



Guidelines for Kindergarten, Preschool and Childcare Treasures

2026

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01

About The Guidelines

About The Guidelines

Taking on the role of a childcare or preschool treasurer can be a rewarding yet challenging experience. You'll get to make an impact by playing a crucial role at your service, but to do so, you'll also need to get up close and personal with the financial processes. And for many people - including those with solid commercial experience - this can be unfamiliar territory.

The 'Guidelines for kindergarten, preschool and childcare treasurers 2025' gives you the practical steps you need to follow to meet your treasurer responsibilities and help your service operate more effectively. **Designed to make your job easier, the guidelines cover:**

The treasurer role, responsibilities, and goals

What you need to do when starting your new role

Ongoing responsibilities

Checklists to support processes and planning

Best practice tips and industry insights



The guidelines will help a range of services within the early childhood education and care (ECEC) sector. This includes preschools, childcare centres, and kindergartens operating under not-for-profit structures.



About the author

Michael Kent is a qualified Chartered Accountant, experienced commercial manager, and CEO of bookkeeping and advisory business Slate Accounts. Michael was also treasurer of his daughters' kindergarten, and despite his commercial background, found he wasn't quite sure where to start or how to best help when he started the role. Fast forward several years and Michael has now advised dozens of treasurers of ECEC services via Slate Accounts. It's through this experience, as well as his own, that he saw the need for a simple guide to help treasurers get started, and know where to focus their efforts. This paper is the "how-to" guide Michael wished he had.



02

The Treasurer Role, Responsibilities, and Goals

The Treasurer Role, Responsibilities, and Goals

The role of today's treasurer within the ECEC sector is focused on the checking and understanding of financial administration – and not the doing. Typically, this means you'll most likely have a team of service staff, bookkeepers, and an auditor, to get the job done, while you focus on the bigger picture. This includes ensuring that:

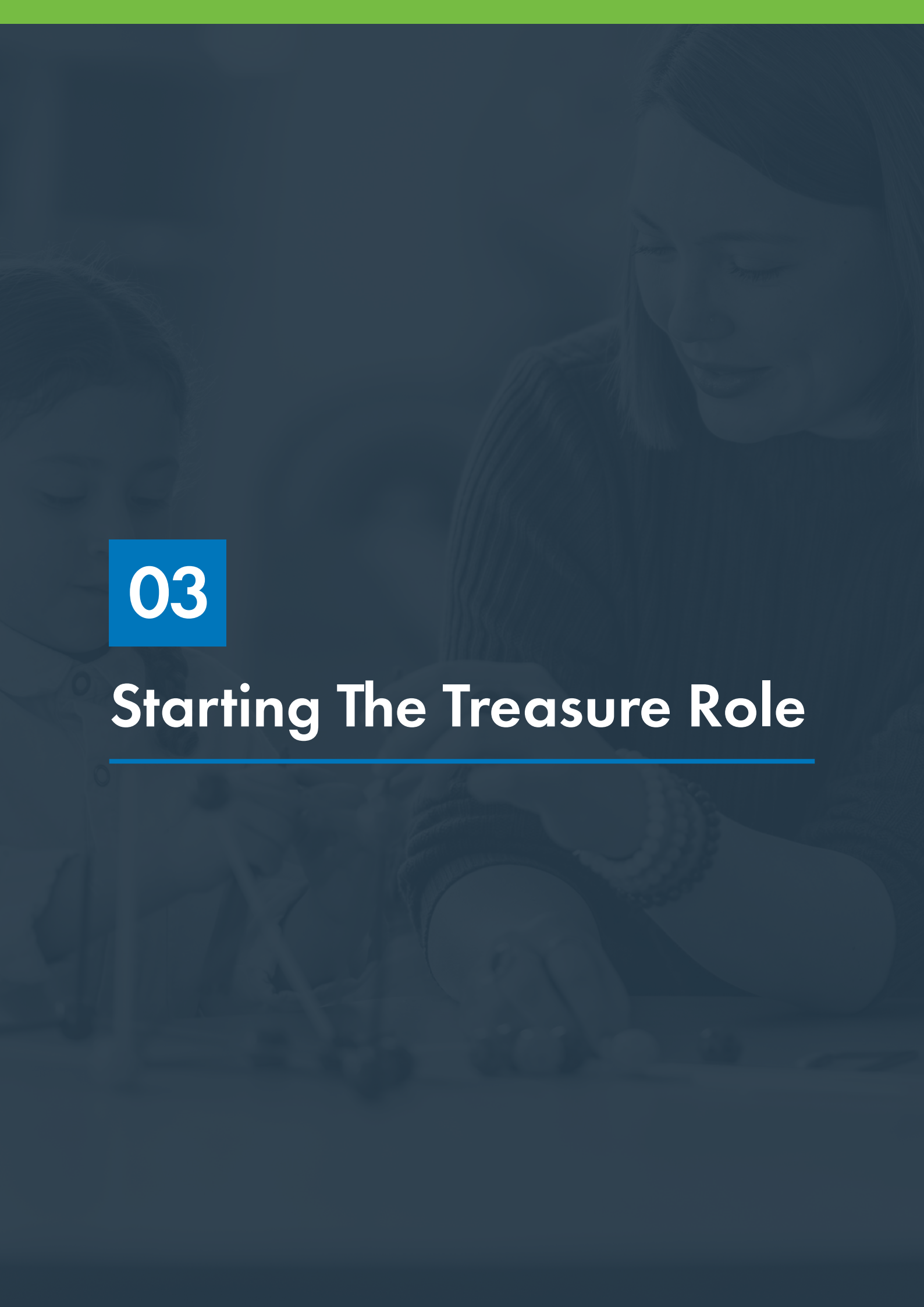
1. The service has enough cash.
2. All assets are protected.
3. Spending is monitored and approved.
4. Compliance obligations are met.
5. Financial records are properly kept.

