care. Refer to the Financial Policy: Bursary Program, when subsidies are needed for individual families.

Where necessary, the board may vote to:

- supplement fee income with government funding and subsidies in order to balance the budget and/or keep fees down, or
- use fee income to replace capital items and contribute to building a surplus.

b) **Managing seasonal and accounts receivable variations** BCC experiences seasonal and accounts receivable variations, that need to be considered when planning for the year. For example, most materials and supplies are purchased in September for use through the year. Sometimes invoices may not be paid monthly.

c) **Additional grant funding** BCC receives grant funding from time to time that is not reasonably certain at budgeting time. The Financial Committee has two options for managing this when budgeting. The first option is to budget for the funding from the outset (and review and adjust expenditures against it) separately. The second option is to wait and incorporate these funds into the existing budget when they come in. Both approaches are acceptable.

Related BCC policies	This policy approved on:
Financial Policy: Bursary Program	May 2024
	Updated:

