



NSW Department of
Community Services

Service Analysis and Business Development Resource Manual

 FOR NSW DoCS FUNDED CHILDREN'S SERVICES

Acknowledgements

The Service Analysis and Business Development (SABD) Resource Manual and the Tools and Templates Workbook have been developed by Matrix on Board and the Miller Group on behalf of the NSW Department of Community Services (DoCS).

Matrix on Board

PO Box 418,
Broadway NSW 2007
Ph: 02 9281 1700
Fax: 02 9281 1744
Email: admin@mob.com.au
Web: www.mob.com.au

The Miller Group

206/61 Marlborough St,
Surry Hills NSW 2010
Ph: 02 9698 8834
Fax: 02 9698 8834
Email: libby.d@themillergroup.com.au
www.themillergroup.com.au

Catherine Maramara (Project Manager – Matrix on Board)
Caroline Webber (Editor)
Marina Spurgin (Sub Editor)

Thank you to the following individuals for their contribution:

Allison Bisshop, Philip Borg, Lesley Cook
Emily Dempster, Libby Darlison, Andrew Edwards
Joe Harrison, Julie Hillier, Laurence Kerr
Denise King, Annie Malcolm, Julia Purchas, Jules Routledge
Coralie Traynor, Nonie Wales, Morri Young

Kim do Canto Graphic Design

15A Small Street, Putney NSW 2112
Ph: 02 9808 3204 Fax: 02 9808 3504
Email: kdocanto@optusnet.com.au

IQ Printing

85 Longueville Rd, Lane Cove NSW 2066
Ph: 02 9418 7177 Fax: 02 9418 7025
Mobile: 0411 322 922
Email: iqprinting@bigpond.com

December 2007

Foreword

"I am pleased to be able to present this Service Analysis and Business Development Resource Manual and the Tools and Templates Workbook to our partners in the New South Wales preschool sector.

This Manual has been designed to provide a practical and user-friendly guide for preschool services in planning and managing their service effectively. The Manual is also available online at the Department of Community Services website: www.community.nsw.gov.au

I hope the Manual will be a valuable resource for preschool services in analysing their service delivery and business planning practices, provide the tools to assist them to improve their service efficiency and organisational sustainability, and most importantly, enable these services to achieve better outcomes for the children of NSW."



Dr Gül Izmir
Deputy Director-General
Service System Development



Background

Preschools are an integral part of children's services in New South Wales. Children's services provide crucial developmental opportunities for children, helping them to prepare for future life, and building their social and emotional well-being. There are 775 preschools in NSW, and the majority of these are in the community-based sector.

NSW Preschool Investment Reform Plan

The Preschool Investment Reform Plan (PIRP) announced by the Premier in May 2006 represents an \$85 million investment in strengthening the community-based preschool sector in NSW. The Plan aims to improve access to children's services in NSW by making it more affordable and easier for children from disadvantaged backgrounds to participate in a program in the year before starting school.

The Plan is supported by a reform program to ensure that children's services are sustainable and able to respond to the changing environment and needs of the sector.

This manual has been produced specifically to support the children's services that were assessed as eligible for support under the SABD funding criteria. Once existing children's services are on a more sustainable footing, the number of preschool places will be expanded and further subsidised to accommodate another 10,500 children in the year before starting school.

This will be achieved by providing an additional \$29.8 million per year from 2008/09, which represents the growth phase of the Preschool Investment Reform Plan, and which will bring the NSW Government's total annual investment in children's services to more than \$130 million. More information about the PIRP is available on the Department of Community Services (DoCS) website: www.community.nsw.gov.au.¹

¹ Please note that when website addresses are at the end of a sentence they are followed by a full stop. The full stop does not form part of the website address.

Contents

Acknowledgements	2
Foreword	3
Background	4
Contents	5
Introduction	6
How to use the Manual	7

SECTION ONE **Understanding Your Business Environment**

Section One Overview	9	
MODULE 1	Scoping your Business Environment	10
MODULE 2	Identifying Strengths and Risks	15
MODULE 3	Legislation for Children's Services	19

SECTION TWO **Developing Your Business**

Section Two Overview	21	
MODULE 4	Using a Results Based Approach to Service Delivery	22
MODULE 5	The Business Planning Process	25
MODULE 6	Options for Building a Strong and Sustainable Business	27

SECTION THREE **Managing and Sustaining Your Business**

Section Three Overview	35	
MODULE 7	Corporate Governance and Management	36
MODULE 8	Policy and Procedures	38
MODULE 9	Managing your Finances	41
Glossary of Terms	48	
References	50	

Disclaimer: Where links to external internet sites have been provided the Department of Community Services is not responsible for the content of those sites.

Introduction

Service Analysis and Business Development (SABD)

Thinking of your service as a “business” can help provide a quality service that meets demands and is sustainable in a competitive and changing environment.

Service analysis refers to an internal in-depth review of a service's systems, performance and outputs. Business development is the process of enhancing, refining and growing systems in order to achieve the required performance objectives and outcomes for the service.

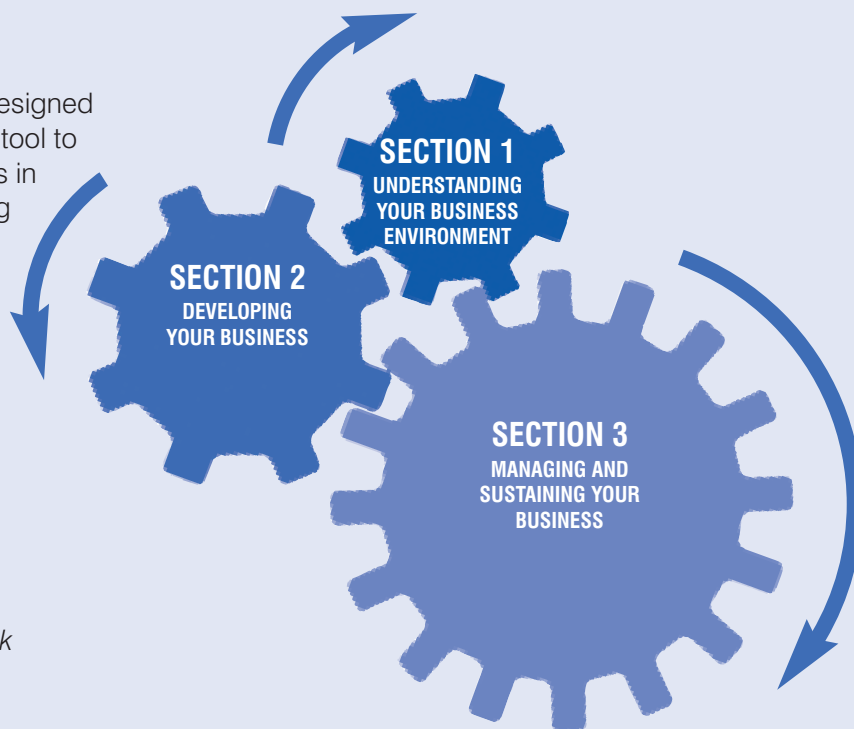
Developing a business plan can assist you to look at your service from a business perspective. Most services already implement informal planning activities. Formalising this information into a business plan is an important strategic approach to understanding what you do, how you do it, and planning what you will do in the future.

Manual Structure

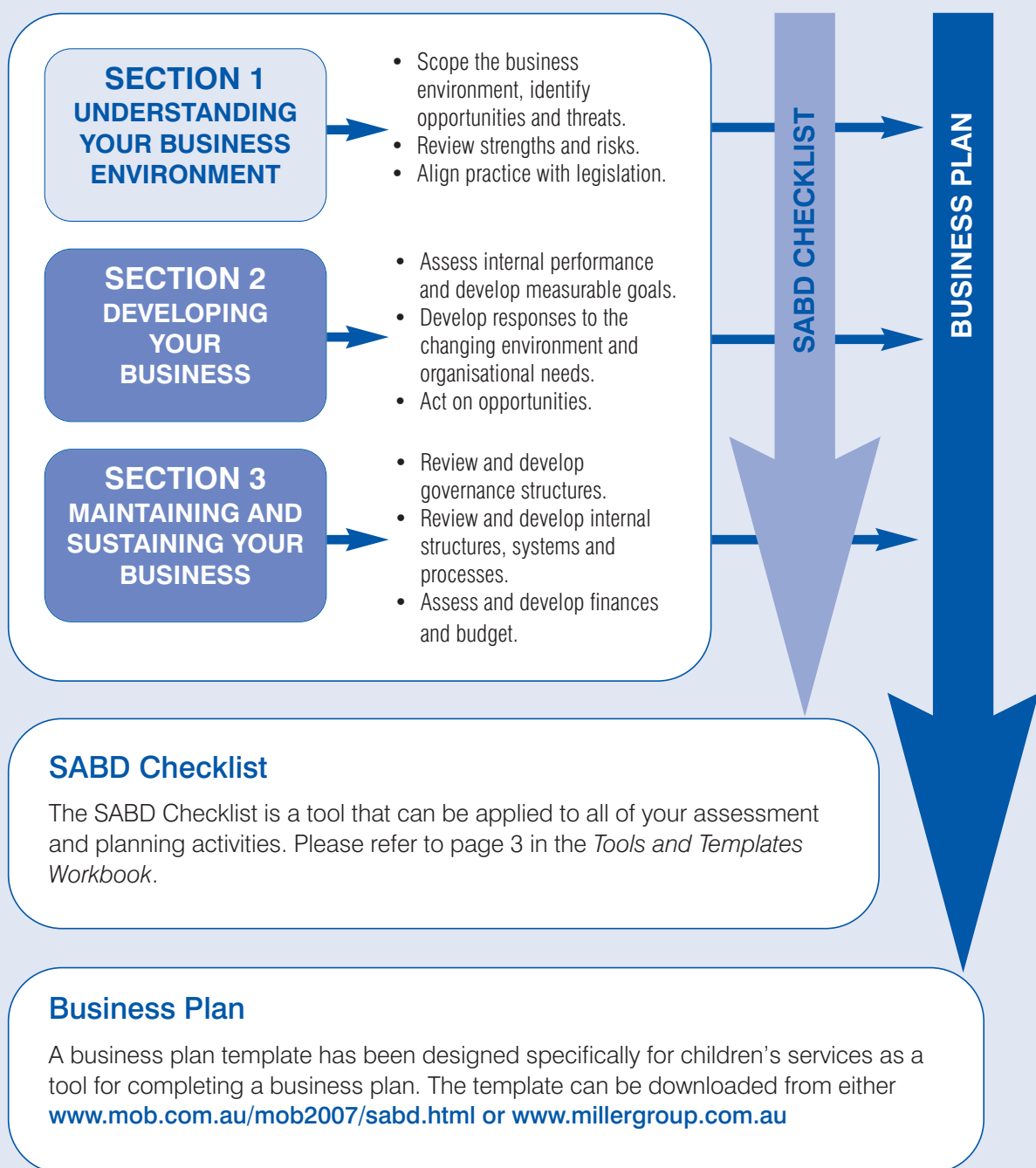
The Manual has been designed as a practical reference tool to assist children's services in systematically evaluating their business.

Each section of the manual can be worked through independently and each section is divided into modules.

To assist with assessment and planning activities a supplementary *Tools and Templates Workbook* has been developed.



How to use the Manual





SECTION ONE OVERVIEW

Understanding Your Business Environment

MODULE 1

Introduces the concept of scoping the business environment. This will help to gather the information needed to understand the environment in which your service operates.

Learning Outcomes:

- Describe your service's location and operating catchment
- List stakeholders, current partners and other children's services with an interest in your area
- Document a demographic profile of your service
- Create a community snapshot.

Tools and Templates *(Refer to the Tools and Templates Workbook)*

- Scoping the Business Environment Checklist
- Demographic Profile Template

MODULE 2

Demonstrates the value of identifying your service's strengths and potential risks. It also suggests some simple approaches to monitoring and responding to potential risk.