To do these things, you'll need to quickly **get up to speed on the service** and then **develop a system** for reviewing and progressing action items throughout your term.



An effective treasurer is the guardian of their services' financial health. To succeed in this role, you'll need to make sure resources are managed effectively and efficiently while advising the board, so that it can make a positive impact in the community.

Michael Kent - CEO

A woman and a child are playing on the floor. The woman is leaning over, looking down at the child, who is focused on playing with toys. The scene is dimly lit, with a blue tint. The woman has long dark hair and is wearing a dark top. The child has dark hair and is wearing a light-colored shirt. They are surrounded by various toys, including what looks like a toy car and some blocks.

03

Starting The Treasure Role

Starting The Treasure Role

Are you starting your new role as treasurer, but don't know where to begin? Here are eight key tasks you need to do to transition into the role:

1. Understand your service's obligations



ACTION: Read the association's Governing Act, your service's rules, and any finance policies.



Review the act that governs associations in your state: This applies if your service is an incorporated association. Review the section in the act that covers account keeping, reporting, reviews, and auditing obligations.



Read your service's rules or constitution: These go into more detail and will spell out the treasurer obligations.



Read any finance policies: Your service will have one or more finance-related policies, which you should read to check that practices reflect these, or consider if you want to propose changes (which boards could approve). Important things to look out for include:

- The rules associated with parent fees, including communication of changes and debt collection protocols.
- Whether the treasurer or anyone else can get authority to spend and what these limits are; or if each payment needs to be authorised by the board.
- If there are any special restrictions or guidance for the use of budget reserves.

2. Understand the finance processes



ACTION: Review processes, especially spending authorisation and controls.



Reviewing key finance processes helps you understand how they work, who does what, and identify where any risks may lie. These processes might include:

Paying bills (also called accounts payable)	Invoicing and collections (also called accounts receivable)
Payroll	Accounting
Expense claims	Compliance lodgements
Petty cash	Reporting



TIP – It's highly likely you'll find documentation missing for some processes, so any documentation you can add - even if brief and simple - will add great value to the service and finance function.

Your initial priority should be to review spending processes. This is because it's these processes where error risks and the potential for fraud are the greatest, and also where you'll likely be part of the approval process. The aim is to make sure there are appropriate controls and limits in place, and ideally, written processes that reflect your finance policy. You need to check:



There is an appropriate level of review by someone who would reasonably know what the purchase was, such as a director or experienced administrator. You should not be asked to approve bank payments without knowing someone else has reviewed the invoice or purchase.



The review and approval are recorded in a system that you can access at any time.



There is a segregation of roles so that the people making payments are not doing the accounting.



If required by your rules, dual authorisation of bank payments is enforced.

Spending authorisation and controls

Bank authorisation rules are often unclear, especially when information is passed from board to board without being written into financial policy. This can lead to old signatories being left on the account, so we recommend requesting a list of authorised signatories on the service's bank accounts. You can then remove old signatories and update permissions if required.



TIP – The safest and simplest option for bank signatories is to use an online banking service that requires dual authorisation. If you need help structuring these rules, you can talk to an independent bookkeeper, accountant, or auditor.

