Financial Management

Mastering Financial Skills for Center Profitability

Lauren Small • ACNJ

October 8, 2026 • 11:30 a.m.–12:30 p.m.

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njaeyc New Jersey Association for the Education of Young Children

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Training Outcomes



1. Optimize financial frameworks for district models.
2. Balance enrollment and expenses using metrics.
3. Fully capture all diverse revenue streams.
4. Utilize operational benchmarks to align costs.
5. Use key metrics for proactive leadership.

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The Business Leader Mindset

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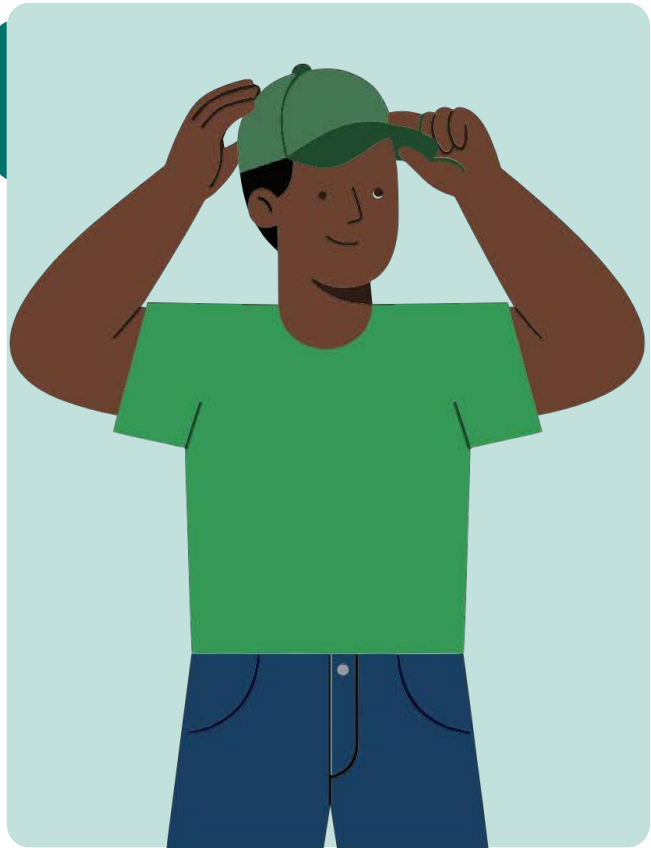


Which area of your center's finances represents your biggest leadership priority today?

1. **Profitability via Blended Revenue Streams:** Balancing district expansion seats with wrap care, CACFP, and private pay.
2. **Expense & Benefit Planning:** Aligning district preschool costs with NJDOE teacher parity and benefit limits.
3. **Cash Flow & Deferment Planning:** Managing summer payroll deferments and quarterly reimbursement timing.
4. **Proactive Decision Metrics:** Using seat occupancy and labor ratios to make confident, strategic choices.

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What is wearing a business hat?

Recognizing that the business side of the industry is essential to providing high quality ECE programming.

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Whole Leadership Framework

Pedagogical Leadership

Curriculum,
child development,
learning
environments

Administrative Leadership

Operations,
fiscal management,
strategic planning

Whole Leadership Framework

Leadership Essentials

Relationships, reflection, equity, and improvement

Adapted from McCormick Whole Leadership Framework (2023)

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What is your financial management level?

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The 3 Pillars of Financial Management Child Care Business Stability

Knowledge	Build Systems	Financial Habits
• Literacy • Systems • Technology	• People • Processes • Resources	• Process-Driven • Consistency • Delegation

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Optimize Financial Frameworks for District Models

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The Systems Mindset

Shift from day-to-day operational manager → strategically seeing the **BIGGER** picture



Standardizing key business processes

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3 Essential Process Concepts



Documented



Simple



Followed by all

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Financial System



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Let's Reflect

After watching the video:

1. What is revenue?
2. What are expenses?
3. Why is record-keeping important?

Discuss:

How can good records help your business?

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Digital Tools

Utilize financial software or apps to simplify tracking and analysis.