Learning Outcomes:

- Identify your service's strengths and risks
- Complete a strengths and risks analysis
- Understand the basics of risk management
- Develop a risk management action plan

Tools and Templates *(Refer to the Tools and Templates Workbook)*

- Risk Management Analysis
- Risk Analysis Action Plan Template

MODULE 3

Services need to ensure they operate within their legislative framework. All services should be aware and remain up to date with legal requirements.

Learning Outcome:

- Awareness of the NSW legislative framework and children's services regulation.
This Includes understanding its importance in relation to planning for your service.

Tools and Templates *(Refer to the Tools and Templates Workbook)*

- The NSW Legislative Framework

Scoping the Business Environment

What is the business environment?

The business environment is both the internal and external environment in which your service operates. It includes everything from service users, staff, government agencies, non-government organisations and potential partners to the people that live in the surrounding community.

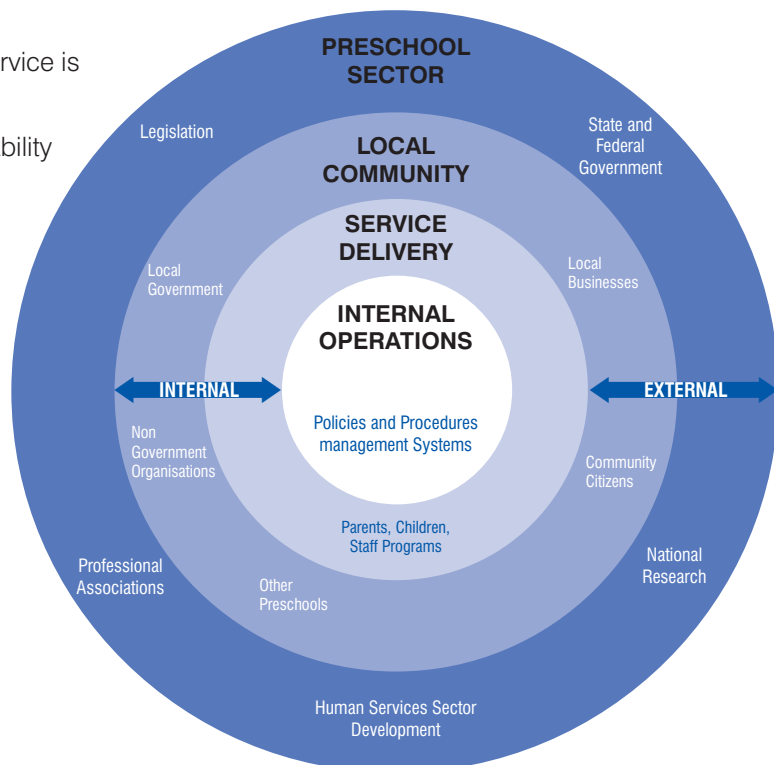
The high demands on the not-for-profit sector and the nature of providing children's services make it easy to get caught up in the day-to-day running of the business without finding the time to assess the business environment.

Your business environment isn't limited to your local surrounding area. For example, the Country Children's Services Association business support service might be an ideal partner, although it is not necessarily local.

Understanding your business environment is the first step towards developing a business plan.

Defining your business environment may help you to:

- Identify potential (such as resources, funding opportunities, opportunities for partnership development and resources)
- Be accountable to stakeholders (eg funders, customers and partners)
- Demonstrate how your service is performing
- Contribute to the sustainability of your service
- Be innovative
- Secure a position in the local children's services market
- Secure a share of potential families in the service area
- Build a good reputation



The internal and external business environment

Defining your business environment

Defining your business environment involves first brainstorming and researching, and then analysing and documenting what you have found.

Defining the environment can be broken up into the following three sections:

- Location and operating catchment map and description
- Business profile overview
- Demographic profile of service area.

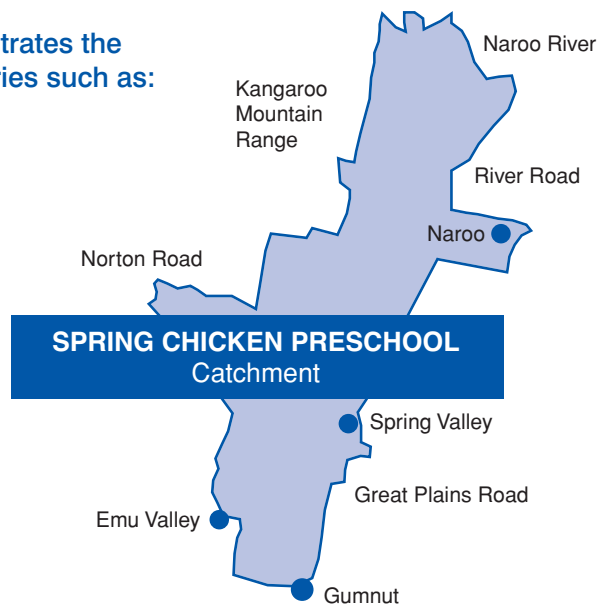
Location and operating catchment map and description

While most committee members and staff are aware of the catchment boundaries, it is important to formally define them with a simple map and a brief description.

The following example¹ demonstrates a geographic description and boundary map of the Spring Chicken Preschool catchment area:

Spring Chicken Preschool is located in the small rural community of Spring Valley which is located in the Local Government Area of Kangaroo Plains. We draw children from Spring Valley and from the Northern part of Gumnut. A small number of our children also come from the neighbouring Local Government Area of Emu Valley especially the southern town of Naroo.

A catchment map illustrates the geographical boundaries such as:



¹ Adapted from Community Child Care Cooperative LTD. (NSW) www.cccnsw.org.au/pdf/BusinessPlanProforma.doc

Business profile overview

Developing your business profile enables you to describe what your service provides, who the service is provided for and in what environment. This includes identifying stakeholders with a current or potential interest in the service.

An example² of a business profile overview:

Spring Chicken Preschool caters for 30 children in the 4-5 year age range. Spring Chicken provides early education and care for children from 9am - 3pm two days per week (currently Mondays and Tuesdays). Our stakeholders include the community of Spring Valley, the parents of the children currently in the service, the parents of children who have graduated from the service, the staff members of Spring Chicken, the Department of Community Services and the children who attend the service.

Spring Chicken has strong working relationships with all the local schools, the baby health centre and Spring Valley primary school. There is one long day care service in Kangaroo Plains which caters mostly for under three year olds and has five preschool places.

Demographic profile of service area

Developing a demographic profile involves creating a statistical overview of your service area. Gathering statistics enables you to illustrate supply and demand.

A profile includes information about:

- The numbers of families with children under six years of age
- The numbers of families with children under six on low incomes
- The projected numbers of children aged six and under for the coming six years
- The socio-economic index for areas* (SEIFA) index for the Local Government Area
- The number of children's services in the service area and the numbers of places each service provides for different age groups.

*SEIFA includes variables that measure relative social and economic well-being. Indicators include: income, occupation, employment status, educational qualification, internet usage and size of dwelling. A higher score on this index means that an area has a relatively high proportion of people with high incomes, professional occupations and tertiary qualifications. It also means that an area has a low proportion of people with low incomes, unskilled occupations and no education qualifications. A listing of SEIFA can be found at: www.mncahs.health.nsw.gov.au/public-health/chorep/soc_irsd_lgamap.pdf

Tip: *The Australian Bureau of Statistics provides this information on their website. Also Local Councils are required to complete a Social or Community Plan (under the Local Government Act 1993) which contains information about the needs of the community and one of the mandatory target groups included in the social plan is children. This is a very reliable source of information.*

Other non-government organisations in your community may have already completed a similar exercise and be prepared to share this information with your service.

² Adapted from Community Child Care Cooperative LTD. (NSW) www.cccnsw.org.au/pdf/BusinessPlanProforma.doc

Developing a community snapshot

A community snapshot, such as the example below, provides basic statistics of a Local Government Area (LGA). You can access this information for your local area on the following website: www.id.com.au/home/default.asp?pg=5

Sample of a community snapshot for Spring Valley

Household

	Number	Spring Valley %	NSW %
Males*	7,053	51.1	49.4
Females*	6,747	48.9	50.6
Total population*	13,800	100.0	100.0
Australian citizens	12,997	94.2	87.3
Australian citizens aged 18+	9,484	68.7	65.0
Indigenous population	1,084	7.9	1.9
Institutional population	427	3.1	3.0

Age structure

	Number	Spring Valley %	NSW %
Infants 0 to 4 years	1,020	7.4	6.7
Children 5 to 17 years	2,743	19.9	18.3
Adults 18 to 64 years	8,328	60.3	61.9
Mature adults 65 to 84 years	1,536	11.1	11.7
Senior citizens 85 years and over	175	1.3	1.4

Birthplace

	Number	Spring Valley %	NSW %
Australia	12,568	91.1	70.5
Overseas born	535	3.9	23.4
Mainly English speaking countries	324	2.3	7.2
Non-English speaking backgrounds	211	1.5	16.2

Language

	Number	Spring Valley %	NSW %
Speaks English only	13,121	95.1	75.7
Not Fluent in English	19	3.4	12.9

Religion

	Number	Spring Valley %	NSW %
Christian Total	11,760	85.2	71.4
Non Christian Total	41	0.3	6.4
No Religion	872	6.3	11.7

Labour force

	Number	Spring Valley %	NSW %
Total employed	6,135	92.0	92.8
Total unemployed	537	8.0	7.2
Total labour force	6,672	100.0	100.0

Education

	Number	Spring Valley %	NSW %
Attending pre-school or primary school	1,757	12.7	10.8
Attending secondary school	908	6.6	7.0
Attending a tertiary institution	622	4.5	6.7

Families and households

	Number	Spring Valley %	NSW %
Couple without child(ren)	1,381	37.0	34.9
Couple with child(ren)	1,787	47.8	47.8
One parent family	514	13.8	15.5
Lone Person households	1,187	31.8	31.6

Household income

	Number	Spring Valley %	NSW %
Less than \$300	721	14.4	12.2
\$300 to \$999	2,297	45.8	39.4
\$1,000 and over	1,355	27.0	36.9


Identifying Strengths and Risks

What are strengths and risks?

Strengths are the positive features of your service that enable you to enhance and develop your business. Strengths are opportunities arising from within your service (such as the skill set of a member of staff). Responding to opportunities quickly and appropriately can help ensure the long-term sustainability of your business.

Risks are the negative impact areas a service needs to improve or manage to achieve its goals. Developing a risk management strategy can help your service to effectively mitigate, prioritise and manage potential and actual risks and will ultimately enable you to improve service provision.

Some risks are social or economic and sometimes a service has no ability to control them. Being aware of external factors and potential risks provides you with the opportunity to address them before they have a negative impact on your service.



Strengths should be recognised and enhanced.

What is risk management?


Risk management is the process used to avoid, reduce and control risks. There should be a balance between the cost of managing risk and the benefits you expect from taking that risk.

Risk management seeks to proactively address and resolve potential problems before they occur thus creating a safer environment and operational procedures in line with legal requirements.

Potential risks facing not-for-profit children's services

Some general risks that services may experience include:

- Being underinsured
- Not understanding legislation
- Under or over staffing
- Loss of fee paying families
- Inadequate emergency procedures
- Fraud
- Not complying with funding requirements.

