

2010

Committee Basics

for Cluster managed, early
childhood sites

Tip Sheets include:

Demystifying the jargon

Your role in providing good governance

Your role in managing finance

Your role in fundraising

Demystifying the jargon

Common terms and acronyms used in early childhood services

Acronyms

AGM	Annual General Meeting.
ATO	Australian Taxation Office.
CSA	Children's Services Officer. Regional officers of the Department of Education and Early Childhood Development who license, monitor, advise and support all children's services in relation to statutory and funding compliance.
DEECD	Department of Education and Early Childhood Development. Monitors compliance with the Children's Services Act and Children's Services Regulations; funds kindergarten programs.
ECA	Early Childhood Australia.
PSFO	Preschool Field Officer, refer to Victorian kindergarten policy, procedures and funding criteria– Service provision support.

Terms

Children's Services Act 1996 and Children's Services Regulations 2009

These provide the statutory framework for the licensing and operation of children's services in Victoria. They set out minimum standards to ensure the safety of children being cared for and educated in children's services. They also provide minimum requirements for services to provide for children's developmental needs.

Cluster management

An alternative management type to the traditional independent model. Cluster management brings a number of centres together under one management body to manage the business of the centres, including recruitment and management of staff and licensee responsibilities, regulatory and financial matters for each location within the cluster. Extent of responsibilities and management models vary between clusters.

Funded program

Commonly known as the four-year-old program. The State Government provides funding to assist in the provision of a year of kindergarten prior to commencement of formal schooling. Centres must comply with particular criteria to receive this funding. This criterion is outlined in the Victorian kindergarten policy, procedures and funding criteria. Updates are sent to the funded organisation at the beginning of each year and those responsible for compliance should familiarise themselves with the requirements in the update.

Licensee

The licensee is the legal entity that holds a licence to operate a children's service under the Act. This may be the cluster manager or, in the case of independent kindergartens, the incorporated association. The committee of management in an independent kindergarten, as the elected decision makers of the association, is responsible for actively complying at all times with the Act and Regulations and conditions and restrictions of the licence.

Nominee

Person/s authorised to manage the service in the absence of the licensee or primary nominee.

Primary nominee

Person authorised to manage or control the service in the absence of the licensee. There is only one primary nominee. Generally, this is the teacher employed for the most hours.

Proprietor

The proprietor includes an organisation such as the incorporated association, church, local council or cluster manager, and any person who manages or controls the centre. The term proprietor includes the licensee, the primary nominee and the nominee(s) of a licensed centre (refer to the Certificate of Names displayed in the main entrance of the centre).

Representative

Person/s authorised to manage the service in the absence of the licensee, primary nominee or nominee. They are the contact person with the department and represent the licensee.

Service provider

The organisation responsible for the license of a kindergarten and who receive the funding for that kindergarten are known as the service provider.

Important contact details**Kindergarten Parents Victoria**

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Your Cluster manager

Your role in providing good governance

Background

An unincorporated site committee of a Cluster Manager may be elected at an annual meeting of the families at the centre or on the waiting list. The responsibilities of this committee will be determined by the Cluster Manager and organisations should refer to their agreement with their Cluster Manager for details. Although they may have limited responsibilities in relation to the management of the centre it is important that the cluster manager and centre families have confidence in them. Sound governance practices with open, transparent communication about actions and decisions will help build this confidence and ensure that everyone is working towards the same outcome.

Good governance enables the organisation to endure, remain viable and carry out the purpose for which it was designed.

The components of good governance include:

- Coherent aims and goals
- Sound framework of policies and procedures
- Clearly defined roles and responsibilities
- Ethical standards and code of conduct
- Strategic planning and risk management
- Transparency.

Overview of responsibilities

Aims and goals

The association's (Cluster manager) constitution will include a statement about the purpose of the association. This statement can be a starting point for a centre/service philosophy. The philosophy is a shared vision which reflects the interests of the membership and guides the work of the organisation. It assists in setting goals for the organisation and ensuring that all members are united in their work.

Policies and procedures

Policies guide the day-to-day decision making and provide a structure for practice when working with children, staff and families. They should be based on knowledge, understandings, beliefs and legislation. The Children's Services Regulations 2009 and the Victorian kindergarten policy, procedures and funding criteria require specified policies. Others are developed as needed. A comprehensive set of policies should be continually evolving and require ongoing evaluation and review by the cluster manager to ensure they best meet the needs of the community, reflect current thinking and are relevant in terms of current laws and regulations.