3. Know your funding sources and agreements



ACTION: Get to know your funding sources and any rules that apply.

Your service is likely to be receiving funding from sources such as the Child Care Subsidy, a state government department, or other organisations. This can be confusing for those new to the industry, so it's worth talking to your wider support team, such as the service staff, bookkeeper, and auditor to help you list all funding sources in one place.

As part of this review, include details such as:

☐

The approximate amount of funding the service receives

☐

How the amount is determined

☐

Any associated reporting or finance obligations



TIP – To meet funding requirements, check how often you need to submit financial information and if there is any obligation to keep an asset register.

TIP – Having a record of all your funding sources in one place will give you clarity and confidence when working with the numbers, advising the board, and reviewing the budget.

4. Review the last audit or review



ACTION: Read the last auditor's (or reviewer's) report and talk to them about the results and process.

You will likely need to have the service's accounts audited or reviewed during your term, so it's important to be across the most recent audit or review so you can prepare.

As part of this review, include details such as:



If the audit report has identified problem areas to address, speak to the auditor and others close to the process to better understand the issue.



Talk to the finance team (such as the bookkeeper and/or finance manager) to understand how the service will be audited, and how you can prepare for the next audit.



TIP – Whether your service had any issues raised in the last audit or not, it's worth talking to the auditor to find out how the last audit went, if anything was difficult and time-consuming, and find ways to ease the burden for the next round.

5. Check record-keeping



ACTION: Check that appropriate record-keeping processes are being followed for tax receipts, timesheets, and staff employment records.

Good record-keeping is a legal requirement and essential for audit purposes and in demonstrating transparency with your association's members and stakeholders. Bookkeepers should be able to find information, such as tax receipts, timesheets, and staff employment records, easily. We also suggest periodic checks throughout the year. For example, you can check timesheets against payroll or request copies of the documentation behind a handful of transactions. Many treasurers do this each month.

Best practice tip - set up a treasury folder

A treasury folder contains everything you and future treasurers will need, to do the job effectively. The folder should be easy to find, easy to keep up to date, and be securely stored on a cloud storage service. Ideally, it would include:

- The act that governs the service
- Funding agreements
- Funding sources list
- Finance policies
- Documented finance processes
- Historical monthly financial reports to the board
- Historical audited annual accounts and auditor reports
- Annual compliance filings such as with the ACNC and education department
- A treasurer manual that explains the role and how to go about it.

6. Review key financial statements



ACTION: Review month-on-month changes across key financial statements including the balance sheet, profit and loss statement, and cash flow statement.

Reviewing key financial statements across the previous two years can help you identify potential issues. Ideally, you'll be able to discuss these with the exiting treasurer and/or staff before making any decisions.

We include key information to look out for under each key financial statement below. Remember that there is no right or wrong position for each piece of information, although the review will highlight risks or potential issues to investigate. Also, you're not expected to be the expert, so you can talk to the bookkeeper or accountant for more details, or the board can hire an external resource to help.

Balance sheet

☐

How are net assets (total assets less total liabilities) trending? For not-for-profit services, this doesn't need to be trending up, but at the same time shouldn't be trending down.

☐

Are the bank accounts reconciled?

☐

How much cash is in the bank and what is the trend?

☐

What debt does the service have? Note that long-term debt is quite rare for not-for-profit businesses.

☐

How large are receivables and what is happening to them over time?

☐

Are liabilities such as superannuation, PAYG, and GST being paid on time?

- ☐ Do the fixed assets and depreciation schedules look right?
- ☐ Does the service have a buffer in cash reserves?
- ☐ Are there provisions for long service and sick leave?
- ☐ How much capital has been spent in recent years?

Profit and Loss Statement (also known as the Income Statement or P&L)

- ☐ Is the service profitable (or is it roughly breaking even)?
- ☐ Are there any unusual expense entries or month-on-month inconsistencies?
- ☐ Are the major costs stable and do these look reasonable?
- ☐ Is the categorisation of income and expense into the different accounts appropriate for the business size and type?

Cash flow statement

- ☐ When does cash come in from fees?
- ☐ Are fees paid in a reasonable amount of time?

How much cash is enough?

Non-for-profit early childhood services often grapple with the question of what levels of cash reserves to retain. While some level is healthy, holding on to too much cash can mean your members are missing out on potential service benefits. To help your board decide what cash reserve levels are right for your service, consider how much you'll need to cover:

- Current and future capital spending.
- Leave liabilities.
- Compliance and tax liabilities.
- 3-6 months of operating expenses.



