

# Accounting For Schools

# 2026 BUDGET PREPARATION INSIGHT & TIPS









# **ABOUT ACCOUNTING FOR SCHOOLS (AFS)**

- Assisting schools since August 2008
- Team of 18, while Wellington based we frequently travel around the country
- Assist over 150 schools throughout NZ (from the deep South to top of the North)
- Leading the charge around School finance innovation through utilising Xero & other cloud apps (Hubdoc, ApprovalMax, driving SMS integrations, etc.)
- Provide transparent and understandable financial information
- Provide certainty to schools about their financial position

Accounting For Schools asks the right questions, understands your unique requirements and adds value by helping you plan for the future.



# **OUR TEAM**





# **OUR SERVICE OFFERING**

This can broadly be divided into the following areas:

- Full Monthly Accounts
- Review of Monthly Accounts
- Xero Implementations & training
- Customised Xero Report Writing & Support
- Year-End Financial Statements
- Strategic Planning / Forecasts / Budgets
- Xero & Associated Systems Support (Hubdoc & ApprovalMax)

You decide what level of assistance you want and we tailor our services to suit you.





#### **2026 KEY CHALLENGES**

- Operational Grant Increase of 1.5% With inflation running at 2.7%, this essentially results in a decline in funding, if expenses move at the rate of inflation. Hence this will make the budgets for 2026 extremely tight.
- Continued Bedding Down New Curricular Potential further impacts such as additional professional development, training newly recruited teachers, resource materials, etc.
- Special Needs Funding and associated Teacher Aide costs Impact of the pay equity
  agreement on the level of funding received & also the associated costs. There is still no
  information behind the calculations pay equity. The Scheme was supposed to be washed
  into the Operational & Other MOE funding models by 1 July 2025, still has not been. Our
  recommendation, to base on last year, with percentage increase/decline aligned with
  support staff wage cost changes.
- **Impact of low interest rates** interest earned from term deposits (average interest rate for short term deposits likely to drop between 2.0% to 2.5% max)



#### POTENTIAL OPPORTUNITIES

- Communications VOIP telephone system, initial capital outlay, but generally lower operational costs, no PABX required, etc. Also photocopying, trying to send information electronically where possible.
- MOE Risk Management Scheme (Insurance) Comprehensive insurance scheme at cost of \$13.04+gst per student, which is deducted from Ops Grant.
   (<a href="https://www.education.govt.nz/education-professionals/schools-year-0-13/property/contents-liability-and-cyber-insurance#about-the-risk-management-scheme-1">https://www.education.govt.nz/education-professionals/schools-year-0-13/property/contents-liability-and-cyber-insurance#about-the-risk-management-scheme-1</a>)
- All of Government Scheme For large cost items, using the power of Government procurement scheme can deliver savings (<a href="https://www.procurement.govt.nz/contracts/">https://www.procurement.govt.nz/contracts/</a>)



# POTENTIAL OPPORTUNITIES - LOCALLY RAISED FUNDS

- International students Increasing interest for both short and long stay in Primary & Secondary, particularly from Korea, Indonesia and Philippines. China still a little slow to recover. Get the documentation out, and ensure its still current
- **Donations** For Schools not eligible for the MOE Donation scheme (Equity index less than 431), with falling interest rates for households, despite the cost of living challenges, households should have a little more disposal income in 2026.
- **Community Grants** A number local community trusts have rebuild there reserves post Covid Impacts, so have funds available. Target areas should be sports/cultural uniforms, sports equipment, and ICT devices.