Quickbooks Online



State Excel Spreadsheets

Child Care Management Software

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Chart of Accounts

NJDOE-funded, district-contracted preschool budgets

Key Accounting Structure:

Profit & Loss Statement

Income

- District Contract
- CACFP Meals
- Wrap-Around Fees

Expenses

- Educational | Support
- Facility | Indirect Costs

Balance Sheet

Assets

- Accounts Receivable (Wrap-Care Owed)
- Fixed Assets $2,000+ Capitalize & depreciate

Liabilities

- **Deferred Payroll** (10-Month vs. 12-Month Teacher Pay)

Equity

- Retained Earnings
- Eligible for-profit profit
- Up to 2.5% of NJDOE educational costs*

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Categorization

Organize expenses into categories



Educational Program Costs



Admin Support Costs



Indirect: Facility Costs



Indirect Other Costs

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What is one recordkeeping habit your team already does well?

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Junk In and Junk Out



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The 5-Stage Financial Management Loop

1	Operations	Generate income & incur program costs.
2	Records	Collect, check & store all receipts & bills.
3	Bookkeeping	Post & categorize into chart of accounts.
4	Reports	Prepare state quarterly reports & statements.
5	Decisions	Evaluate metrics to drive strategic planning.

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Fully Capture all Diverse Revenue Streams

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Budget



A budget is a plan that estimates income and expenses for a specific period of time. It helps us to allocate resources, control purchases and save for the future.

A budget can be created monthly, annually or quarterly.

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The Blended Revenue Architecture

STREAM 01

NJDOE District

Approved core budget covering 6-hour school day.

STREAM 02

CACFP Meals

Mandatory food program covering breakfast, lunch, snack.

STREAM 03

Wrap Care Fees

Before/after care and summer sessions billed separately.

STREAM 04

Infant / Toddler

Private-pay tuition from non-contracted younger classrooms.

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Peer Discussion Focus

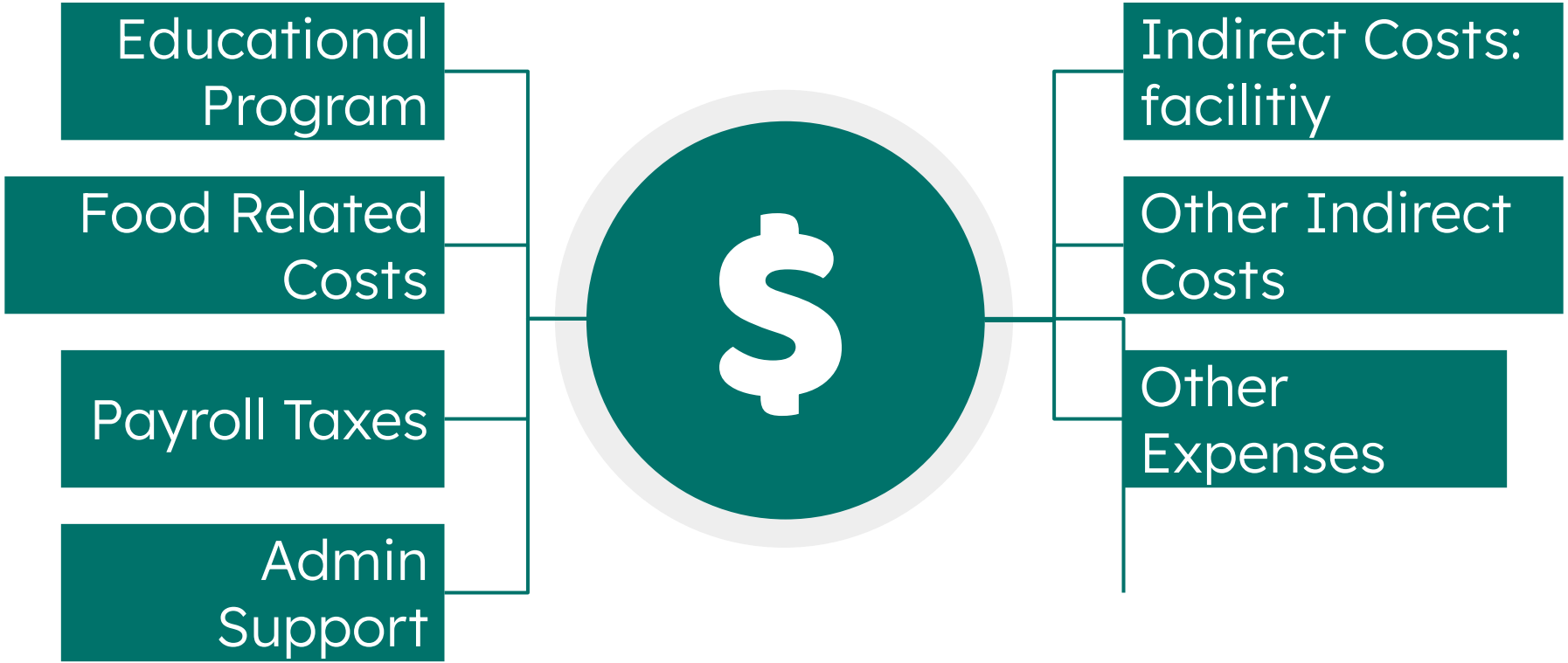
What is your biggest real-world obstacle when managing blended revenues (expansion seats vs. wrap care or infant/toddler rooms)?