TIP – Your job as treasurer is to identify any issues and resolve them throughout the year, balancing the risks and priorities with the time, energy, and resources of the service. The board should pay for external resources for any issues that can't be fixed by service staff or the bookkeeper.

7. Review the budget



ACTION: Check the budget is appropriate, and that you'll receive regular reports comparing actual versus budgeted income and spending.

While preparing and maintaining a budget can be a state or federal funding requirement, it's also part of prudent financial management. A budget can act as a financial forecast for the service while also helping delegate spending authority from the board to account signatories.

If you find the budget is unreasonable or needs changing, you can discuss changes with the manager or bookkeeper and then take it to the board to approve the change. Typically, the policies and rules allow for the board to change the budget as needed, and most boards appreciate their treasurer being on the front foot of any need for changes.

Cash planning

An important part of reviewing the budget is to consider the expected cash movement for the year against the service's cash reserves. To forecast the expected change in cash for the year, you can use the below calculation as a rough guide:



Add or subtract this cash movement figure from your opening cash balance to approximate your closing cash balance. If this amount is less than three months of operating expenses, it might be worthwhile doing some more detailed cash forecasting.

Should your not-for-profit budget for profit?

The decision about whether your not-for-profit service makes a profit is not one for the treasurer to decide, but instead, the board. In making the decision, the board will need to consider:

- Does the board want to break even as a minimum?
- Does the service need to generate and retain profit to meet future needs?
- If there are high levels of reserves, how can these best be invested in the interest of members? This might include investing in fixed assets, upskilling staff, or holding off fee increases.

8. Check compliance is up-to-date



ACTION: Create a compliance calendar that outlines the service's compliance obligations throughout the year.

Treasurers are responsible for overseeing key compliance tasks, including:

- ☐ Lodging Business Activity Statements (BAS) and Instalment Activity Statements (IAS).
- ☐ Paying superannuation.
- ☐ Organising an annual audit or review.
- ☐ Presenting audited (or reviewed) findings at the annual general meeting.
- ☐ Lodging the required annual financial accountability and enrolment data with your state education department.
- ☐ Lodging annual financial statements with the state body that administers your entity type (if required).
- ☐ If your service is a registered charity, lodging an annual return with ACNC.



TIP – You can expand your compliance calendar to include other items, such as term dates, board meetings, and grant or funding application due dates.

TIP – The bookkeeper can help when checking the BAS, IAS, and superannuation. For example, they can provide a copy of the ATO's 'Integrated Client Account' which outlines all the previous BAS and IAS lodged.

9. Help protect your service from fraud



ACTION: Basic checks and simple processes can reduce financial fraud risk.

Fraud is unfortunately one of the biggest financial risks not-for-profit organisations face, and as treasurer, you're in a good position to help protect against it. Ensuring assets are protected is a key role of the treasurer, so fraud prevention should be on your list.

This section isn't a comprehensive risk management plan, but it explains some important precautions to attend to many fraud risks.

1. Use Two-Factor Authentication (2FA) on everything

Two-factor authentication adds an extra layer of security to prevent unauthorised access to systems. At a minimum, make sure 2FA is enabled for your service's email accounts (staff and board members) and that of any external providers associated with finance processes, as well as all finance software, cloud filing systems, and banking services.

If someone's email is compromised, it can be used to reset passwords and approve payments so this step is essential.

Ensure any finance approvals (for bill payments, payroll and payroll changes) occur behind 2FA, and in systems that will retain the approval record for at least 7 years. This means board members and staff should not be providing approvals using their private email, where 2FA cannot be centrally enforced.

2. Ensure approvers can see what they are approving

Insist on processes that present approvers with:

- actual source documents, or easy access to them (via say a link to a cloud document)
- evidence of who else has provided approval.

If, as treasurer, you are asked to approve bank payments, you should see the bills or payroll records, and that someone in the organisation has reviewed and approved them. This can be done securely, easily and cheaply inside software such as Xero, Dext, Employment Hero or ApprovalMax.



TIP – If your system doesn't support proper approvals, talk to your bookkeeper or accountant. There are low-cost tools that can help you meet these requirements without complexity.

3. Control who and how bank account details are updated in systems

Accounting and payroll systems typically hold bank account details used to pay suppliers and staff using system generated ABA files. Fraud often occurs when people obtain unauthorised access to change those bank details, or they send fraudulent emails or invoices with changed bank account details.