#### **BUDGET PREPARATION - OUR APPROACH**

- Create a custom budget template within Xero, format as required;
- Export to Google Sheet, allowing for collaboration between budget stakeholders (BOT, Principal, Support Staff)
- Focus on the key risk areas initially (Teacher Entitlement, Support Staff, Grants & Locally Raised Funds)
- Ensure Cyclical Maintenance & Depreciation accurately accounted for
- Look for opportunities for savings
- Then overall review and budget meeting
- AFS will complete Balance Sheet & Cash Flow Budgets



School Budget Repo	rt
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# **TEACHER ENTITLEMENT**

#### Teacher Entitlement/Utilisation

**ABC School** 

For the year ended 31 December 2026

	Year			
Teachers	Group	Usage	2025	
Principal		1.00	1.00	
DP /AP's		2.00	2.00	
Classroom Teachers		11.00	11.00	
Term 3 New Entrant		0.50	0.50	
Reading Recovery		0.60	0.60	
PRT & CRT		0.40	0.40	
Senco		1.00	0.90	
T. 111		40.50	40.40	
Total Usage		16.50	16.40	
Entitlement				
Staffing entitlement (mgmt 1.4)		15.35		
Special Ed Staffing		0.40		
Additional Staffing		0.40		
Attached Teaching Position		0.20		
PRT Allowance		0.20		
CoL Time Allowance		0.10		
our fille / lilowalice		0.10	16 45	Based on 2026 Prov notice
			10.40	Bused on 2020 Flow House
Surplus to Receive/Deficit to Fund			(0.05)	
If Deficit to fund			(4,800)	
			( -,)	
If Surplus, to receive			0	



# List out expected usage:

- Management Staff
- In classroom teachers
- Plans for teachers starting later in the year (IE: new entrant)
- Reading Recovery
- PRT/CRT release
- Other teacher coverage



#### TEACHER ENTITLEMENT

#### Add-in:

- Provisional Entitlement
- Any expected Provisionally Registered Teacher (PRT) entitlement not included in provisional
- Any additional entitlement as result of increased roll number (NB: if student numbers expected to be less, staffing is locked at provisional level – assured staffing)
- Difference between expected usage & entitlement is deficit to be funded by Board or Surplus, usually used for relievers. (NB: Relievers charged at 0.14 through teacher salaries)

Entitlement	
Staffing entitlement (mgmt 1.4)	10.80
Special Ed Staffing	0.40
Additional Staffing	0.20
Attached Teaching Position	0.20
PRT Allowance	0.20
CoL Time Allowance	0.10
	11.90
Surplus to Receive/Deficit to Fund	0.40
If Deficit to fund	0
If Surplus, to receive	29,800
	<b>\</b>

Potential Reliever Days

# **MOE FUNDING CALCULATORS**



Expecting more or fewer students?

Operational Grant Funding Calculator <a href="https://www.fundingcalc.minedu.govt.nz/QuarterlyFunding/">https://www.fundingcalc.minedu.govt.nz/QuarterlyFunding/</a>

Staff Entitlement Funding Calculator <a href="https://www.fundingcalc.minedu.govt.nz/Staffing/">https://www.fundingcalc.minedu.govt.nz/Staffing/</a>

#### Welcome to Ministry of Education School Funding Calculator

Please enter your School Number below and click the Start button.

School number:	
Calculation Period?	O 2025 O 2026
Do you have Adult students?	○Yes ○No
Do you have Māori Medium Immersion (MMI) students?	○Yes ○No
Do you have Pacific Bilingual and Immersion Programme (PB) students?	○Yes ○No
Do you have Secondary Tertiary Programme (STP) students?	○Yes ○No
	Start

## **TEACHER AIDES & SUPPORT STAFF**



### **Key Considerations:**

- Increased teacher aide pay scale rates for 2026
- Expected students for 2026, their needs and potential funding (ORS, HH, etc) (NB: Funding provided GST inclusive, so remove GST when including as revenue in budget)
- Include allowance for annual leave, paid out at end of year for TA's. Other support staff depends on their contract.