Committee members should have copies of the centre policies and familiarise themselves with those policies.

KPV's PolicyWorksv2 provides a comprehensive set of model policies for early childhood centres, including information about how to develop and review policies.

Clearly defined roles and responsibilities

Committee as a whole

It is important that all committee members are dedicated to the work of the committee by sharing the workload, participating in the activities of the committee and taking responsibility for the decisions it makes. The committee needs to have common goals and shared interests as well as respect for one another's ideas and opinions. Some members of the committee may be given specific tasks or responsibilities according to the needs of the centre or the requirements of the Terms of Reference (Established by the cluster manager) otherwise all members have equal responsibility. Committee members can assist the work of the committee by ensuring correct meeting procedures are followed. This includes attending and being prepared for meetings; using tools such as agendas; minutes and action sheets; listening to other opinions and ideas; and being prepared to participate in discussion.

President

Is the key person but not the person who 'does it all' or makes all the decisions. Their role usually includes: chairing committee meetings and ensuring committee meetings are run smoothly and efficiently; coordinating the work of the committee; knowing and utilising the skills of each committee member; understanding the role of the committee and its authority; participating in effective communication and the decision-making processes. The president may also assist with the setting of the agenda.

Vice president

Assists the president and chairs meetings in the absence of the president. It can be used as a training role and they may also be given a specific task such as cluster liaison.

Secretary

Is usually responsible for all outgoing/incoming correspondence (preparation, recording and distribution); preparing material for meetings (such as agendas, discussion papers, action sheets); writing/distributing/filing of minutes; management of centre records (filing, accuracy, privacy). The secretary may manage communication with families and the community and complete reports for organisations such as the cluster manager. This role can be separated to share the workload.

Treasurer

To share the workload the treasurer's responsibilities are often divided into a number of smaller roles. The treasurer does not make decisions solely but ensures the committee is provided with accurate information to enable it to make informed financial decisions. The responsibilities of treasurer may include managing receipts and banking of money; payment of expenses; managing bank accounts; providing a monthly and annual report; accurate record keeping; and compliance with taxation requirements. It is important that all processes for financial management are clear and transparent.

General committee members

These are usually defined as those who do not hold a specified position. They are vital to the effective operation of the committee and may be allocated a variety of tasks throughout the year. Effective committee members follow through on tasks allocated to them, respect confidentiality and support each other.

Ethical standards and code of conduct

Ethics provide standards of right and wrong. They are the principles and values that guide behaviour and inform decision making. A committee code of conduct is a useful guide for committee members.

Confidentiality

Privacy and confidentiality is critical to all organisations. Committee members will deal with sensitive and confidential information from time to time and it is essential that all members understand their obligations and are committed to maintaining confidentiality. This protects the organisation and ensures confidence in the committee and among committee members. KPV suggests that all committees adopt a Code of Conduct for committee members and that all members sign a member declaration. The Code of Conduct is a formal statement of the principles, values and standards of behaviour expected from the committee, staff and members of the association. This helps to create an environment where staff and committee members work together to achieve the same goals.

Decision making

Unless the committee has delegated authority to an individual or group of people (subcommittee) decision making is the responsibility of the WHOLE COMMITTEE (office bearers and general committee members). All members should have the opportunity to hear the issues/facts, discuss and be listened to so they can make fully informed decisions. 'Rubber-stamping' is risky and not in the best interests of the organisation.

Record keeping

Committees will be responsible for the management of a wide range of records. It is important that records are accurate and up-to-date. Privacy laws will also require that some records are stored in a secure place and committee members should understand how the centre's privacy policy relates to record keeping.

Accountability and transparency

Open, transparent communication and decision making will help build confidence and ensure that everyone is working towards the same outcome—the best interests of children and families at the centre. Committees should develop procedures which ensure that decisions are communicated to members. This may include regular newsletters, notices, bulletins, display board etc. Minutes of meetings (or a summary), excluding confidential items, should be displayed on the noticeboard as soon as possible following a committee meeting. It is also important that members are given opportunities to provide feedback to the committee.