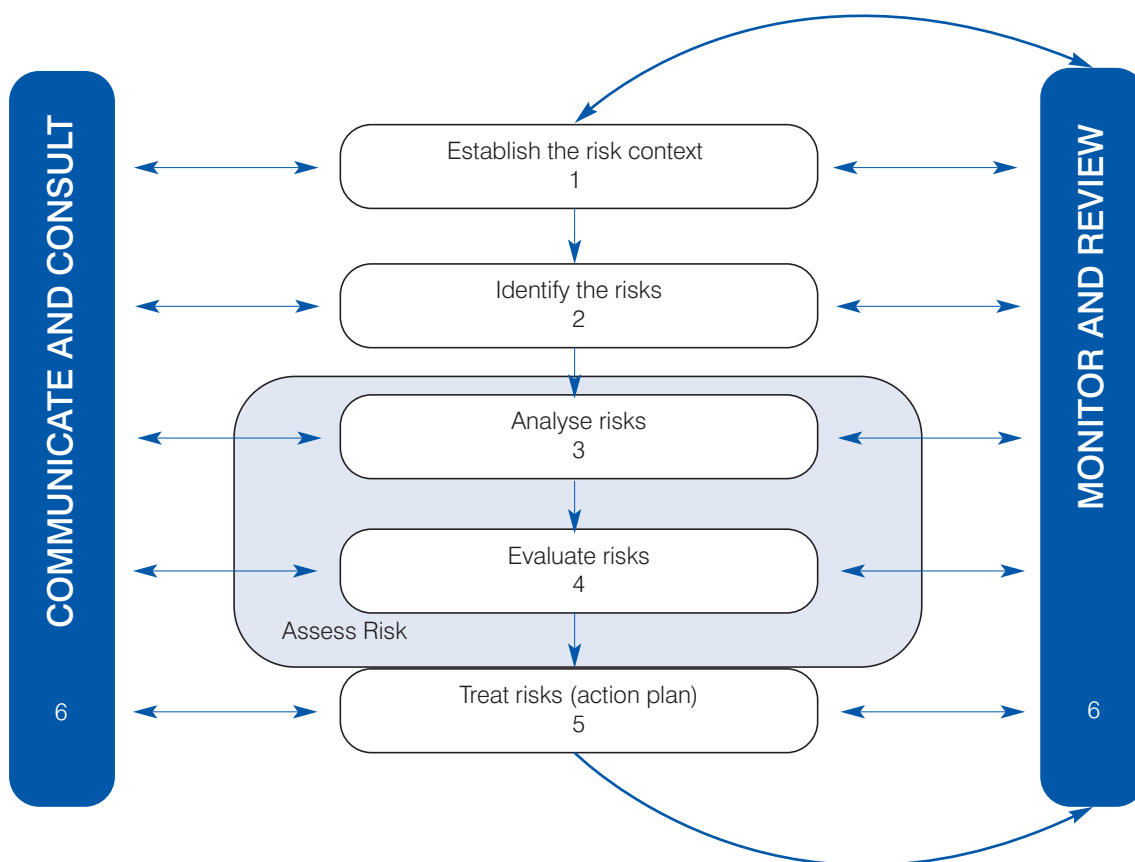


Risks need to be assessed, monitored and managed.

The Australian Standard sets out a systematic risk management approach using the following steps:

- Establish the risk context
- Identify the risks
- Analyse risks
- Evaluate risks
- Treat the risks (action plan)
- Monitor and Review
- Communicate and Consult.

Risk management overview in accordance with the Australian Standard³



Why manage risks?

Ignoring risks is dangerous as the consequences can be costly. Managing risk can be far easier than having to deal with the result of ignoring them.

Neglecting to manage potential risks in your service can have a negative impact on:

- The health and safety of employees and clients
- Service reputation, credibility and status
- General confidence in the service
- The financial position
- Assets, equipment and/or the environment.

Children's services need to be aware of risks because:

- They provide care to children
- As an authorised supervisor, management committee member or staff member they are accountable for the service provided
- They deal with people, money, external bodies and may also be an employer.

A systematic approach to managing risk is regarded as good management practice.

³ Australian Standard AS/NZS 4360: 1999 at 8.

Strengths and risks analysis and action planning

A checklist is a good way to start a strengths and risks analysis as it indicates what you need to plan for. Both staff and management committee members should be involved so there is a broad perspective. Families who use the service should also be encouraged to provide feedback. It is their needs that must be addressed if your service is to remain sustainable.

The table below is an example of questions to ask when completing a strengths and risks analysis. It is suggested to consider the following areas:

- Governance
- Financial management
- Staffing
- Legislation
- Service delivery

Example questions for a strengths and risk analysis for Spring Valley Preschool:

Questions	Yes	No	Don't know	Define Issue (If answered "No" or "Don't know")	Action to be taken (If answered "No" or "Don't know")
Is the service accessible to all the community (including people who use wheelchairs)?		√		No wheelchair access from driveway to the front door.	Propose a ramp to board as a priority of next planning round.
Is the service run by a management committee with clear policies and procedures?		√		Policy and procedures have not been reviewed for over twelve months.	Review the policy and procedures manual include date and when the next review is due. Remember to get these endorsed by the management committee.
Are the service users generally satisfied with the service?			√	Service users haven't been asked.	Develop an anonymous questionnaire for parents regarding their experience and satisfaction with the service.
Is the service offered at a competitive price?			√	There is no comparable data available.	Investigate other children's services in the area offering the same or similar service.
Does the service know and meet all its contractual and legal obligations?			√		Review and ensure all policies and procedures are aligned with legislative requirements.

Risk action planning

Once a risk analysis is complete the next step is to translate this information into an action plan. In the Tools and Templates section you will find a Risk Analysis Action Plan template. *Here is an example of how it works⁴ :*

Identification/ Definition	Assessment of risk		Control Strategies	Implementation of control strategies	Responsible Officer	Monitoring & review of effectiveness
	Impact	Likelihood				
(insert risk) eg Fall in number of enrolments	High	Low	Local promotion of Preschool	Run 1 per year	Chair-person/ Authorised Supervisor	July each year

⁴ Adapted from Community Child Care Co-operative LTD. (NSW) www.cccnsw.org.au/pdf/BusinessPlanProforma.doc

Identification/Definition: Describe the risk.

Assessment of risk: The impact and likelihood of the risk needs to be assessed and rated as Low, Medium or High. To determine this you can look at past history and your business environment.

Impact : Low = It will affect the service mildly; **Medium** = It will have some affect on the service and result in short term issues; **High** = It will affect the service greatly and have some long-term repercussions.

Likelihood: Low = It is unlikely to happen; **Medium** = It may happen; **High** = It is very likely to happen.

Control strategy: This refers to how you will respond to the potential risk as a strategy – you need to ask "What will help in minimising the likelihood and the impact of this potential risk?"

Implementation of control strategy: Here you decide how you will put the control strategy into action. This should help to measure the effectiveness of the control strategy.

Responsible officer: The title of the position is listed here to ensure the control strategy is implemented and reviewed. It is important that the position holder is aware of this responsibility and has access to the resources needed to ensure they can do the job.

Monitoring and review of effectiveness: This refers to checking to see the control strategy is working and the likelihood and impact are being managed effectively.

Responding to fraud

Fraud is more prevalent than most people realise, it can destroy a service's reputation and may result in civil and criminal prosecution of the management committee. The impact of fraud upon a service can be devastating. Fraud risks should be considered as part of the overall risk management process.

Good governance requires more than just ensuring an effective system of internal controls. It requires:

- A strong and clear message from the management committee, who should lead by example
- Clear policies, procedures and standards
- Knowledge of the key fraud risks
- Effective fraud and corruption reporting
- Development of a strong culture of ethics and honesty.

A fraud risk analysis assessment tool can be used to review potential fraud risks. It lists possible fraud risks and recommends measures to control or minimise the risk. For instance, if one person is responsible for completing all the banking and monitoring all expenditure, a process should exist to check their records. DoCS has an assessment tool which can be downloaded from:

www.community.nsw.gov.au/DOCSWR/_assets/main/documents/Fraud_risk.pdf

This assessment process is broken down into "categories". It is recommended that you complete this analysis. It is advisable to tackle one category at a time, slowly and carefully. It is also recommended that you view the DoCS Fraud Control Plan:

www.community.nsw.gov.au/DOCS/STANDARD/PC_100945.html.

Legislation for Children's Services

Operating within the legislative framework

Service analysis and business development should also include reviewing current practises and ensuring your service complies with legal requirements. This is as simple as having access to current legislative requirements and regulations when conducting any service analysis and business development activities.

Keeping informed and up to date with legislation is critical when planning for the future. A process should be in place to ensure information is passed on from the authorised supervisor to the management committee and vice versa.

The interests of children are the main focus of children's services and so all services have to operate in the best interest of children at all times. Services should meet the individual needs of the child and should support their physical, emotional, cognitive, social and cultural development.

In order to provide high quality services to children that are of a consistent standard, a legislative framework is in place to ensure that services operate at comparable levels and reach minimum requirements. In NSW, The Children and Young Persons (Care and Protection) Act 1998 and The Children's Services Regulation 2004 form the legislative framework.

Together, the Act and the Regulation provide the framework which sets out the licensing regulations for children's services in NSW. They define the parameters which your service must operate within in order to comply with the law. Not complying with the regulations may be an offence.

The Children's Services Regulation (2004) states that children's services must provide safe and appropriate care and an educational environment for children. All licensed service providers must comply with the Regulation and so it is important that your staff and management committee are familiar with it. It is also important to check the Regulations on a regular basis as sometimes changes are made.

In NSW, DoCS is responsible for regulating children's services, such as preschools and long day care. DoCS is also responsible for setting the standards by which all children's service must operate, in accordance with the legislative framework.

DoCS describes children's services as generally providing a service for children aged three years to less than six years of age. Some services may be licensed to take children under two years of age.



Laws exist to protect both staff and service users and ensure that certain minimum standards are applied to all children's services in NSW.





SECTION TWO OVERVIEW

Developing Your Business

MODULE 4

Introduces the concept of Results Based Accountability (RBA), how RBA works, and how using it can ensure that the services you deliver are achieving the results you want.

Learning Outcomes:

- Understand what is meant by RBA
- Describe the benefits of RBA for individual services and the preschool sector
- Develop results and measures for your service

Tools and Templates *(Refer to the Tools and Templates Workbook)*

- Results Based Accountability Implementation Self Assessment

MODULE 5

Why business planning is important for children's services and how to go about developing a business plan. Topics include what should go into a business plan, how to measure your plans effectiveness, and how to plan for change.

Learning Outcomes:

- Understand the importance of planning
- Understand the purpose of a business plan and its role in service development and sustainability
- Know what is included in a business plan
- Develop a business plan.

Tools and Templates *(Refer to the Tools and Templates Workbook)*

- Business Plan Development Guidelines

MODULE 6

Describes some of the options available to strengthen and increase the sustainability of your business. They include the expansion of services and the development of partnerships and strategic alliances. The module also includes guidelines and templates for clarifying and formalising agreements.

Learning Outcomes:

- Understand the process of transitioning from a preschool to a long day care model
- Understand the differences between the various types of collaborative relationships
- Identify the benefits and challenges of partnerships
- Understand the amalgamation process and formalise partnership arrangements using a Memorandum of Understanding.

Tools and Templates *(Refer to the Tools and Templates Workbook)*

- Key Steps in the Amalgamation Process
- Memorandum of Understanding Template
- Types of Partnerships

Using a Results Based Approach to Service Delivery

What is Results Based Accountability? (RBA)

Results Based Accountability (RBA) is a process for achieving a strong and sustainable service that will deliver positive change (results) for all stakeholders including children, parents, staff, funders and partners etc.

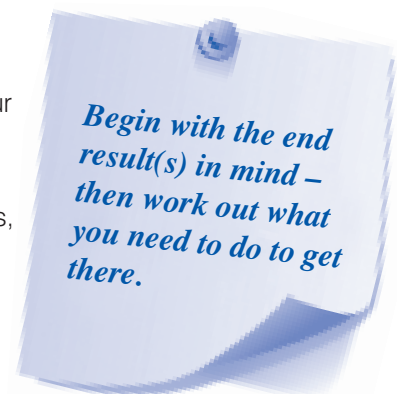
For individual preschool services, RBA provides a structured approach to thinking about service delivery, operational performance and results.

The RBA approach starts by looking at the **result(s)** and asks “What is the positive change we want to achieve for the parents and children who use our service and for the operation of our service? What information is needed, or what needs to be done, to ensure that the required results are achieved?”