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Examples of Expenses

Expenses are everything we purchase to run our program.



Expense Management

To have an effective reduction of cost, you must guarantee that you have the best possible practices and the best prices from suppliers.

Cost-cutting process:

1. Review records to see current costs.
2. Can you reduce the cost by…?
   - Switching vendors
   - Cutting the expense

Possible expense categories to reduce:

- Supplies and materials
- Utilities
- Insurance

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Peer Discussion Focus

How do you handle cash flow fluctuations during transitions or summer payroll deferment months (10-month vs. 12-month teacher pay)?



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Enrollment & Expenses



- Track enrollment and revenue by funding stream, including district funding and tuition.
- Compare monthly income and expenses with the budget.
- Review payments received and amounts still owed.
- Choose one gap, a follow-up owner, and a review date.

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Which revenue stream do you rely on most for your program right now?

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Tuition Collection Policies

When are payments due? **Pre-pay? Auto-pay?**

Analyze

Create a Plan

Communicate

Follow by All

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Late Payments



- Documented policies: set clear payment expectations and collection procedures.
- Open communication: discuss overdue balances promptly and consistently.
- Steps to collection: follow your process and record each follow-up.

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Use Key Metrics for Proactive Leadership

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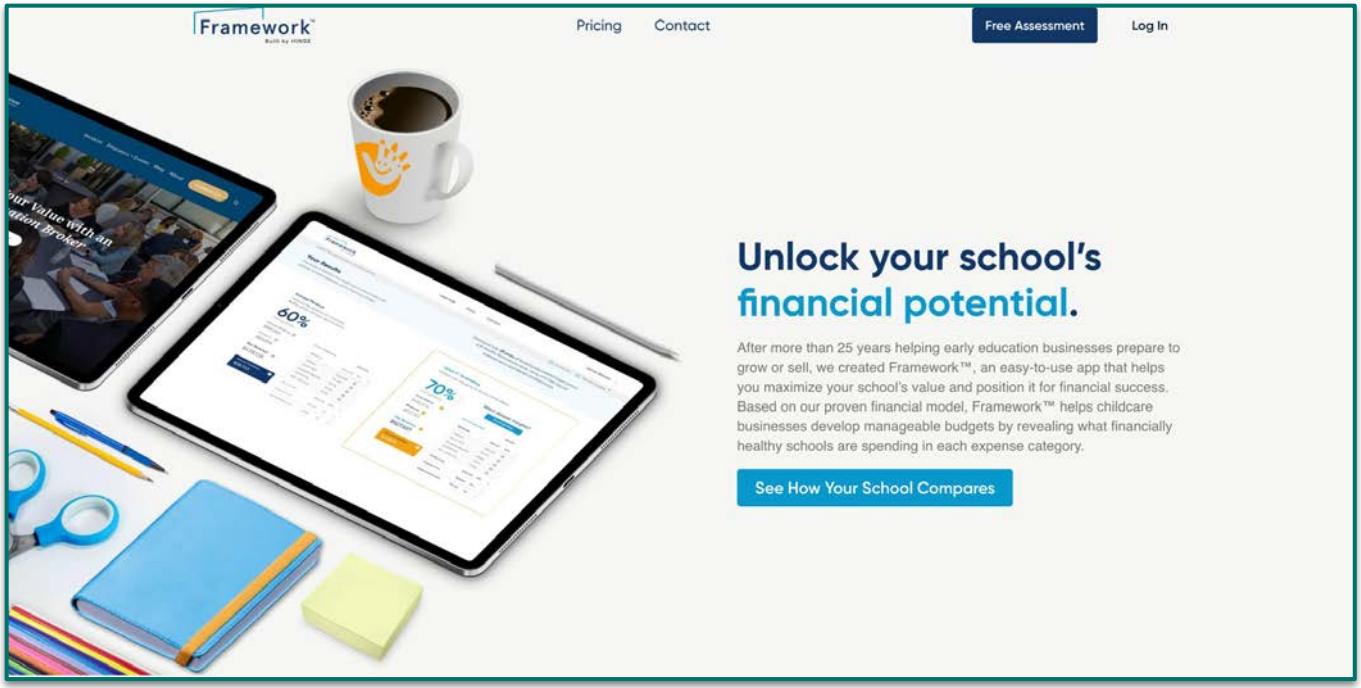
Benchmarking

The process of evaluating or checking (something) by comparison with a standard.