To reduce risks:

- limit those who have systems permission to change bank details, and make sure they are trained in the risks.
- insist on a manual checking process for all bank account change requests from staff or suppliers. This should be via an alternative communication channel (ie. call if the bank change request came via email).

4. Separate who records from who approves

It becomes much easier to cover up fraud if the person authorising the fraudulent transactions is also entering the transactions into the accounts. For this reason, it's a fundamental fraud protection to separate the recording (e.g. bookkeeping) from approving (e.g. authorising payments at the bank). This helps ensure there's a second set of eyes on all financial activity.

If a bookkeeper is uploading bills for payment, a manager and a board member should be approving them (often the treasurer). If the center is very small and the director does the bookkeeping, transactions should be approved by two other people.

5. Ensure only the Board can approve the Director's remuneration

To protect both the service and the Director, ensure any changes to the Director's remuneration, and overtime and leave, are approved by someone on the board (and as noted above, this should be from the service's own email system, with 2FA security). We recently started working with a client to soon learn the Director had been fraudulently logging into a board member's account and emailing the payroll provider to approve their own overtime, pay increase and a bonus!

6. Use dual cash handling at events

At fundraisers or events where cash is handled, make sure at least two people are involved in collecting and counting the money. They should record the total together and sign off on it. It's a simple safeguard that protects everyone — and builds trust.

7. Review the accounts regularly

We've included detailed guidance elsewhere on reviewing financial statements and reconciliations — and here's why that's important: **most issues get picked up simply by checking that the bank accounts are reconciled properly and that reports make sense.** Because fraudulent transactions need to go through a bank, if the bank accounts reconcile, you know that transaction has been recorded somewhere. If a material transaction is being hidden somewhere it doesn't belong, there is a good chance it'll stand out when reviewing the profit & loss and balance sheet.

Fraud Prevention Quick Checks

Simple actions that protect your service:

- ☐ **Turn on 2FA** for all emails, finance software, and banking logins — including bookkeepers and board members.
- ☐ **Only approve bills and payroll** inside systems that require 2FA and retain records for 7 years.
- ☐ **Ensure approvers see what they're approving** — include access to source documents and prior approvals.
- ☐ **Control who can update bank details** in accounting and payroll systems. Always verify change requests via a second channel.
- ☐ **Separate duties** — the person entering transactions shouldn't also be the one approving them.
- ☐ **Board-only approval for Director pay** — including changes to salary, overtime, or bonuses.
- ☐ **Use dual cash handling** at events — 2 people count, sign, and record all cash received.
- ☐ **Review bank recs and financials monthly** — they're your best fraud detection tool.

If in doubt, ask. Bookkeepers and software providers can help you set up secure, easy-to-manage processes.

A dark blue, semi-transparent background image showing a woman and a young child. The woman is on the right, looking down at something in her hands. The child is on the left, also looking down. They appear to be playing with toys on a table. The image is faded and serves as a backdrop for the text.

04

Ongoing Tasks And Responsibilities

Ongoing Tasks And Responsibilities

In addition to working on the issues identified in your initial review, you'll have ongoing tasks as part of your role. These tasks will help you oversee financial administration and help you prepare for monthly board meetings. They include two key areas:

Reviewing responsibilities

- Checking accounts for accuracy.
- Checking finance processes and controls are being followed.

Reporting responsibilities

- Presenting clear reports to the board to describe financial performance (via the P&L) and the position (via the balance sheet) of the service.

We suggest managing these processes by working through a checklist each month. A checklist can help simplify the process, ensure you don't miss any steps, and help the bookkeeper do their job effectively.



Reviewing tasks

The reviewing process should include the following steps:

The balance sheet	
Reconciliation	
Why	Making sure all bank transactions have been entered into the accounts is critical in getting the accounts correct.
How	Reconcile accounts by checking that the balance shown in bank accounts, petty cash accounts, and loan accounts matches with another source of truth, such as a bank statement. The bookkeeper can produce a bank reconciliation report, which explains any differences between the bank balance in the accounts and the actual balance reported by the bank.
Accounts Receivable	
Why	Checking accounts receivable lets you know how much cash has and will come into the business, and helps with cash flow management.
How	Check invoices have been issued correctly, are being paid on time, and that the correct processes are being followed for overdue invoices. Review the aged receivable report for invoices that haven't been paid and how old they are. If necessary, creating a collections report that lists collections actions taken against overdue invoices can help you keep track.
Accounts Payable	
Why	Checking accounts payable helps you track what money is owed, and can help you see whether the service is relying too much on credit.
How	Check all expenses have been recorded, paid on time, and that the correct processes for making payments are being followed. Review the aged payables report for invoices that haven't been paid and how old they are. Run occasional spot checks of payments made.

