

Your Program's Financial House—Time to Get Organized!

BY ERIN CETERA

It's not unusual for early childhood program administrators to feel like there's not enough time in the day to get things done. The work they do is demanding and complex, and it can be exhausting.

Financial tasks can be especially draining. Many [program administrators report](#) that dealing with their program's finances is the least enjoyable aspect of their work. It's also the work with which they are least familiar. Often, program administrators are promoted from the classroom into the office with little training or preparation. They must quickly become as effective at managing financial matters as they are at supporting and caring for young children and their families.

Demonstrating operational leadership skills in budget management is one aspect of the [Whole Leadership Framework, a guide for success in early childhood programs](#) which was developed at the McCormick Center for Early Childhood Leadership. Administrative leadership is the domain that includes all the ways leaders plan for and manage program operations, strategic planning, advocacy, and interactions with the community. Developing and managing budgets helps ensure that organizations remain stable and viable.

Finding yourself procrastinating, missing deadlines, ignoring requests for information, or feeling overwhelmed about your early childhood program's financial situation can be signs that it's time to get organized.

If the thought of getting organized makes you cringe, take heart; there are ways to get organized that require simple mind shifts and minimal effort and result in a greater ability to meet program goals, respond to funder requests, and free up time to focus on children, staff, and families.

SIMPLIFY YOUR THINKING AND MAKE INTENTIONAL DECISIONS

Financial terms and tasks such as budgeting, fundraising, financial reporting, cash flow analysis, audits, salary schedules, fee policies, and collection techniques can make even confident leaders question themselves. In [From Survive to Thrive, A Director's Guide for Leading an Early Childhood Program](#), we are reminded that successfully running an early childhood program requires organization, some introductory bookkeeping and accounting knowledge, and a structure or system.

Think of your program's budget and the flow of money in and out of your program in simple terms. [John C. Maxwell](#) said, "A budget is telling your money where to go instead of wondering where it went." Know the expected income and track spending. Set goals, make plans, and adjust those plans as conditions change. Review results regularly.

Focus on understanding your particular set of circumstances. In some settings, early childhood program leaders are responsible for every aspect of the budgeting process. In large corporate settings or multi-site

programs, budgets may be developed at a central office. While it's essential to understand your budget, [Lorraine Harris reminds us](#), "It's important to remember that there is a difference between developing a budget and being an accountant." When you can explain your budget well, accountants can give advice so you can focus on your program's mission of serving children and families.

The following strategies will help you get started and stay on top of your financial responsibilities:

- **Get organized.** Managing time and tasks by setting up systems will help budget management feel more routine and less like an arduous task. "Organization isn't a superpower; [it's just a set of strategies and skills](#) you don't have yet..." Many financial tasks cause stress because they recur regularly. Billing clients, collecting fees, and reconciling accounts must occur for a business to remain healthy. Solutions include using electronic billing systems, outsourcing to an off-site bookkeeper, or delegating rote tasks to a trusted assistant who can maintain confidentiality. Add financial tasks to calendars, planners, and apps that you already use for other aspects of your work.
- **Ask for help.** The [Greater Good Science Center](#) reminds us that people consistently underestimate how willing others are to help, and we consistently underestimate how much people enjoy helping others. As a newer administrator, you may need training and support to understand financial tasks successfully. Ask for it! If you're more seasoned, perhaps you could use some guidance learning to use updated data systems. Ask for it! Even business competitors have been known to offer one another opinions and advice when the greater good of serving children is considered.
- **Practice self-care.** Many of us have become skilled at caring for ourselves so that we can care for others. We know that [self-care is protective rather than indulgent or selfish](#). Where program finances are concerned, self-care can mean something as simple as setting aside a certain period of time to think about your program's finances, then returning to other work-related concerns (or setting work aside completely). Focusing and controlling your thoughts can result in improved productivity and more quality time in your life.
- **Commit to learning.** Ideas about budgeting and managing finances range from simple to highly complicated. Louise Stoney reminds us of "...a simple formula for a complex issue" with her model of [The Iron Triangle](#). Begin with understanding the relationship between enrollment, revenues covering the per-child cost, and fee collection. This doesn't replace the steps in sophisticated fiscal management, but it provides an initial focus as knowledge and skills are developed. As you become more experienced, seek to improve. [Opportunities Exchange](#) offers an [ECE Center Financial Management Self-Assessment Tool](#) to help program administrators implement best business practices.

A very long time ago, Sir Francis Bacon said, "Knowledge is power." Knowing the details of your program's financial situation gives you the power to make impactful choices and decisions. Knowing how to organize thoughts and tasks gives you the power to focus your energy. Knowing when and where to ask for help harnesses the power of our collective minds. That power allows the use of our program's funds as [Lynne](#)

[Twist](#), a global activist dedicated to economic integrity, recommends, “Money carries our intention. If we use it with integrity, then it carries integrity forward. Know the flow—take responsibility for the way your money moves in the world.”

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