TIP: Compare expense categories with industry averages!

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Benchmarking Tool



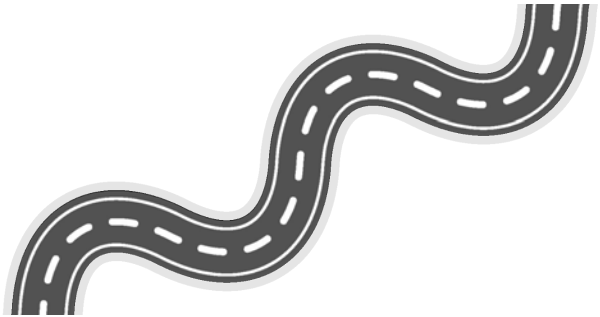
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Strategic Planning

A strategic business plan is a comprehensive document outlining the strategies to achieve a company's vision, mission, and goals.



It's like a roadmap guiding the company's direction and decision-making.

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Key Business Metrics

1. Enrollment % of capacity (Seat Occupancy)
2. Employee turnover rates
3. Cost per child (per seat)
4. Accounts receivable (% of revenue)
5. Labor cost
6. Revenue

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S.M.A.R.T Goals



Is it **S**pecific?

Objectives **M**easurable?

Is it **A**chievable?

Is it **R**elevant?

Includes a **T**imeline

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Drafting an Action Plan

01

Specific Tasks

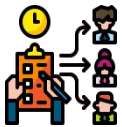
Define clear, manageable steps to reach the goal.



02

Assigned Team

Assign an owner and responsibilities for each task.



03

Resources

Identify tools, budget, training, or outside support.



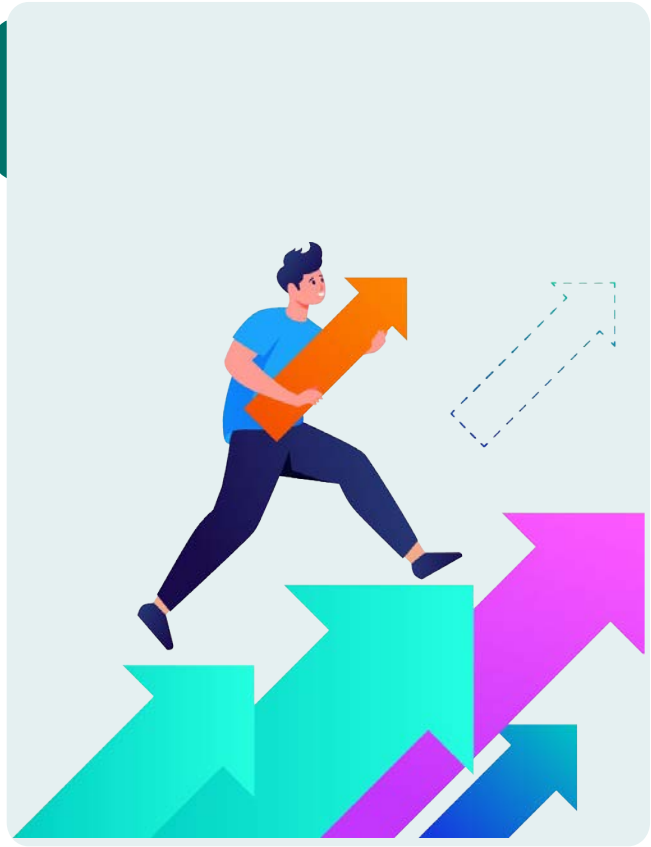
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Target Dates

Set realistic deadlines and milestones to track progress.



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Next Steps

1. Review one financial process and identify a gap.
2. Choose a key metric and draft one SMART goal.
3. Assign an owner, resources, and a review date in your action plan.