The balance sheet

Compliance liabilities - superannuation, GST and PAYG

Why

Every pay run, the amount withheld from staff for superannuation and PAYG is recorded as a liability that must be paid later to super funds or the ATO.

In contrast, GST is usually owed to your service with each quarterly BAS. This is because your service can claim back GST on purchases made, and this amount is likely to be greater than the amount of GST collected in sales (GST typically applies to only a limited number of income types with early childhood education businesses).

Usually, super is paid quarterly, PAYG monthly, and GST quarterly through a BAS. You'd expect to see the superannuation, PAYG, and GST accounts moving up and down with each quarterly cycle, but not trending consistently in any direction.

These simple checks help ensure the service is making its required compliance filings and payments.

How

Check the ATO Integrated Client Account, the service's account with the ATO for PAYG, and GST filings and payments. If the balance owing is \$0 and you can see the necessary quarterly BAS and monthly IAS filings, your service is up to date.

The bookkeeper can provide reconciliation reports for GST and PAYG. This area can get complicated, so if necessary, get help from an independent bookkeeper or accountant.

The profit and loss statement

Budget variance and reporting

Why

Tracking budget variance reports can help you spot gaps in income, signs of overspending, or that the budget may need adjusting.

How

Compare the P&L against the budget to check income is as predicted and the service isn't overspending.

Review the actual vs budgeted variance report for the month, and also year to date.

Expense account review

Why

Reviewing expense accounts can help you find any missing or wrongly allocated expenses. You'll need to know whether expenses are recorded when they occur, or if they are accrued, as this will affect how the accounts look.

How

A multi-period P&L report comparing the current month to (for example) the past six months, in neighbouring columns can help. This highlights any anomalies or missing expenses for you to look into.

What are accrued expenses and the accrual method?

The accrual method records any expenses incurred or income earned in the periods they occurred, not when they were paid. By manipulating the timing of when certain transactions appear in the accounts, reports can better reflect when an expense or income was actually made or earned.

These processes are generally referred to as "making an accrual" or "accruing", and there are three types you're likely to see:



Accruals for unpaid (and unbilled) expenses

Example: Accruing the expense of an audit in the year the audit will relate to, even though the work will be done and paid for in the following year.



Accruals for prepaid expenses

Example: Paying a year's worth of insurance in one payment then 'saving' this payment as an asset on the balance sheet as a 'prepayment'. The expense is split in 12 with each portion recorded (accrued) as an expense each month throughout the year.



Accruals for prepaid income

Example: Your service collects fees or deposits in Term 4 that relate to the following year. These will be saved on the balance sheet at year-end (in an account often called "pre-paid income") and then removed from that account and recorded as income in the following year.

If all that sounds a little confusing, your service's bookkeeper should be able to manage it all and explain it to you. And if not, many auditors step in beyond their role to help calculate and record the necessary accruals and pre-payments when finalising the accounts.

Fraud Prevention Quick Checks

Balance sheet

- ☐ Reconcile bank accounts
- ☐ Reconcile loan accounts
- ☐ Review accounts receivable
 - All invoices sent
 - Payments made on time
 - All invoices are collectable
- ☐ Review accounts payable
 - All invoices recorded
 - Payments made on time
 - All invoices are payable
- ☐ Check compliance liabilities are correct
 - GST
 - PAYG
 - Superannuation

Profit and loss statement

- ☐ Income is close to forecast
- ☐ Spending is within budget
- ☐ Expenses look correct

Reporting tasks

Good reporting makes it easy for key decision-makers to find the information they need to make the best decisions for the service. A good reporting pack includes key information that highlights the financial health of the business, such as:

- The balance sheet and P&L showing each month of the year, and year-to-date.
- The profit and loss compared to the budget for the month and year-to-date.
- A detailed accounts receivable ageing report outlining outstanding payments and how long they are past due.

Ideally, your reports will include visual representations of data to make it easier for the board to read and understand.

