



CAPITAL BUDGETING POLICY AND PROCEDURE

Best Practice – Quality Area 7

PURPOSE

The purpose of establishing a Capital Budget is similar to that of an Operating Budget. It clearly defines what is available to be spent, when it can be spent and on what. The timing of expenditure not only gives more control but it allows for better planning around projects and will, where required, assist councils to prepare for projects both in relation to their own budgets and total project management.

This policy provides a clear set of guidelines and procedures for Shine Bright EYM (Shine Bright) to outline its structured step by step Capital Budgeting Process and how it will:

- **Develop and formulate long-term strategic goals** – the ability to set long-term goals is essential to the growth and prosperity of Shine Bright. The ability to appraise/value investment projects, (taken from each services Operational Capital Plan [formerly known as the Service Strategic Plan]): via capital budgeting creates a framework for Shine Bright to plan out future long-term direction.
- **Monitor and Control Expenditure** – by definition a budget carefully identifies the necessary expenditures required for an investment project.
- **Decision Making** – when a capital budgeting process is in place, Shine Bright is then able to create a set of decision rules that can categorise which projects are successful.

This policy explains links with Shine Bright's Department of Education and Training (DET) Service Improvement Plan (SIP) and Shine Bright's organisational Strategic Plan.

POLICY STATEMENT

VALUES

Shine Bright is committed to ensuring that there are appropriate systems and processes in place to enable:

- Good governance and management of the organisation
- Accountability to its stakeholders (students, families, staff, building owners including local councils, community and DET etc.)
- Compliance with all regulatory and legislative requirements placed on the organisation
- Shine Bright to remain solvent and comply with all its financial obligations.
- The rights of all children to have access to high quality, safe early learning environments which promote learning including:
 - promoting the cultural learning of Aboriginal children
 - promoting the cultural learning of children from culturally and linguistically diverse backgrounds/families
 - promoting the learning of children with a disability

- taking reasonable steps to ensure the health, safety and wellbeing of children at all times, while also promoting each child’s learning and development
- continuously improving all of our services

SCOPE

This policy applies to the Approved Provider, Nominated Supervisor (in conjunction with staff) and the Parent Advisory Groups (PAG).

RESPONSIBILITIES

The Approved Provider is responsible for:

- Providing capital reserve for capital improvements each year in accordance with the Shine Bright Strategic Plan and the Service Operational Capital Plans. The allocation of capital reserve will be determined each year as part of the overall budget setting process.
- Sourcing grants for Capital Budget Items
- Ensuring all projects are appropriately project managed

The Nominated Supervisors are responsible for:

- Keeping their Operational Capital Plans (formally known as Service Strategic Plans) current and providing these plans to their Shine Bright Early Years Advisor as outlined in the Required Documents Procedure.

All staff are responsible for:

- Working with their Nominated Supervisor and Educational Leader to actively participate in and support the development and implementation of their service’s Operational Capital Plan.

Parents/guardians are responsible for:

- Providing feedback into their service’s Operational Capital Plan.

REVIEW

To assess whether the values and purposes of the policy have been achieved, the Approved Provider will:

- Regularly seek feedback from everyone affected by the policy regarding its effectiveness.
- Monitor the implementation, compliance, complaints and incidents in relation to this policy
- Keep the policy up to date with current legislation and best practice
- Revise the policy and procedures as part of Shine Bright’s policy review cycle, or as required

ATTACHMENTS

- Attachment 1: [Background, Definitions, Sources and Service Policies](#)
- Attachment 2: [Determining Capital Budget items and how they will be funded](#)
- Attachment 3: [Service Operational Capital Plan template](#)

AUTHORISATION

This policy was adopted by the Approved Provider: Shine Bright on October 2019.

REVIEW DATE: 2022