As an example, a service may focus on the number of programs it operates, the type of programs it offers, or how much staff effort and time goes into ensuring that children enjoy those programs, rather than whether or not the efforts and the programs are achieving positive, measurable results.

Using RBA, the focus is first on the results you want to achieve for your children and for the operations of the service as a whole, and then on what needs to happen across the service to deliver those results.

Increasingly DoCS will be expecting that all of its funded organisations, including preschool services, will use the RBA framework. This will mean that all preschool services will be clear about the results DoCS is seeking, and that they will have a simple process for delivering those results while strengthening and sustaining their business.



Results Based Accountability is made up of two parts:

Population accountability

This is about the wellbeing of whole populations, such as all preschool age children. This is the focus for government.

Performance accountability

This is about the wellbeing of client populations, such as parents/carers and children. This is the focus for service providers.

How does RBA work?

Services need to ask the following questions, and collect the responses, to build a data base. Start with existing information and then build on it. Additional data can be collected by conducting surveys with parents, partners, committee members and staff.

You can answer the questions in any order, just as long as you answer them all.

1. **Who are our service users?**
(eg enrolled children, parents and carers)
2. **How can we measure if our children are better off?**
(eg performance measures or result indicators of children's literacy skills, basic knowledge of health practices, social skills etc)

3. What information do we already have?

(Eg number of children who are ready for school based on each of the measures we have identified)

4. How can we measure if we are delivering the service well?

(Eg child/staff ratio, unit cost, turnover rate, customer satisfaction etc.)

5. How are we doing on the most important of these measures?

(Are things getting better or worse and why – each service should identify and agree on which measures are most important)

6. Who are the partners who have a potential role to play in doing better?

(Eg other services, local Council, parent groups)

7. What works and/or what could be better?

(Eg best practices, our best hunches, including partners' contributions)

8. What do we propose to do? What would it take to implement our ideas?

(Eg a three-five year business plan and budget reviewed annually. Putting in place no-cost and low-cost strategies first then, when we have the resources, implementing additional strategies.)

When you have collated the data you will be able to demonstrate:

- How well your service is performing (ie the results you are achieving for your service and how that compares with the population results for your sector)
- What you could do better (the parts of your service where you want to achieve better results)
- How to go about doing better (eg what additional data do you need, what additional activities do you need to undertake?)
- The improvement of your service over time.

It is important to measure whether or not you are achieving the results you want. To help you identify effective performance measures for the results you are seeking answer the following four key questions to assess how much effort you made and what the effect of that effort was.

- [How much did we do?](#)
- [How well did we do it?](#)
- [Is anyone better off?](#)
- [How do we know we achieved it?](#)

Using RBA to drive planning and budgeting

Results are often dependent on how effectively all areas of your service are operating. For example, your program results may be dependent on your child to staff ratio. This in turn may be dependent on the money you can offer to secure good staff, and this will be dependent on your service's financial decisions and planning.

By starting with your results and then looking at the financial implications of achieving those results, your budget is drawn up in a focused, realistic way. This will enable you to prioritise spending on what your service **needs** to do (to achieve your results) rather than what it would **like to** be able do.

The following part of this section illustrates how to incorporate RBA processes into the business plan.

You can find more information about RBA on the following websites:

www.raguide.org and

www.resultsaccountability.com

Achieving a desired result(s)

The following RBA flow chart demonstrates the logical steps to take to achieve a specific result. In this example the result selected is 'all our 4-5 year old children are ready for school', however the logic behind each step would apply equally to any particular result you are seeking.



Because you will be constantly trying to achieve the best results possible for your children, parents, and the sustainability of your service across all areas, you will need to repeat these steps from time to time. By always returning to your baseline measures and comparing those with your performance measures you will be able to measure your achievements (results) and chart your improvement over time.

The Business Planning Process

The planning process

People often mistakenly think that planning is only relevant to large organisations. However, good planning is fundamental to the health and sustainability of any service, regardless of its size, status or aim.

A plan is simply a process for determining where you want your service to go and how to get there. Without a plan you won't have a clear idea of what your service must do to be sustainable, what you would like your service to achieve, and the steps needed to turn your ideas into reality.

Developing the business plan

The focus of the **business plan** is on the sustainability of the **service's core business**. It provides a structured opportunity to set the priorities for improving and maintaining the quality of your service.

While community childcare and preschool services are not-for-profit organisations and may differ from for profit businesses in many ways, they are still "businesses" in the sense that they operate in order to produce outcomes – in this case human service outcomes – and those outcomes, and all other aspects of their operations, will benefit from having an effective business plan in place.

Developing and implementing an effective business plan is of real benefit to your service. It can:

- Make your service attractive to potential partners who may strengthen your capacity to deliver better or even additional programs
- Be the reason why parents choose your service over others
- Deliver increased funding
- Attract qualified early childhood staff
- Provide your service with the confidence that all requirements are being met and rules adhered to.

Your business plan should contain everything your service needs to know about successfully operating and 'growing' the business, and should also include **financial information**.

Your business plan should answer questions such as:

- What is our core business?
- What do we produce/provide?
- Who and what is our market?
- Who will want to buy our services?
- Who is our competition?
- What do we need to know and do to remain competitive?
- How can we market ourselves successfully?
- How much money do we need to make to operate our business successfully?
- What other resources (eg human, physical) do we need?
- What management or other controls should we have in place?
- How often should we review our plan?

A business plan should provide the framework for your budget and other financial planning processes. The financial information and targets contained in your business plan should allow you to see whether your budgets reflect your overall financial plans and whether you need to cut back on spending in certain areas or increase it in others. For these reasons your service's budget should be developed with reference to, and in line with, your business plan.



Who to involve

Your management committee, in conjunction with the authorised supervisor of your service, should drive the development of the business plan. The management committee has the responsibility for guiding the growth and development of the service and is responsible for the success or failure of the business plan and the service.

This does not mean that others who are central to the success of the service such as staff, the service's financial, legal and other key advisors should not contribute. The business plan will benefit from their expertise and experience. Staff should also be invited to review the plan and provide any additional information to improve its quality and effectiveness.

Remember to:

- *Keep the plan as simple and clear as possible*
- *Set SMART (Specific, Measurable, Achievable, Relevant and Timely) targets and timelines*
- *Use as many facts and hard figures as possible*
- *Break the plan into manageable sections*

Components of a business plan

All business plans differ depending on service size, operating time, location, access to resources and so on. However, there are core components of all business plans, no matter what the characteristics of the service. The Business Plan Development Guidelines in the *Tools and Templates Workbook* sets out all of the information that should be included. Any additional information that is relevant to the current and future operation of your service can be included.

Negotiating change

There will always be factors that influence the operation of your service and its sustainability, such as demographic changes, funding sources, or the arrival of competitors. Your business plan will enable you to plan for change and to deal with changes as they occur. This means that your business plan is not static and will need to be reviewed regularly.

Change can often be difficult for a service to experience, but it is far more difficult to deal with if you do not have a plan that allows for, or even predicts, change. The ability to be proactive and to prepare for change, rather than being reactive, can often mean the difference between the success and failure of your service.

Measuring outcomes and evaluation

Not-for-profit services are evaluated on their governance and management, their financial performance and the quality of the services they provide.

Remember your business plan is the document that brings together and connects all of the information you need to have to evaluate and monitor each of these areas. Any changes you make in any part of your service will have an impact on your business plan. For this reason your service's business plan should be reviewed annually.

When you evaluate your plan you may find that you are providing quality services and your clients are happy, but that the services come at an unsustainable financial cost. When you are measuring your service's outcomes it is important to do so in conjunction with the outcomes of your business plan.

Options for Building a Strong & Sustainable Business

Working towards a strong and sustainable business

An effective way of ensuring that your service is strong and sustainable is to operate in accordance with good practice guidelines. Your service may also need to explore innovative, individual or collaborative strategies to maintain sustainability. On the DoCS website you will find the DoCS 'Good Practice Guidelines for DoCS - Funded Services Manual'. The Manual provides important information including:

- Good practice guidelines
- Quality self assessment
- Quality work plan

http://www.community.nsw.gov.au/DOCS/STANDARD/PC_100939.html

Demographic changes, the entrance of competitors into your Local Government Area (LGA), or a financial situation that does not allow you to engage the specialist services you need, are just some of the reasons why services might seek alternative approaches for strengthening sustainability. Whatever approach you choose, your focus should be on the benefits for your service and/or the mutual benefits for other services.

All partnerships and strategic alliances differ and you will need to consider what choice is the best for your service. Before making a decision you should:

- Identify your needs
- Clarify the outcomes you want to achieve
- Establish your priorities
- Identify all available resources
- Identify the potential risks and benefits.

Expanding your preschool service to a long day care model

Many preschools consider that expanding their service delivery to incorporate long day care is one option for building a stronger and more sustainable business. By doing this preschool services are able to offer a greater range of services and can apply for additional funding sources. However, the conversion can be a long process that needs careful consideration at every step.

The following are some important issues to explore and actions to take when considering making the transition:

- Survey parents and other key stakeholders to assess what the community needs.
- Undertake a thorough business needs assessment/mapping exercise (see Scoping the Business, Module 1) to make sure there is a need for this type of service and whether your service is in a good position to provide it.
- Talk to other providers about what the community needs.
- Make sure your service meets the requirements and can be licensed by DoCS to provide long day care as set out in the Children's Services Regulation 2004.
- For information on the financial and resource implications of long day care read the DoCS *Costing Manual* available at:
www.community.nsw.gov.au/docswr/_assets/main/documents/cost_manual_childrens.pdf.
- Discuss your plans with local DoCS staff to determine any funding implications.
- Many preschools would need to make substantial changes to the current building infrastructure to become suitable for long day care premises. Capital works need to be costed in detail.

- Make sure there are adequate staffing levels and training. For more information go to: www.community.nsw.gov.au/DOCS/STANDARD/PC_100995.html.
- Investigate the funding requirements associated with the set up and operation of long day care services. To obtain more information go to: www.facsia.gov.au.
- Some peak organisations offer information and support for any services thinking of expanding their service options.

Partnerships and strategic alliances⁶

Service partnerships can take many forms, for example: informal collaboration between two services on a specific issue; the formation a partnership or strategic alliance between several services for a special project(s); or the amalgamation of two services into one.

Whatever form they take, partnerships aim to achieve goals that neither partner would be able to achieve alone.

Partnerships and strategic alliances are collaborative relationships between two or more organisations that use innovative and flexible methods to achieve agreed goals.

Benefits of partnerships

The benefits from partnering with another service can include:

- Increased capacity to meet objectives and get things done – through an increase in people, resources, skills and/or finances additional support is provided for achieving service goals.
- Reduction of costs through the elimination of duplication.
- Ability to source business advice, strategies and knowledge to advance a project – access to new ideas, practices and disciplines that could be adapted to your service.
- Increased skills – new skills can be provided through mentoring, access to different business networks and workplace training.
- Increased opportunity to influence – partnerships can provide a greater impact on decision makers, policy makers and funding bodies that your service did not have before.
- Improved infrastructure – better resources to allow you to focus more on your “core” business.
- Morale boost – more opportunities to achieve results can boost morale in your service.
- Increased profile – it can take awareness of your service to new audiences and provide opportunities to which you previously may not have had access.
- Increased credibility – achieving results and gaining success can increase the level of professionalism and support from funding bodies and other partners.
- Increased development opportunities – access to another service and improved infrastructure can motivate your service to develop new projects.
- Economies of scale – a process by which an increase in the scale of the service causes a decrease in the long run average cost in the long run.
- Increased efficiencies and effectiveness in service delivery.

⁶The word partnership is used to describe all collaborative relationships referred to in this manual.