What to include in your reporting commentary

Written commentary provides the board with a succinct summary of results, and helps draw their attention to information to guide decision-making. For best results, we recommend the below approach:

Observe	When reviewing the reports, look for variances to the budget, changes in the balance sheet, and any trends in both. Consider environmental factors that can influence results, such as inflation and wages.
Analyse	The best commentary explains why and how your observation has taken place. For example, rather than simply stating that wages are 10% over budget, include additional detail as to why, such as paying higher casual rates to cover maternity leave. Talking to your service's staff before writing the commentary can help you understand the influences behind your observations.
Predict	The ultimate goal of financial analysis is to predict the future. If possible, include reasonable predictions in your commentary such as, in the example above, an expectation that wages will return to budgeted levels when your staff member returns from maternity leave. This is also a great way to involve the board in financial planning discussions. For example, the board may decide to add an X% contingency in the wages budget next year to allow for more unplanned leave".

Using AI for reviewing and reporting

Since the start of 2026, leading-edge AI models have demonstrated incredibly helpful accounting and finance capabilities that represent a significant opportunity to treasurers and the organisations they serve. While capabilities are evolving rapidly and use cases emerging all the time, as a starting point, we recommend experimenting with the ideas below.

Reviewing the accounts

Start by uploading current period results together with, say, 12 months of history and asking AI to review the accounts for accuracy, bringing to your attention any account values a skilled accountant might consider warrant further investigation. If you have bank statements and payroll reports from your finance team, load those as well and ask AI to take them into account. While this cannot replace your review, it will provide a valuable second set of eyes and possibly some useful questions to put to your finance team. Consider pasting in the reviewing tasks from section 4 above as guidance. Having completed the review, if you liked the process, ask AI to either write up a skill or a prompt you can re-use next month.



Commentary writing

The other obvious area we see as worthwhile exploring is in commentary writing, one of the most valuable but also time consuming services a treasurer can provide.

While our approaches and techniques for this are still evolving, to start with, referring AI again to the financials loaded for the accuracy review, this time ask it to fulfill the role of a skilled accountant and treasurer and analyse the results of the organisation focusing on financial performance and position. Ask it to identify any trends, changes or variances it considers indicate material risk or opportunity for the organisation and why.

Ideally also brief it on the strategic issues or focus areas of the organisation so it can incorporate those into its review.

Having done that, best practice would involve either you or the service's staff or management providing AI with some notes as to those observations, specifically trying to explain the "why or how" behind the trends, changes or variances. You could capture those in a monthly online meeting, and get AI to transcribe it. In any case find an efficient way to provide AI with that analysis and incorporate it into succinct written commentary. In general we would suggest a prompt that minimises explaining what is obvious in the charts and tables but instead focuses on discussing the material observations and the analysis of their causes. Consider being quite specific as to the style you prefer (plain english, non-technical, 3rd person etc etc) and word-limiting the commentary as it's far more effective when kept succinct and punchy.

A woman and a child are looking at something together, with a dark blue overlay. The woman is on the right, looking down, and the child is on the left, also looking down. The background is a blurred image of them.

05

The Budgeting Process

The Budgeting Process

The annual budgeting process is an important part of a treasurer's role. As we've seen from the sections above, the budget plays a critical role in ensuring the financial health of the organisation and controlling spending. In most cases, this process provides the critical input into fee setting and facilitates a healthy conversation for the committee on appropriate spending. This allows the committee to feel confident that they understand where the organisation sits throughout the year, as it follows actual results against the budget.

For years, the budgeting process has looked much the same, with the treasurer typically inheriting a spreadsheet from the prior year and working with the centre director and the finance team to update the assumptions and forecast for the following year.

That has all changed in 2026 with AI, so we thought it worthwhile to include this section on some new tools and techniques we're seeing, that can make the budgeting process easier and more effective.

Firstly, AI is an Excel (or Google Sheets) power user, so if you're not, you suddenly have an Excel expert by your side who can do anything you can imagine with your spreadsheets. We've worked with both Claude and Gemini, but we expect Copilot and Codex Work would have very similar capabilities. If you're using Excel and Claude, definitely install the Claude Excel Plugin that allows you to type natural language prompts from inside the spreadsheet and then sit back and watch as Claude dazzles you with its modelling skills. Gemini inside Google Sheets works similarly, and having been strictly Excel for many years, we now tend to lean towards Google Sheets mainly because of its ease of sharing and collaborative working.