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PATHWAY
Financial Management for Child Care

The **Financial Management** sessions are organized in order by skill level, but you may attend them in any order. The sessions that include **Learning Labs** will provide hands on activities to enhance your learning experience.

1. Business EEBC:
   Financial Management Essentials for Child Care
   Live Virtual
2. Business EEBC:
   Developing Financial Recordkeeping and Bookkeeping Practices for Child Care
   Live Virtual
3. Business EEBC:
   Basic Spreadsheet Tools - Financial Management for Child Care
   Live Virtual with Learning Lab
4. Business EEBC:
   Budgeting Tools and Techniques for Child Care
   Live Virtual with Learning Lab
5. Business EEBC:
   Utilizing Financial Statements for Directors for Child Care
   Live Virtual
6. Business EEBC:
   Managing Expenses and Delinquent Tuition Payments for Child Care
   Live Virtual with Learning Lab
7. Business EEBC:
   Maximizing Tuition Increase and Revenue for Child Care
   Live Virtual with Learning Lab
8. Business EEBC:
   Utilizing Financial Management Technology for Child Care
   Live Virtual
9. Business EEBC:
   Intermediate Spreadsheet Tools - Financial Management for Child Care
   Live Virtual with Learning Lab
10. Business EEBC:
    Financial Forecasting and Modeling for Child Care
    Live Virtual with Learning Lab

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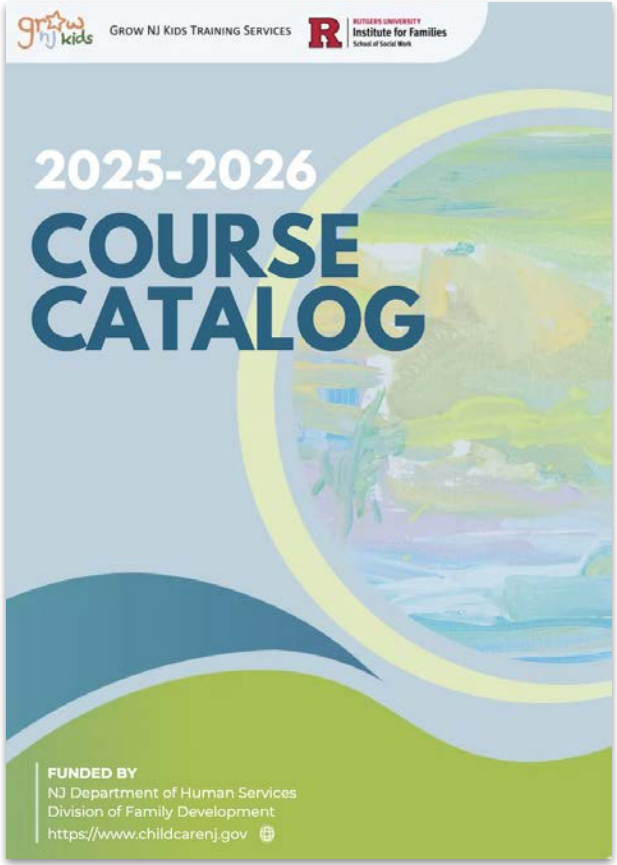
11 Business EEBC:
Tracking and Assessing Key Business Metrics for Child Care
Live Virtual with Learning Lab

12 Business EEBC:
Advanced Spreadsheet Tools - Financial Management for Child Care
Live Virtual with Learning Lab

13 Business EEBC:
Planning for Growth and Business Loans
Live Virtual with Learning Lab

Explore the 2026 GNJK Training Services course catalogue

https://coursecatalog.earlychildhoodtraining.ssw.rutgers.edu/view/987381865/90/



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Shared Services & NJ Shared Resources

NJ Shared Services Initiative

Local alliances connect child care providers with coordinated business support, shared tools and resources, and training and guidance for program operations.

Find your local Shared Services Alliance

NJAEYC Shared Resources Platform

An online library of editable templates, checklists and policies for managing daily child care operations.

Explore NJ Shared Resources

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NJ Shared Resources Website



njsharedresources.org

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Your Next Learning Goal

Continue Building Your Financial Skills

Choose budgeting, cash flow, tuition collection or metrics. Explore the GNJK catalogue next.



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Find Business Support

Bring your questions about financial systems, revenue, expense tracking, or your action plan.

Ask your local NJ Shared Services Alliance about business support and training.
Find your local alliance

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Thank you

For learning with us!

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