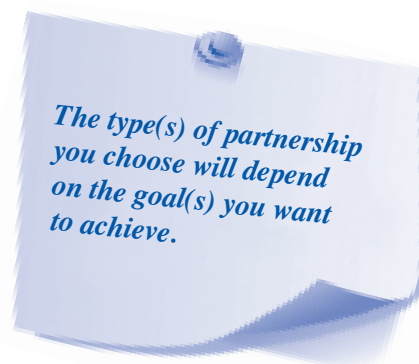
Types of partnerships

Partnerships will vary in complexity and commitment depending on the goal they are designed to achieve. Below are some partnership models that offer a range of benefits to services.

Informal networking

At the simplest level, your service may only want to share information with another service or services in your LGA. This may involve little more than cooperation or loose networking between services and may require no formal documentation.

A variation on this model is where partners decide to join together over a particular issue. For example, they may choose to lobby funders for greater administration assistance or to obtain region wide funding which will benefit all members of the network. An example may be funding to hire an expert to promote a group of services in a particular region.



Shared “back office service” models

One of the biggest challenges for services, especially smaller services, is developing and implementing efficient and low cost strategies for managing back office functions such as bookkeeping, payroll, financial planning, tax compliance and insurances.

Legislative and funder requirements often place a heavy administrative and financial burden on small services. They may not have the “in house” expertise required to meet their responsibilities and purchasing such services is often expensive.

Finding effective ways of addressing this situation is important as research demonstrates that the extent to which a service can adopt efficient administrative and financial practices, take advantage of economies of scale, implement cooperative practices and make optimal use of resources, will impact on their sustainability and growth⁷.

Sharing financial and administrative expertise

If a service is sufficiently large it may be able to consolidate all its financial and administrative functions into one area, however for smaller services it may be more efficient to think about what functions they could share with other services. For example it is reasonably common for services to share a bookkeeper or an administrative worker. Good practice ideas and innovations identified in one service can potentially be shared with others, and consequently, costs are reduced.

Outsourcing services

Other shared service models include those where one service contracts or outsources its financial and administration services to another. This arrangement is most often used where a larger service with well established and efficient systems contracts with a smaller one, or several smaller ones, to do certain administration or financial functions on a fee-for-service basis.

This collaborative model has the advantage of enabling the smaller service to achieve an economy of scale, to have access to efficient systems and equipment that they could not afford to purchase. It may also have advantages for the larger service. In addition to the service fee it charges, the larger organisation may also benefit by this partnership with a smaller organisation through a closer connection to the community and to local service providers.

While this model has clear benefits it also presents some challenges for smaller services who may feel that they are losing their autonomy or individuality and are being swallowed up by the larger service.

⁷ Sharing Financial Administration: A Feasibility Study of Potential Models for Small Non-Government Organisations, NCOSS 2007

Co-location of financial and administrative services

Another shared service model involves several services co-locating their financial and administrative activities and sharing staff such as a bookkeeper or payroll administrator. This arrangement may simply involve shared rental of a central office thus reducing fixed costs and making the most efficient use of resources.

In some cases co-location may involve more formal and complex arrangements where several services form a consortium or even a company with its own management committee and administrative arrangements. The company can then rent or even purchase suitable premises where all the administration and financial functions for all of the services can be carried out.

This partnership model has clear benefits for small services because they retain their autonomy and simply pay rent for the premises and contribute to the salary costs of the shared financial and administration staff. In addition staff are onsite and are therefore more accessible to answer questions or provide advice.

Co-location works best when services have similar programs, similar clients and a similar philosophy about the way they operate. Nevertheless the model still contains risks regarding common leases or ownership of common property, potential conflict between services concerning different approaches or organisational culture.

Amalgamation

The most complex form of partnership is an amalgamation, that is, when two or more services join together and are incorporated under the same legislation.

Amalgamations are normally undertaken in order to strengthen service capacity and financial sustainability. They also offer a strategic platform for growing a service to deliver quality services and programs or to operate additional services.

The current climate of shifting populations, greater accountability required by funding bodies, and increased costs of running a business and staffing levels are all drivers in amalgamation. Often, financial sustainability is the strongest driver.

Amalgamations can be very successful, however they can also be quite complex as they involve not just the integration of governance, management and operational practices, but also such diverse elements as culture and infrastructure. Amalgamations should only be undertaken after other partnership options have been considered.



Benefits of amalgamation

If undertaken carefully and with appropriate advice at each stage of the process amalgamations can result in:

- More effective allocation of resources
- Increased quality or quantity of services
- Decreased costs through economies of scale
- Development of a cohesive strategic approach
- Improved administration
- Spreading the risk
- Increased marketing opportunities
- Improved government support.

Challenges of amalgamation

Mergers and amalgamations can be stressful as they involve change to each party's traditional way of "doing" or "being". It is important to emphasise that these changes will, in all likelihood, result in positive outcomes, but at the time they may seem challenging and even threatening for some people. For this reason change management strategies must be clearly thought out before amalgamation takes place, and implemented strategically throughout the entire process.

While each amalgamation is a unique and complex exercise, most of the common problems encountered are:

- **Finances** – ownership of assets and liabilities, how funds are managed in the new service and allocated to various programs and services.
- **Equity** – lack of representation at decision-making levels as well as access to facilities and resources.
- **Mistrust** – a feeling that one service could dominate over the other, especially around finances and resources.
- **Boundaries** – can relate to geographical boundaries as well as service structure and responsibility.

Contact DoCS staff prior to any proposed amalgamations to discuss any funding implications.

Challenges of partnerships

While partnerships between services have the potential to foster creativity, efficiency and achieve better access and outcomes for families, they can also be complex, and require time to build, foster and maintain. Often the difficulties that arise are associated with relationship building and change management. Negotiation of these issues needs commitment, skill and most importantly, time.

Some common partnership challenges include:

- Unequal balance – contributions and benefits can be one-sided
- Lack of planning
- Pursuit of quick fixes
- Partners competing to take lead or unwilling to take the lead
- Individual partners dominating decision making
- Initial enthusiasm not maintained
- Some partners/staff are unwilling participants
- Inordinate time spent in meetings
- Failure to listen or engage in dialogue
- Lack of recognition of the need to develop the capabilities of those growing, directing or managing the partnership
- Weak links between strategic decision making and what is happening on the ground
- Lack of accountability among partners for delivering commitments
- Objectives poorly specified or set out without consultation or involvement of those who have to achieve them
- Failure to recognise that partnerships, like teams, go through stages before they perform effectively
- Failure to review how the partnership is operating and how it can improve.

Formalising partnership arrangements

Memorandum of Understanding (MoU)

Not all partnership arrangements require formal confirmation; however a legal agreement or a Memorandum of Understanding (MoU) serves to protect the parties with respect to their responsibilities and clarifies important issues for all parties.

A Memorandum of Understanding is a formal partnership agreement and should reflect the needs and requirements of all services involved. The MoU is not legally binding but it does provide a documentary record for all parties regarding what is intended for a particular period of time. The terms and requirements of any legal contracts applying to a partnership take precedence over the MoU.

Preparing to write a Memorandum of Understanding: a suggested approach

One approach for engaging all partners in the development of a MoU is to ask each partner to prepare an informal memo or letter to the group outlining their beliefs and expectations for the partnership.

Suggested points for inclusion in the memo are:

- Vision and outcomes: why the project is a good idea and how it will have an impact on our service users and the community.
- Individual service agenda: what the service wants to achieve and how this project will help to make this happen.
- Service strengths: a description of each partner service's strengths as they relate to this partnership.
- Roles and responsibilities: what the service understands they will be doing for, and with, the partnership.
- Commitment: the level of commitment that the agency feels that they are able to make (this could include access to resources; time commitment to attend meetings; capacity to employ additional workers or absorb additional service users etc.)
- Values and standards: the values, professional standards and principles that are essential for this partnership to be successful.

The memos should be shared with the group and similarities and differences should be discussed until the content for the draft MoU can be identified

Promoting your service

Attracting people to your service as customers, volunteers or supporters is an important strategy for ensuring the strength and sustainability of your service. Effective promotion of your service involves well prepared, well targeted, cost efficient marketing. Your marketing strategy should be included as part of your business plan.

It is crucial for any business to conduct market research to stay tuned to the needs and wants of customers. Assessing your market situation helps to identify shifts in perception, industry changes and population movements. This section will provide a brief overview of the process and desirable outcomes for marketing your service and should form part of your business plan.

Why is marketing important?

There many reasons and benefits for marketing your service such as:

- Improving your relationships with current customers and attracting new customers
- Enhancing your reputation and profile in the community
- Informing stakeholders about your service
- Leveraging more support from government and support agencies
- Contributing to the financial viability of your service.

Developing a marketing plan

Assessing your business environment will help steer marketing activities. An external analysis will help identify industry trends and changes, technological or economic influences which can impact on the service. It is important to recognise your competitors and differentiate your service.

An internal analysis will reveal strengths and weaknesses in operations and whether or not the service is meeting expectations. It is crucial to define your "target market" and remain customer focused throughout your business planning.

When you have a clear idea of your current market situation, you can then develop strategies and action plans to strengthen your position. There is a mixture of service elements to consider when developing marketing strategies. Consider the six P's when formulating your marketing plan:

Element	Task
Product	Describe what your service does and how you operate
Price	Determine how much you charge and what customers get in return
People	Identify characteristics of existing or potential customers, volunteers and support agencies
Promotion	Choose the right message to send to your audience and adopt the most effective ways to reach them
Place	Determine where, when and how customers will access information about your service
Positioning	Explain how you differ from competitors and what makes your service unique

Action plan

Each marketing activity should be broken down into specific action plans outlining:

- What will be done
- When it will be done
- Who is responsible
- How much it will cost
- How it will be measured.

Marketing tools

There are a variety of media which can be used to promote your service and gain publicity such as; newsletters and direct mail campaigns, website, personalised stationery using a logo, uniforms, speeches at public events, media releases, public exhibits and word of mouth communication.

Tip: You should contact your local library and Council to ensure your service is listed in local directories.

Outcomes of a successful marketing plan

- Makes sure you meet the needs of your “target audience”
- Secures your position in the marketplace
- Gains exposure and attracts new business
- Strengthens business relationships
- Reduces risk and increases accountability.

It is advisable to have some clear performance measures to assess your marketing activities such as:

- Customer retention and new enrolments
- Sponsorship, donations and fund-raising outcomes
- Financial performance.

Fundraising

Fundraising is a valuable form of marketing as it can achieve multiple goals. It involves selling benefits to donors in return for support and/or selling benefits to sponsors in return for investment. Sources can be many and varied and include: individual contributions, donations, grants, in-kind contributions, sponsorships and partnerships.

Effective fundraising requires sound management and long-term commitment. It is advisable to use your existing contacts and parent committee members as advocates to gain support and contributions.



SECTION THREE OVERVIEW

Managing and Sustaining Your Business

MODULE 7

A major challenge for DoCS funded children's services is balancing community service objectives with business objectives. This module provides an introduction to corporate governance and management.

Learning Outcomes:

- Understand the basics of corporate governance
- Review governance structure
- Identify organisational roles and responsibilities
- Develop an organisational chart.

Tools and Templates *(Refer to the Tools and Templates Workbook)*

- Sample Board Charter
- Management Committee Member Agreement
- Management Committee Member Induction Sheet
- Management Committee Self Assessment Tool

MODULE 8

An introduction to developing, implementing and reviewing policies and procedures. Policies and procedures guide the service to achieve its objectives.

Learning Outcomes:

- Define policies and procedures
- Develop and review basic policies and procedures
- Maintain a policy and procedures manual.

Tools and Templates *(Refer to the Tools and Templates Workbook)*

- Policy and Procedure Development Template
- Internal Policy and Procedure Analysis Checklist
- Policy and Procedure Manual Assessment Tool
- Guide to Legislation and Industry Standards

MODULE 9

An introduction to managing finances and service budgeting.

Learning Outcomes:

- Understand why managing finances is important
- Develop a project budget
- Use the budget as a reporting tool
- Interpret basic financial reports

Tools and Templates *(Refer to the Tools and Templates Workbook)*

- Checklist for the Treasurer
- Sample Financial Reports:
 - The Income and Expenditure Report
 - The Income and Expenditure Report (To Budget)
 - Balance Sheet
 - Accounts Receivable (Aged Debtors)
 - Accounts Payable (Aged Creditors)
 - Bank Register
 - Depreciation Report
 - Cash Flow Budget Report

Corporate Governance and Management

What is corporate governance?