Beyond that, here are some other tips for getting the most out of AI in your budgeting process:

- Use more powerful models and definitely check the work. We would not recommend using free versions of AI models as we see errors with these that don't occur in the more powerful models available under paid plans.
- If you have one available, put completed work into a second AI tool and ask it to review it.
- Insist that it uses formulas, rather than just calculate results in its "head" and paste them in. AI might need you to be vigilant with this at first. If bringing in the results of calculations from other sheets, insist this be done using lookup formulas. Without formulas, the spreadsheet is impossible to review.
- Ask for in-built error checking, a staple of good quality modelling. For example, if wages or income are calculated on other sheets, AI should build a cell that compares income and wages on the main sheet with totals from the calculation sheets and ensures they're the same.

- Get AI to present the budget in charts: this year vs last year's budget and actuals, for example, to help the committee understand it more fully. AI should also be able to build a nice waterfall chart showing total income and each expense category reducing that income with the small surplus or deficit remaining. These are fiddly to build in the traditional way but AI will love the challenge (just kidding, it's not really an Excel geek with feelings 😊)
- While previously tricky for most treasurers, you may as well ask AI to forecast cash for the year. This is a very valuable number to know and be able to share with the committee. To do that AI will need to ask you some assumptions for expected changes to the balance sheet accounts (debtors, creditors, fixed assets and any other assets and liabilities). If in doubt, ask AI what's behind those assumptions and how to set them appropriately..
- Of course be as specific as you need to with formatting, layout and colours, don't limit yourself to formulas
- If you are confident with AI and feel you and your AI model covered some good ground this year, consider saving a skill or a prompt to use the following year, or hand over to the next treasurer.

Continuous Reforecasting

Beyond the annual budget, we find treasurers and the committee really want to know, as the year progresses, what the revised expected surplus or deficit will be. Accountants achieve this by running a re-forecasting process, and traditionally in Excel this is quite time-consuming. Fortunately, AI makes the task much more approachable. With a little effort and experimenting you should be able to drop in actual P&L results year to date and just describe how you want the re-forecast to handle each account given the year-to-date budget variance. If you imagine the starting point is that the forecast is year to date actuals + remaining budget, then you just need to tell AI what accounts might vary from that. Look for significant variances and then consider whether the variation will continue, or whether the account is expected to revert to budget over the remaining months.



TIP – For those feeling more adventurous, connect your accounting file to Claude or Codex using “Connectors” and experiment!

If you lay out the instructions per account in doing one re-forecast, ask AI to retain those instructions or just write them into a sheet in the Excel file or Google Sheet itself so that it could reuse the same instructions as a starting point the next time you want to calculate the re-forecast.



06

Industry Tips

Industry Tips

Industry-specific advice to help you achieve more in your treasurer role.



Participate in strategy

There is a lot of change occurring across the industry with state and federal governments working on policies to have children attend more hours of early childhood education and care. Policy changes have led to increased funding, which, in turn, has increased demand. At the same time, labour shortages and burnout for exhausted staff still prevail. As a result, services are reevaluating their strategies so they can evolve with these changes.

While strategy is not the treasurer's responsibility, if you have some experience in this area, you may be in a position to help progress or facilitate it. Having a clear strategy that outlines the opportunities, challenges, and direction the organisation is headed, will also help you create more meaningful reporting to assist decision-making.



Get help from industry associations

Find out what industry association your service is part of, and explore what resources they have available. Some of the larger associations include Community Early Learning Australia, the Community Childcare Association, and the Early Learning Association of Australia.

These associations provide affordable resources to members and non-members, including:

- Policy and management manuals.
- Professional development services.
- Advisory services, covering areas such as regulation, policy, and health and safety.

ELAA in particular also provides treasurer-specific resources such as training, templates, calculators, and advice.



Keep on top of employee leave entitlements

Employee leave entitlements can be one of the most complex areas of accounting you're likely to come across. Leave entitlements include long service leave, sick leave, and in some states such as Victoria, portable leave.

Most auditors and bookkeepers are aware of the complexities, so they typically have processes that make sure enough leave is provisioned. Some services may also keep separate bank accounts to cover leave entitlements. As treasurer, you should check balance sheet provisions, and understand the calculations behind them.

Keeping Finances Healthy And Members Happy

As an informed and proactive treasurer, you have the chance to help your ECEC service operate more effectively and deliver better service. And while your role is focused on overseeing financial administration, there is still a lot to know and cover. From our experience, following these steps will help get your service in great financial shape, and help you make a lasting contribution to future boards, parents, and children.

We hope you find these guidelines useful and wish you well in your new role.



For more information, advice, or to provide any feedback, please reach out to Michael Kent at Slate Accounts on 1300 660 129 or email michaelkent@slateaccounts.com.au.

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