#### **Teacher Aides**

ABC School

For the year ended 31 December 2026

Teacher	Purpose	Hourly rate	Estimated Weekly Hours	Estimated Annual Hours	Annual Wages	Plus Leave	Total Cost
TA 1	ESOL	25.00	25.00	1,000	25,000	2,500	27,500
TA 2	HH	27.50	8.00	320	8,800	880	9,680
TA 3	ORS	25.00	24.00	960	24,000	2,400	26,400
TA 4	ORS	25.00	25.00	1,000	25,000	2,500	27,500
TA 5	SEG	26.50	15.00	600	15,900	1,590	17,490
Annual tea	cher aide costs						108,570

## CYCLICAL MAINTENANCE



Cyclical maintenance project	Year last done	Year next expected	Cycle (years)	Years since last done	Estimated cost \$	Annual Cost \$	Provision at 2024 \$
Main Block - Interior	2024	2034	10	0	7,157	716	0
Multipurpose Room - Interior	2024	2034	10	0	3,037	304	0
Main Block - Exterior	2024	2034	10	0	34,494	3,449	0
					0		0
Resource Room - Roof	2024	2034	10	0	1,332	133	0
Shed - Roof	2024	2034	10	0	3,048	305	0
Shed - Exterior	2024	2034	10	0	1,129	113	0
Multipurpose room - Exterior	2024	2034	10	0	5,769	577	0
Library Exterior	2024	2034	10	0	4,019	402	0

- If property manager is working on new 10 Year plan, please advise us according, so we can factor in any changes to the 2026 budget.
- If there are any building projects upcoming that might impact an area due for repainting, please also advise, as potentially the provision might be able to be scaled back.