Corporate governance is the system that directs and provides overall accountability for businesses. It involves the appointment of management committee members.

In practice corporate governance:

- Shapes the purpose and strategic direction of the service
- Provides leadership and direction
- Monitors financial performance
- Ensures legal compliance
- Invests in marketing and fund raising activities
- Manages human resources.

Management committee members are usually elected annually at an Annual General Meeting (AGM). Management committees are made up of office bearers and general committee members. Office bearers have a higher level of responsibility. Most commonly these are:

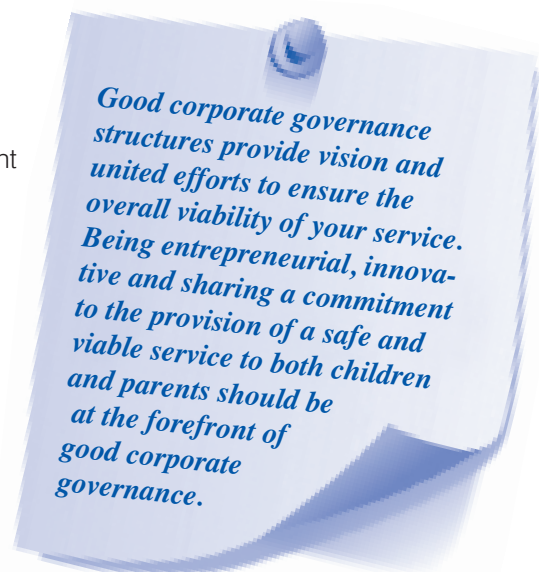
- Chairperson/President
- Deputy chairperson/Vice president
- Secretary
- Treasurer.

Management committee members need to be aware of their roles, responsibilities and expectations. It is important to formalise and document the roles, functions, structure and authority of committee members.

It is useful to provide duty statements or committee member agreements in accordance with the Association Incorporations Act 1984 (NSW Office of Fair Trading Department of Commence) upon appointment.

Guiding principles for optimising the performance and accountability of the management committee.

- Establish clear roles and responsibilities for the management committee and authorised supervisor.
- Ensure there is a clear distinction between the responsibility of the management committee and the responsibility of the authorised supervisor. Seek a balance of skills, experience and independence on the management committee appropriate to the needs of the service.
- Implement systems which can assist in evaluating the performance of the management committee.



Roles and responsibilities

The management committee is ultimately responsible for the legal compliance and overall performance of your service. A mission statement and long-term vision will help shape strategic decisions and direction. The management committee provides structure and systems for managing resources, evaluating performance and securing a financial future.

The NSW Department of Community Services Good Practice Guide outlines best practice guidelines and performance measures for management committees as follows:

- The management committee accepting accountability for the service
- Evidence of strategic and business planning
- Evidence of strategic risk management
- Evidence of good communication
- Compliance with the regulatory environment
- Compliance with the relevant policy framework
- Having a defined service structure.

www.community.nsw.gov.au/DOCS/STANDARD/PC_100939.html

Management committee role



There are many challenges for both management committee members and authorised supervisors in the provision of good corporate governance and management. The DoCS Good Practice Guidelines should be a primary point of reference as well as the model rules under the Incorporations Act.

Policy and Procedures

What are policies and procedures?

Policy - Policy is often seen as a multi-dimensional term which can generate a range of responses.

Policy is about:

- Providing rules or guidelines
- Providing a framework for the way the service expects people to work
- Demonstrating the standards and principles of the service
- Creating a sample of best practice.

Procedures break down the different steps in implementing a policy. This is why the terms are often used together.

Why have policies and procedures?

- Provide a framework for action that helps staff and committee members do their job adequately and efficiently
- Provide a consistent approach to dealing with issues that arise
- Meet legislative and licensing requirements
- Provide a tool for evaluation and improvement

How to develop and review policies and procedures

The key to developing policy and procedures is to keep it simple. Policies need to be relevant and easily understood by all staff and volunteers.

Policy development and review is an ongoing process. The responsibility of identifying need and developing policy and procedures is usually seen as part of the role of the authorised supervisor. However, the management committee is ultimately responsible for approving and implementing policy.

Criteria for good policy include:

- Relevant and easily understood
- Covers relevant legislative requirements
- Inspire high standards of achievement.

Example policy

Title of policy	Non-Smoking Policy
Section the policy belongs to	Staff Conduct.
A clear statement of purpose	This non-smoking policy is to ensure staff and clients work in a healthy environment and adhere to legislation.
An explicit statement of the expectation	Spring Chicken Preschool is a smoke-free zone. Smoking is not permitted in or around buildings at any time.
Who the policy applies to or the circumstances it applies to	This policy applies to all staff, clients and visitors in all our buildings and vehicles.
The consequences of non-compliance	Staff found smoking on the service premises will be counselled and offered help to quit. Repeated offences will lead to disciplinary action being taken and potential dismissal for non compliance.
Date created	March 4 2007.
Date to be reviewed	March 4 2010.

Policies set out the statement and procedures show the detail.

Policies should reflect the philosophy and values of your service.

Analysing existing policy and procedures

Methods used can include:

- Planning days
- The use of a consultant
- A service-wide policy review process.

Undertaking an internal policy and procedure analysis includes reviewing your services approach to policy and procedure development, implementation as well as maintenance and review.



Policy and procedures should be kept accessible to all management committee members, staff, volunteers and service users.

Maintaining and developing a policy and procedures manual

Policy and procedures need to be accessible to all staff. One way to ensure this is to create a policy and procedures manual.

A policy and procedure manual can be divided into the following categories for ease of use:

1. The service
 - Governance
 - Management, operations and administration
2. Human resource management (staff)
3. Occupational health and safety
4. The families and other stakeholders.

1. The service

Covers the governance and management. It needs to include policies that guide and set out the expectations of the management committee, and the relationship between the committee and the authorised supervisor. As strategic planning and control of agreements and finances are the responsibility of the management committee, this section should also include policies on finance and delegations.

2. Human resource management (staff)

All the human resource policies should be held in this section, as should a clear statement and conditions about the award under which staff and volunteers are employed. Policies that affect staff may appear in the operations section of the manual, for example, levels of delegation. Rather than repeating them, this section can just make reference to them.

3. Occupational health and safety

Services have a legal responsibility for the health and safety for staff, volunteers and clients working or participating in a service. All forms such as proof of fire and evacuation training and identification of hazards and resulting actions should be recorded in this section.

4. The families and other stakeholders

This section focuses on the service delivery aspect. It will contain policies that are required by funding bodies and accreditation processes.

Policy and procedures manual contents page (sample)

Please note not all policies may be relevant as needs of services vary depending on size, environment and structure

1. The service Introduction: purpose, vision, values 1.1 Governance <ul style="list-style-type: none">a) Role of the management committeeb) Responsibilities of the management committeec) Legald) State child care regulationse) Financialf) Policy and planningg) Staffh) Responsibilities of the chairperson; vice chairperson; secretary; treasurer; public officers and other membersi) Code of Conduct for management committeej) Sitting Feesk) Election of the management committeel) Recruitment of new membersm) Attendance at committee meetingsn) The role of the authorised supervisoro) Delegations 1.2 Management, operations and administration <ul style="list-style-type: none">a) Records managementb) Accreditation processc) Information management (privacy)d) Confidentialitye) Personnel filesf) Petty cashg) Credit cardsh) Cheques and Electronic Funds Transfers (EFT)i) Bank Accountsj) Grant fundingk) Insurancel) Information Technologym) Use of resources and equipment (stationery, photocopier, telephone, mobiles, car, etc.)n) Keyso) Building securityp) Building maintenanceq) Cleaningr) Rubbish and recyclings) Fire safetyt) Program development and evaluation	2. Human resource management <ul style="list-style-type: none">2.1 Relationship between policies and relevant award/s2.2 Code of conduct for staff*2.3 Equal Employment Opportunity (EEO)2.4 Relationship between staff and the management committee2.5 Recruitment and selection2.6 Induction2.7 Return to work2.8 Critical incidents2.9 Bullying, discrimination and harassment2.10 Grievance procedure2.11 Training and development2.12 Disciplinary procedures2.13 Staff supervision and performance2.14 Management2.15 Volunteers (student placements)2.16 Termination of employment2.17 Redundancy2.18 Use of email and internet2.19 Confidentiality2.20 Surveillance 3. Occupational health and safety <ul style="list-style-type: none">3.1 Fire safety and evacuation3.2 First aid3.3 Risk management3.4 Hazard identification3.5 Risk assessment3.6 Delegation of responsibility3.7 Work place accidents3.8 Return to work/rehabilitation 4. The families and other stakeholders <ul style="list-style-type: none">4.1 Privacy4.2 Confidentiality4.3 Complaints handling4.4 Sponsorship4.5 Child Protection4.6 Programming
--	--

Managing Finances and Service Budgeting

Managing finances

Management committees should consider themselves trustees of the service for current and future committees, staff and service users, and always act to ensure that the long-term interests of the service are being considered in decision-making processes.

The management committee is legally required to ensure the service's assets exceed its liabilities, and that it is able to pay its debts. In order to fulfil this responsibility, the management committee and authorised supervisor need to have a working understanding of the financial life of the service. Each committee member needs to be able to read and understand the financial reports.

Reports the management committee should receive regularly include:

- Income and expenditure report for the month and the year-to-date
Where the service operates a number of programs, there should a separate income and expenditure report for each program, and a consolidated one for the entire service
- Balance sheet every quarter
- Aged payables report
Showing amounts the service owes to creditors and the duration of the debt
- Aged receivables report
Showing amounts owed to the service by debtors and the duration of the debt
- Cash flow report
Projecting the available funds at the end of each month (in the bank balance)
- A bank register should be available
Showing all expenditure incurred in the month through bank and credit card payments
- Bank reconciliation report
- A narrative commentary
A dot point summary from the authorised supervisor or the treasurer identifying implications from the reports.

Committee members are entitled to receive the reports prior to meetings with sufficient time to read, consider and give notice to the authorised supervisor or treasurer of follow-up questions if necessary.

Service budgeting

An annual budget covering the financial year is an essential tool in managing finances. Budgets should be prepared conservatively and must be reviewed regularly to ensure their ongoing accuracy.

The budget is the predictive tool used by services to plan the year's expenditure and to measure financial activity against a plan. The budget is usually closely associated with the business plan because it reflects the predicted cost of delivering services for the year. If the service is funded, the budget is also used as the basis for the funding submission, and the service may be required to acquit how the funding was spent in the year against the budget which was originally submitted for the grant.

When seeking new grant funds it is important to budget comprehensively so that the service doesn't have to make unplanned subsidies.