Compliance

Cluster Manager constitution

Information Privacy Act 2000

Health Records Act 2001

Terms of Reference (developed by the Cluster Manager)

Where to get more information

KPV Governance Manual for Early Childhood Services (available Term 1 2011)

KPV CommitteeWorks DVD

Consumer Affairs Victoria website: www.consumer.vic.gov.au

Our Community website: www.ourcommunity.com.au

Your role in managing finance

Background

The extent of financial management responsibility of an unincorporated cluster-managed site committee is usually limited to fundraising and site committees should refer to the service agreement/memorandum of understanding/contract between the site committee and cluster manager for clarification. The cluster manager is the DEECD funded organisation and all DEECD grants and subsidies are paid to the cluster.

The Victorian government, through DEECD, contributes to the cost of providing a kindergarten program (per capita grants and subsidies). The additional income required to cover operating expenditure comes from fees and other grants.

Fundraising activities may also be used to generate additional income. These are generally the responsibility of the site committee and the income used for additional non-compulsory purchases/expenses such as new equipment.

Overview of responsibilities

- Maintain a viable service in conjunction with the cluster manager.
- Provide sound financial management, in conjunction with the cluster manager.
- Ensure all committee members understand financial reports and participate in financial decision making.
- Ensure all committee members oversee and monitor the finances of the centre.
- Apply for grants (in conjunction or after discussion with the cluster manager)
- Develop and implement effective and transparent financial policies and procedures including requirements for comprehensive monthly financial reports.
- Complete reports for external bodies such as Australian Taxation Office.

Indicators of effective and transparent financial procedures:

- Purchase has been authorised/approved.
- Evidence of goods or services is received before a payment is made.
- Payment is approved, for example, by the committee and authorised, for example, all details are completed on cheques before being signed by two signatories).
- Two people count cash together
- Money is counted before it leaves the centre.
- Money is banked as soon as practicable (preferably within two days).
- Receipts are provided for all payments.
- Clear purchasing procedures including management of petty cash.
- Bank statements are sighted by someone in addition to the treasurer.
- Monthly reports include reconciled statements, comparison with budget and a clear and accurate picture of the financial state of the association.
- Responsibility for financial decision making is clearly documented and compliant with legal requirements, such as the organisation's constitution and/or the site/cluster agreement.

Compliance

Associations Incorporation Act 1981
Australian taxation law

Where to get more information

KPV FinanceWorks

KPV Governance Manual for Early Childhood Services (available Term 1 2011)

Australian Tax Office website: www.ato.gov.au

Induction Package for New Administrators

www.ato.gov.au/print.asp?doc=/content/64227.htm

Australian Business Register website: www.abr.business.gov.au

Your role in fundraising

Background

Most early childhood centres including unincorporated cluster-managed sites, will do some form of fundraising to:

- Raise funds for extra resources and improvement of facilities.
- Provide opportunities for families to meet and develop a sense of community.
- Market the centre and promote the value of the early childhood program.

Cluster-managed site committees and their cluster manager must have clearly defined roles, responsibilities and agreement about use of fundraising income. Fundraising should not be relied on to balance their budget as it is not sustainable in the long term.

Overview of responsibilities

- Decide whether fundraising is the most appropriate method to raise extra money.
- Decide whether the committee of management or a subcommittee will be responsible.
- If it is a subcommittee, determine and document the extent of authority and whether it will be set up as a separate sub entity (see Fundraising Made Simple or GST for pre-schools).
- Decide how GST will be managed if there isn't a separate sub entity (input taxed or do nothing).
- Comply with GST and other tax requirements.
- Comply with the Fundraising Appeals Act.
- Comply with the rules and requirements of the Office of Gambling Regulation for raffles.
- Support fundraising activities.
- Ensure that appropriate procedures are in place for handling money (receiving, counting and banking).
- Ensure you have declared charitable status before planning any raffles (refer to Australian Business Register for information regarding your association's GST and charitable status).

Compliance

Australian taxation law
Fundraising Appeals Act 1998
Office of Gambling Regulation

Where to get further information

KPV's Fundraising Made Simple

Australian Business Register website:

[www.abr.business.gov.au/\(lf43vy45dk1rcm45pudcgz55\)/main.aspx](http://www.abr.business.gov.au/(lf43vy45dk1rcm45pudcgz55)/main.aspx)

Australian Taxation Office website: www.ato.vic.au/nonprofit GST for pre-schools

www.ato.gov.au/businesses/content.asp?doc=/content/51967.htm

Consumer Affairs Victoria website: www.consumer.vic.gov.au (see fundraising regulations section)

Victorian Commission of Gambling Regulation website: www.vcgr.vic.gov.au