# **FIXED ASSETS**

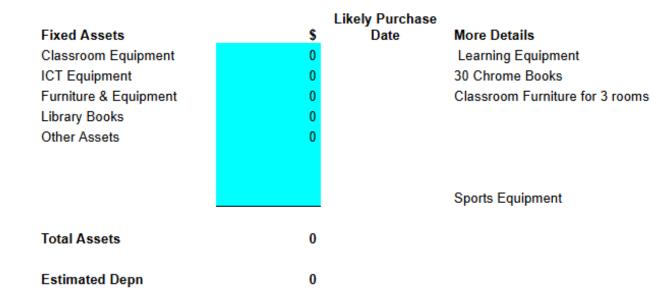


# Fixed Assets & Balance Sheet:

- Include expected asset purchases for 2026
- Date, type & description

#### **Fixed Asset Purchases**

ABC School For the year ended 31 December 2026





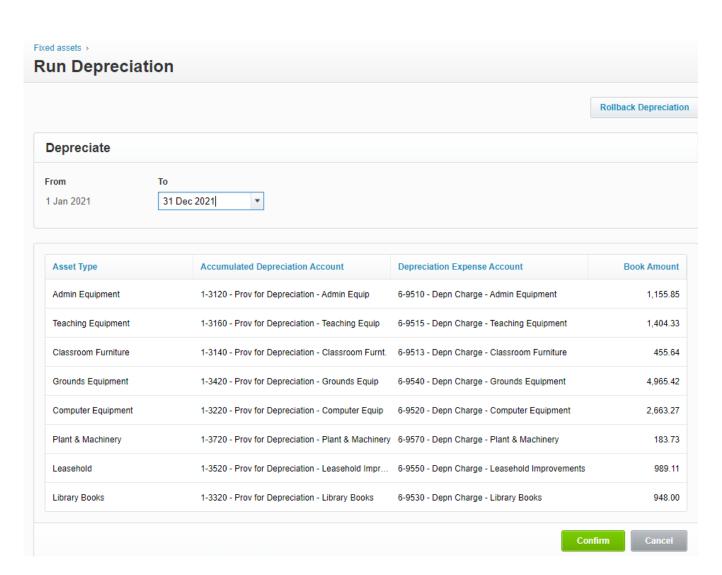
# **FIXED ASSET REPLACEMENT PROGRAMME**

ABC School														
As At 31 December														
	Original	Original		Evenented										
Asset Type	Original Purchase date	Original Purchase Price	# of Items	Expected Purchase Date	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
ICT														
Chromebooks	2016 & 2018	30,000	90	2020/21	15,000	15,000	-	-	-	-	_	-	-	-
Desktops	2019	25,000	25	2024	-	-	-	-	25,000	-	-	-	-	-
iPads	2017	30,000	40	2021	- '	30,000	-	-	-	-	-	-	-	-
Laptops/Notebooks	2015/2016	30,000	25	2021/22	-	15,000	15,000	-	-	-	-	-	-	-
Projects/TV's	2018	15,000	10	2025	-	-	-	-	-	15,000	-	-	-	-
Server	2019	18,000	1	2025	-	-	-	-	-	18,000	-	-	-	-
Other Computer					-	-	-	-	-		-	-	-	-
					15,000	60,000	15,000	-	25,000	33,000	-	-	-	-
FURNITURE & EQUIPME	NT													
Classroom Tables	-141				_	_	_	10,000	_	_	_	10,000	_	_
Classroom Chairs					_	_	_	10,000	_	_	_	10,000	_	_
Oldosidom Ollano					-	-	-	20,000	-	-	-	20,000	-	-
OTHER FIXED ASSETS														
Library Books	On-going				500	500	500	500	500	500	500	500	500	500
Sports Equipment					-	-	-	-	-	-	-	-	-	-
Sound System	2016	12,000		2021		12,000	-	-	-	-	-	-	-	-
CCTV System	2017	15,000		2027	-		-	-	-	-	-	15,000	-	-
					500	12,500	500	500	500	500	500	15,500	500	500
Total Replacement per ar	ınum				15,500	72,500	15,500	20,500	25,500	33,500	500	35,500	500	500



#### **DEPRECIATION**

- Can run within Xero without posting
- Add in estimate depreciation from fixed assets purchases (IE: 10% or 20% of total purchases, dependent on when fixed asset purchased)
- Develop long term fixed asset replacement programme (planning for replacement)
- AFS happy to run once planned Fixed Asset purchases for 2026 determined.



## **PROFIT & LOSS CONSIDERATIONS**



#### 2026 School Budget

ABC School For the year ended 31 December 2026

Account	2024 Actuals	2025 Budget	Jan-Aug 2025	2026 Budget	2027 Budget
Government Grants					
Ministry Donation Contribution	0	25,000	27,750	25,000	25,000
Operational Grant	318,844	318,605	257,226	318,605	318,605
Other MOE Grants	123,979	105,900	72,277	105,000	105,000
Total Government Grants	442,823	449,505	357,253	448,605	448,605
Local Fundraising					
Camp Income					
Camp Income	11,840	0	0	20,000	20,000
Camp - Expenses	(15,230)	0	0	(20,000)	(20,000)
Total Camp Income	(3,390)	0	0	0	0
Donations	6,498	0	100	0	0
Extra Curricular					
Extra Curr Activities Fees Inc	7,833	0	621	0	0
Extra Curr Activities Cost	(5,607)	0	(678)	0	0
Total Extra Curricular	2,225	0	(57)	0	0
Fundraising Income					
Fundraising Income	2,258	0	3,404	0	0
Fundraising Expenses	(637)	0	(1,786)	0	0
Total Fundraising Income	1,621	0	1,618	0	0
Community Grants					
Grants - Air Rescue Services	9,930	0	0	0	0
Grants - Pub Charity	11,862	0	0	0	0
Grants - Thomas G Macarthy Trust	0	2,000	2,000	2,000	2,000
<b>Total Community Grants</b>	21,792	2,000	2,000	2,000	2,000
Total Local Fundraising	28,747	2,000	3,661	2,000	2,000

#### **Profit & Loss Considerations:**

- Start with the previous years budget (Copy numbers across)
- Update all the big numbers (Ops grant, local raised funding, salaries, cyclical maintenance & depreciation)
- Review must haves (IE: first aid, power, communications, etc)
- Add in new initiatives & remove initiatives no longer undertaking.