What a service budget should cover

Labour operating costs/Salary costs			
<i>Includes the base salary and a percentage of on costs, usually 12%-16% depending on staff entitlements and insurance costs. On costs include superannuation, worker's compensation, leave loading, long-service leave and fringe benefits tax (FTB) if applicable.</i>			
Direct client support staff	Includes any person involved in direct delivery to children e.g. Early childhood teachers, child care workers, untrained assistants, support staff and relief staff. It may include a portion of the authorised supervisor time that is spent doing direct delivery work.		
Indirect client support staff	Includes any person carrying out work that is NOT directly involved with children, e.g. authorised supervisor (or equivalent), supervisor, cook, administrative officer.		
Non labour operating costs			
Telecommunications	Telephone and fax charges Internet connection		
Stationery/postage/printing	Postage, freight and courier Printing and stationery		
Depreciation and equipment maintenance	Depreciation of building and equipment Assets purchased costing less than \$5000 Equipment hire/lease		
IT/computer	Depreciation of computer equipment Software expenses IT repair and maintenance		
Training	Employment support and supervision costs Training and development		
Accommodation costs	Cleaning Depreciation of building Rates and taxes Rent Repairs and maintenance Security expenses Utilities		
Program costs	Craft Materials Play and Recreation program		
Motor vehicle	Depreciation of motor vehicle. The full cost of the car is not included in a budget, rather a % of the cost of the motor vehicle apportioned across a period of time (the depreciation % for property and equipment is recommended by the Australian Tax Office) Fuel and oil Repairs and maintenance Insurance Registration Lease payments		
Corporate overheads	<table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top;"> Accounting fees Advertising and promotion Audit fees Auspicing fees Bank charges Bad debts Business planning costs Consultancy fees Credit card fees Donations paid Fees and permits Fundraising expenses – general Insurance – general </td> <td style="vertical-align: top;"> Insurance – public liability Insurance – professional indemnity Legal fees Loss on sale of non-current asset Management fees Meeting expenses Membership fees paid Publications and information resources Recruitment expense Staff amenities Sundry expenses Travel and accommodation Volunteer costs </td> </tr> </table>	Accounting fees Advertising and promotion Audit fees Auspicing fees Bank charges Bad debts Business planning costs Consultancy fees Credit card fees Donations paid Fees and permits Fundraising expenses – general Insurance – general	Insurance – public liability Insurance – professional indemnity Legal fees Loss on sale of non-current asset Management fees Meeting expenses Membership fees paid Publications and information resources Recruitment expense Staff amenities Sundry expenses Travel and accommodation Volunteer costs
Accounting fees Advertising and promotion Audit fees Auspicing fees Bank charges Bad debts Business planning costs Consultancy fees Credit card fees Donations paid Fees and permits Fundraising expenses – general Insurance – general	Insurance – public liability Insurance – professional indemnity Legal fees Loss on sale of non-current asset Management fees Meeting expenses Membership fees paid Publications and information resources Recruitment expense Staff amenities Sundry expenses Travel and accommodation Volunteer costs		



Example budget

This is an example of a three year projected budget.

Spring Chicken Preschool	2007	2008	2009
Income			
Grant DoCS	\$128,900	\$133,411.50	\$138,080.90
Grants Other	\$10,000	\$10,350.00	\$10,712.25
Donations	\$5,000	\$5,175.00	\$5,356.13
Enrolment fees	\$5,000	\$5,175.00	\$5,356.13
Parent fees	\$234,630	\$242,842.05	\$251,341.52
Interest received	\$800	\$828.00	\$856.98
Total	\$384,330	\$397,781.55	\$411,703.90
Expenditure			
Advertising and Promotion	\$3,000	\$3,105.00	\$3,213.68
Audit fee	\$3,800	\$3,933.00	\$4,070.66
Bank charges (Building Repayments)	\$700	\$724.50	\$749.86
Cleaning	\$10,000	\$10,350.00	\$10,712.25
Computer expenses	\$680	\$703.80	\$728.43
Insurance (general)	\$17,000	\$17,595.00	\$18,210.83
Insurance (public liability)	\$800	\$828.00	\$856.98
Interest paid	\$3,600	\$3,726.00	\$3,856.41
Postage, freight and couriers	\$2,000	\$2,070.00	\$2,142.45
Printing and stationery	\$750	\$776.25	\$803.42
Program materials	\$5,000	\$5,175.00	\$5,356.13
Repairs and maintenance	\$18,000	\$18,630.00	\$19,282.05
Telephone and fax	\$2,650	\$2,742.75	\$2,838.75
Utilities	\$4,500	\$4,657.50	\$4,820.51
Sub Total Administration	\$72,480	\$75,016.80	\$77,642.39
Salaries and wages			
Annual leave	\$3,500	\$3,622.50	\$3,749.29
Recruitment costs	\$1,000	\$1,035.00	\$1,071.23
Superannuation	\$22,916	\$23,718.06	\$24,548.19
Workers compensation	\$10,704	\$11,078.64	\$11,466.39
Salaries and wages	\$267,622	\$276,988.77	\$286,683.38
Training and development (staff)	\$1,200	\$1,242.00	\$1,285.47
Sub Total Salaries and Wages	\$306,942	\$317,684.97	\$328,803.94
Total	\$379,422	\$392,701.77	\$406,446.33
Surplus/deficit	\$4,908	\$5,079.78	\$5,257.57

Considerations when developing a service budget

Chart of accounts

The chart of accounts is the list of all the items where transactions can be recorded. It includes income, expenditure, asset, liability and equity accounts. The chart of accounts usually has an associated number code system.

	Account Number	Account Name
ASSET	1-1110	Cheque Account
	1-1140	Petty Cash
	1-7120	Plant and Equipment
	1-7130	Less accumulated depreciation of Plant and Equipment
LIABILITIES	2-1110	Accounts Payable
	2-1170	Employee Benefits
	2-1240	Grants in Advance
	2-240	Provision Long-Service Leave
INCOME	4-1000	Grant Income
	4-4080	Membership Fees
	4-5020	Bank Interest
EXPENDITURE	6-0010	Accounting Fees
	6-0070	Bank Charges
	6-0110	Client Support Services
	6-0510	Postage
	6-0600	Wages
	6-0710	Travel and Accommodation

Depending on how the chart of accounts is set up will determine how the reporting takes place, and a lot of time can be saved for the person processing the accounts and for the person who has to prepare the reports if the chart of accounts is well thought through.

(Note that the account numbers are a convention used by different accounting software systems.)

The way income and expenditure is allocated – the chart of accounts – should be decided by the Treasurer, the authorised supervisor and the person responsible for processing the transactions. Getting advice from your auditor is also recommended.

NSW Standard Chart of Accounts

The NSW Standard Chart of Accounts consists of a set of accounts, which can be set up in most accounting software systems, and a data dictionary which provides the guidance for how to process transactions and to decide which transactions go to which accounts. Adoption of the Chart by community organisations is voluntary.

A copy of the NSW Standard Chart of Accounts can be downloaded from www.mob.com.au/scoa

DoCS Costing Manual for Child and Family Services in NSW

DoCS has developed a Costing Manual that is used to determine the indicative unit costs for a range of child and family services. Service costs include the total and actual cost to deliver the service, independent of funding sources.

The costing manual is for use by DoCS and non-government organisations when planning, developing and reviewing services. It does not provide a prescriptive set of costs; rather it acknowledges that a range of costs exist. For a copy of the children's services section please go to:

www.community.nsw.gov.au/docswr/_assets/main/documents/cost_manual_childrens.pdf.

While the indicative costings provided in the Costing Manual reflect the data obtained from a sample of children's services, it will be important for individual services to develop their own cost estimates using the tool and job aid provided to gain a better understanding of costs and cost drivers. This would also enable cost comparisons with the range of costs provided in the manual and provide opportunities for benchmarking.

An Excel-based Children's Services Costing Model Tool has been developed to assist children's services organisations to develop their own unit cost estimates, including unit costs for different age ranges, and to assist organisations to examine impacts on their financial viability when income and costs change. The Costing Model Tool can be downloaded from:

www.community.nsw.gov.au/docswr/_assets/main/documents/cost_manual_childrens.xls

To be able to use the Costing Model Tool, users will need:

- a basic understanding of Excel
- a basic understanding of costs and costing principles
- a good understanding of the organisation's structure and cost centres

A Costing Model Job Aid has also been developed to assist organisations in using the Children's Services Costing Model Tool. The job aid outlines a detailed set of instructions on using the costing model tool including illustrative examples on the type of data required, information sources, cost elements, model assumptions, and handy tips to help services to fill out the Excel costing templates. The Job Aid can be downloaded from:

www.community.nsw.gov.au/docswr/_assets/main/documents/cost_manual_childrens_aid.pdf.

Using the budget as a reporting tool

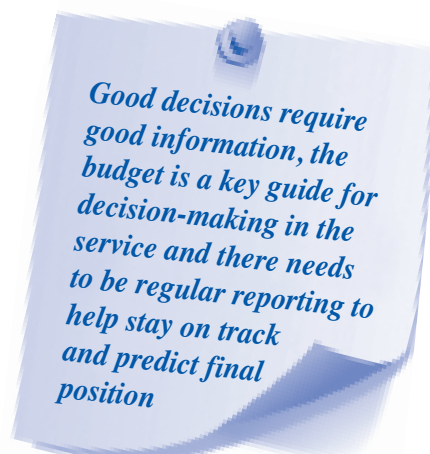
Reporting against your budget provides:

- A context for financial information
- The management committee the opportunity to make informed judgements about the service's finances
- Month-by-month comparison of expenditure
- Year-to-date comparison of expenditure.

Services need to:

- Prepare a monthly budget
- Prepare a yearly budget including a forecast for the year ahead
- Report on the budget.

The budget helps plan the income and expenditure for the year (or years) ahead. The budget is "shaped" by staff responsible for delivering programs within the service, and then presented to the management committee for final approval.



Interpreting financial reports

The income and expenditure report

The income and expenditure report is also known as the profit and loss report (P and L), or the statement of financial performance. It sets out the income earned and expenditure incurred for a period of time. The report reflects the chart of accounts which is used to process the transactions into the accounting software.

The report should show income and expenditure for the designated period (usually the most recent, whole month) and since the commencement of the financial year (year-to-date).

The income and expenditure report (to budget)

This report combines the income and expenditure for the month and year-to-date with the budget for these periods.

This report indicates the performance of the service to budget, and also shows the extent to which the actual results for each account vary from the budget. This variance should be shown for both the month's activities and the year-to-date. It should be clear whether the variance is favourable or unfavourable.

This report may also show the degree of variance in percentage terms as well as the actual variance. For example, if payroll is budgeted at \$100,000 and is actually \$102,000, the variance is \$2000 and 2%. If printing and stationery is budgeted at \$500 and is actually \$2,500, then the variance is also \$2000, however this is a 500% variance, and may warrant more discussion than the unfavourable payroll result.

It is preferable that a separate report is provided for each cost centre (job) as well as an aggregated or consolidated report for the entire service.

Balance sheet

The balance sheet sets out what is owed and owned by the service at a "point in time". There is usually only one balance sheet report for the service even where there are a number of cost centres.

A service may be considered insolvent if its liabilities exceed its assets and it is unable to pay its bills as and when they fall due. It is best to ensure that current assets are in excess of liabilities, unless the fixed assets are growing in value (such as property).

The equity or retained earnings rows located at the bottom of the report indicate that any retained earnings are the net result of accumulate surpluses since the service was formed.

The management committee members need to be able to read the balance sheet, and training should be provided if they are unable to do so.

Accounts receivable (aged debtors)

This report details the amounts owed to the service at a point in time. This report is derived from the invoices prepared by the service, and identifies the debtor, and the amount(s) owed depending upon how long ago the invoices were prepared and the terms of the payment expected. The total amount due is reflected in the balance sheet as a current asset.

Ensuring that this income is received as soon as practical is good business practice as it can reduce cash flow problems.

Managing the accounts receivable effectively can also reduce the risk that some debtors do not end up paying their accounts, and become bad debts. This has the effect of reducing the assets of the service.

Accounts payable (aged creditors)

This report details the amounts owed to suppliers to our service. These are captured when invoices are received but not yet paid. These creditors are liabilities to the service, and are expected to be paid the amounts shown.

Bank register

The bank register sets out the payments made by the service during the period. It is good practice for a committee member to review this register each month. It should include all accounts, including suspense accounts and interest accounts, as well as credit cards.

Depreciation report

The depreciation report sets out the details of all the assets of the service which have been acquired or purchased above a certain value (determined by the management committee).

The amount depreciated is an expense each month, and corresponds with an increase in the liability account called accumulated depreciation. The accumulated depreciation is effectively a provision or fund being created to replace the asset once it has completed its useful life.

The Australian Tax Office determines the rate of depreciation for more information go to:

www.ato.gov.au/nonprofit/

While depreciation is very important for tax-paying services, it is also important for not-for-profits in order to set funds aside for asset replacement within the service's reserves.

Cash flow budget report

This report sets out the changes in the bank balance as cash income is received and expenditure incurred. It refers only to cash transactions (not accrued) accounts such as depreciation, provisions for leave, etc.) If the report is updated each month (by replacing the budgeted amounts with the actual amounts) it can assist decision-makers to identify when the service may go overdrawn and therefore take steps to avoid problems beforehand.

It may also assist a service to place excess funds in long-term deposit accounts to maximise interest rates.

Glossary of Terms

Act: The formally agreed and codified result of deliberation by a legislative body.

Analyse: To examine in detail on order to discover meaning.

Annual General Meeting (AGM): An AGM is held every year to inform members of previous and future activities. It is also a forum for the election of officers to the management committee of the service.

Assessment Tool: Either electronic or paper-based processes that enable a service to determine its effectiveness.

Australian Standards: Standards Australia develops Australian Standards® of public benefit and national interest promotes and supports Australian design and innovation. It is recognised as the peak non-government standards development body in Australia. www.standards.org.au.

Authorised Supervisor: This can also be known as Preschool Director, Service Coordinator, head teacher, or Preschool Manager.

Baseline: An agreed starting point against which change can be measured.

Best Practice: Asserts that there is a technique, method, process, activity, incentive or reward that is more effective at delivering a particular outcome than any other technique, method, process, etc.

Building Capacity: Also known as “capacity building” often refers to assistance which is provided to entities, which have a need to develop a certain skill or competence, or for general upgrading of performance ability.

Business Plan: The comprehensive document that clearly describes how your service intends to deliver and operate its business.

Business Strategy: The high-level, overarching plan for the direction of your service.

Code of Conduct: Set of rules outlining the responsibilities of or proper practices for an individual or service.

Constitution: A written document that establishes the rules and principles that govern a service.

Consumer Price Index (CPI): An inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation. The CPI is published monthly and is also called the cost-of-living index.

Creditors: Person or organisation to whom money is owed.

Criterion: A criterion is a condition/rule which enables a choice upon which a decision or judgment can be based (the plural is criteria).

Culture: The inherited ideas, beliefs and values of the service.

Debtor: A debtor (or a borrower) owes money to a creditor.

Demographic: A section of the population sharing certain characteristics (such as age, gender, ethnic background).

Depreciation: A non-cash expense that reduces the value of an asset as a result of wear and tear, age, or obsolescence. Most assets lose their value over time (in other words, they depreciate), and must be replaced once the end of their useful life is reached.

Expenditure: The amount of money spent to deliver your service.

Framework: Structural plan or basis in which the legislative requirements your service has to comply with are contained.

Fraud: Deliberate deception, trickery or cheating intended to gain an advantage.

Fringe Benefit Tax (FBT): A fringe benefit is a “payment” to an employee, but in a different form to salary or wages. According to the fringe benefits tax (FBT) legislation, a fringe benefit is a benefit provided in respect of employment. This effectively means a benefit provided to somebody because they are an employee. The “employee” may even be a former or future employee. See www.ato.gov.au.

Goals: The aims or object to which endeavour is directed.

Governance: The action, manner or system of controlling and directing.

Governing Bodies: Governing bodies can be referred to as:

- Boards
- Management boards
- Governing councils
- Management committee

All three terms describe the same entity for a not-for-profit organisation. “management committee” is used throughout the manual.

Guidelines: A guideline is any document that aims to streamline processes according to a set routine.

Incorporated: Formed into a corporation; embodied.

Insolvent: When a person or service's assets no longer exceed their liabilities, commonly referred to as "balance-sheet" insolvency, or when the person or entity can no longer meet its debt obligations when they come due, commonly referred to as "cash-flow" insolvency.

Legislation: The act or process of making laws.

LGA: Local Government Area – A defined geographical area governed by Local Council.

Licence: The document that gives you official permission to operate your service.

Licensee: The person who holds the licence for your service.

Management Committee: The governing body of a non-government organisation. Also referred to as a "board". It is used throughout the manual to describe the overarching management structure of an organisation.

Market: Demand for your service.

Mapping: The process of pulling together or translating information to create a new representation (either pictorially, or verbally).

Measurable: Outcome of your service that can be quantified.

Mission: The specific task or duty that your service aims to carry out.

Non-Compliance: Where individuals or organisations do not comply with required policy, laws and or regulations.

Not-for-profit: A not-for-profit organisation includes a club, society or association organised and operated solely for social welfare, civic improvement, pleasure or recreation, or for any other purpose except for profit, no part of the income of which is payable to, or is otherwise available for the personal benefit of, any proprietor, member or shareholder.

Occupational Health and Safety (OHS): A cross-disciplinary area concerned with protecting the safety, health and welfare of people engaged in work or employment.

Operating Catchment: The geographical area where your service users are drawn from.

Overheads: The ongoing administrative expenses of your service which cannot be attributed to any specific business activity, but are still necessary for the service to function. Such as rent, utilities, and insurance.

Policy and Procedure: Policy: the documented statement of action and intent pursued by your service. Procedure: the steps that must be followed in order to implement a policy.

Ratio: The measure of the relative size of two classes expressible as a proportion, for example the ratio of staff to children is x to y.

Record: An account in a permanent form, such as the paper files you keep in relation to the children your service supports.

Regulation: A rule, principle, or condition that governs procedure or behaviour.

Review: To look back upon an activity, a period of time, or an event and critically assess.

Risks: The aspects of your service, and the external environment that have the potential to create negative and detrimental effects.

Scoping: The process which enables you to formally define what will be included in and excluded from a project.

Service: "Service" is used throughout the manual to refer to your preschool organisation and to describe what it provides.

Service budget: An itemised forecast of your service's income and expenses expected for some period in the future.

Solvency: The ability of an entity to pay its debts with available cash. Solvency is a different concept from profitability, which refers to the ability to earn a profit.

Stakeholders: A party who affects, or can be affected by, the services actions.

Strategic direction: A service's process of defining its strategy or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people.

Strategic plan: The high-level plan which clearly sets out the vision and long-term goals for your service and describes how they will be achieved.

Strengths: The aspects of your service that are positive and of benefit.

Suspense accounts: An account used temporarily to carry doubtful receipts and disbursements or discrepancies pending their analysis and permanent classification.

Synthesise: To combine together to make one.

Vision: The long-sighted view of what your service aims to achieve or provide.

References

Books and publications

Australian Standard AS/NZS 4360: 1999 at 8.

Birt, I., *Recordkeeping and financial control in your small business* (Sydney: Prentice Hall, 2000)

Fishel, D., *The Book of the Board: Effective governance for non-profit organisations* (Sydney: The Federation Press, 2003)

Herrington, J. *Financial and Strategic Management for*

Non-profit Organisations – A comprehensive Reference to Legal, Financial, Management, and Operations Rules and Guidelines for Nonprofits (San Francisco: Jossey-Bass inc, 2000)

McKinsey Capacity Building in *Nonprofit Organisations* (Venture Philanthropy Partners, 2006)

Rasiel, Ethan M., *The McKinsey Way: Using the techniques of the world's top strategic consultants to help you and your business* (LOCATION: McGraw-Hill, 1999)

Online Resources

www.abs.gov.au

The Australian Bureau of Statistics website

www.ato.gov.au

Australian Taxation Office

www.business.vic.gov.au

Business Victoria *Start Run and Grow your Business*

www.community.nsw.gov.au/DOCSWR/_assets/main/documents/Fraud_banking.pdf

Department of Community Services *Practice Notes on Internet Fraud for Funded Services Internet Banking and Internet Purchasing Fraud*

www.community.nsw.gov.au/DOCSWR/_assets/main/documents/Fraud_risk.pdf

Department of Community Services *Fraud Risk Assessment Tool for Service Providers*

www.community.nsw.gov.au/DOCS/STANDARD/PC_100939.htm

Department of Community Services *Good Practice Guidelines*

www.community.nsw.gov.au/DOCSWR/_assets/main/documents/EIP_service_provisions.pdf

Department of Community Services *Performance Management Framework*

www.community.nsw.gov.au/DOCSWR/_assets/main/documents/funding_policy.pdf

Department of Community Services *Funding Policy*

www.community.nsw.gov.au/DOCS/STANDARD/PC_100938.htm

Department of Community Services *Funding Reform Updates*

www.community.nsw.gov.au/DOCS/STANDARD/PC_100937.htm

Department of Community Services *Approach to Results Based Accountability*

www.community.nsw.gov.au/DOCSWR/_assets/main/documents/EOI/PEER_PERFORMANCE_FRAMEWRK.PDF

Department of Community Services *Service Agreement*

www.dsr.nsw.gov.nsw.au

NSW Department of Sport and Recreation *The Strategic Business Plan: a guide to preparation for not-for-profit sport and recreation organisations*

www.enterprisecare.com.au

Inspired Strategies *Risk Management strategies and techniques for not-for-profits*

www.ey.com/global/content.nsf/australia/library

Selection of reports, papers, surveys and analysis by Ernst and Young

www.fairtrading.nsw.gov.au

NSW Office of Fair Trading

www.flinders.edu.au/shadomx/apps/fms/fmsdownload.cfm?file_uuid=090C5928-C744-C876-E3ED-191CE00B4FA1&siteName=flinders

Flinders University *Continuous Improvement Project Questionnaire*

www.growthink.com

Growthink *2007 Business Plan Guide*

www.id.com.au/home/default.asp

id. community Snapshot website

www.lgpartnerships.com

Ignto and EDuce Ltd. Smarter Partnerships: *Reviewing your partnerships and making them work*

www.insuranceriskadvice.act.gov.au/riskadvisory/risk.nsf

ACT Government Public Liability – Risk Advisory Service (Community Group)

www.mapl.com.au/support/support2.html

Paul Bullen, *Management Alternatives*

www.mob.com.au/mob2007/COA.html

NSW *Standard Chart of Accounts*

www.ncac.gov.au

National Childcare Accreditation Council

www.ncoss.org.au/msu/index.html

National Council of Social Services (NCOSS) Management Support Unit

www.notprofitcares.com.au

My Risk Evaluator

www.ombo.nsw.gov.au/guideorganisations/guidecommservprovd.html

NSW Ombudsman *Guidelines for Community Services Providers*

www.ourcommunity.com.au/boards/boards_main.jsp

Our Community Boards

www.ourcommunity.com.au/files/community_treasurers_guide.pdf

Westpac *Guide for Community Treasurers*

www.ourcommunity.com.au/files/essential_facts_business.pdf

Our Community *Risk Management Checklists*

www.ourcommunity.com.au/insurance/insurance_article.jsp?articleId=1245

Our Community *Insurance and Risk Management fact sheets*

www.ourcommunity.com.au

Our Community *Understanding Business Planning*

References

www.ourcommunity.com.au/partnerships/helpsheets

Our Community *Community Business Partnerships – The Essential Facts: Partnership Planner*

www.planigent.com/html/template.html

The Social Enterprise Handbook – *Part 3 The Enterprise Plan: a Business Plan Outline*

www.qld.gov.au/ngo/networks/collaboration/collaboration-05.pdf

Commonwealth of Australia *Mutual benefit – Community and Business Coming Together*

www.raguide.org

The Results Accountability Implementation Guide

www.recsport.sa.gov.au

South Australian Office of Sport and Recreation *A Guide for Recreation and Sporting Organisations*

www.resultsaccountability.com

Results Accountability Fiscal Policy Studies Institute

www.riskmanagement.com.au/

Australia and New Zealand Risk Management Standard: AS 4360

www.uwex.edu/li/learner/sites_strategic.htm

The Learner Resource Centre

www.vichealth.gov.au

VicHealth *The Partnerships Analysis Tool: For Partners in Health Promotion*

www.volunteeringaustralia.org

Running the Risk

www.workcover.nsw.gov.au/FAQs/OHSResponsibilities/RiskManagement/RiskManagementQ12.htm

NSW Work Cover *What is Risk Assessment?*