#### **BALANCE SHEET**

AFS Accounting For Schools

- AFS will complete once the Profit & Loss Budget final.
- Balance sheet focus should be positive working capital position.
- Balance sheet movements are largely driven off Profit & Loss & fixed asset purchases. Include placeholders, but cannot be finalised until the profit and loss budget is complete.
- Potential opportunities re cyclical maintenance – building works.

#### **Balance Sheet**

ABC School As at 31 December 2026

Account	2024 Actuals	2025 Budget	2025 Actuals	2026 Budget
Current Assets				
Cash and Cash Equivalents	214,833	233,989	399,568	0
Accounts Receivable	180	500	484	0
Inventories	200	200	200	0
GST Receivable	8,339	7,500	0	0
Prepayments	4,340	4,000	1,765	0
Trade and Other Receivables	61,846	65,000	61,846	0
Funds Held on Behalf of MOE	4,577	0	0	0
Total Current Assets	294,315	311,189	463,863	0
Current Liabilities				
Accounts Payable	85,104	90,000	71,330	0
ASB Credit Card	734	500	414	0
GST	0	0	13,234	0
Income in Advance	2,000	0	0	0
Lease Liability - Current	4,137	4,000	3,198	0
PB4L	9,232	9,000	9,014	0
Provision for Cyclical Maintenance	20,000	20,000	20,000	0
Funds Held on Behalf of MOE	0	0	51,126	0
Total Current Liabilities	121,207	123,500	168,316	0
Working Capital Surplus/(Defici	173,108	187,689	295,547	0

#### **LEASES**



#### **Lease Commitments**

ABC School For the year ended 31 December 2026

Finance	Lease											
				Start Date	End Date	Qrtly/Mthly	Amount	2025	2026	2027	2028	Total
TRL	86359	3 * Toshiba Tecra Z40	1G091603H ZF049454H ZF049465H	1-Jul-23	30-Jun-26	112.77	3,702	1,284	684			3,702
TRL	88598	2* HP Elitebook	5CG63756Q2 5CG63756QK	1-Nov-23	31-Oct-26	61.46		773	841			2,160
TRL	89761	1* HP Elitebook, 1* Ap	SFVFSR2EH3QF 5CG645FPV	1-Mar-24	28-Feb-27	110.59	442	925	1,006	265		2,840
TRL	91222	3* Toshiba Tecra	ZG099054H ZG090865H ZG099154H	1-May-24	30-Apr-27	107.91	432	1,164	1,267	674		3,321
TRL	95026	2* Apple MacBook Air	SC1MVN0CHJ1WL SC1MVN0HQJ1WL		28-Feb-28	162	648	767	1,100	1,197	315	3,379
TRL	97062	1* HP EliteBook	5CG8125CPK	1-Jun-25	31-May-28	31.99	128	168	358	389	207	1,123
							-	5,080	5,256	2,526	523	16,525
	No Later than 1 Year Later than 1 Year and no Later than 5 Years						5,256 3,048 8,304	2,526 523				

- Provides balance sheet estimates for lease liabilities
- Also check that lease/debt payments & interest does not exceeding 10% of the operations grant (breach of S155 Education & Training Act 2020)

#### STATEMENT OF CASH FLOWS



#### Statement of Cash Flows

ABC School For the year ended 31 December 2026

	2024 Actuals	2025 Budget	2025 Actuals	2026 Budget
Cash flows from Operating Activities	71014410	Dauget	riotadio	Buagor
Government Grants	442.823	414,998	425.609	0
Locally Raised Funds	63,192	15,620	60,182	0
Goods and Services Tax (net)	(7,517)		7,798	0
Payments to Employees	(256,327)	(234,464)	(287,464)	0
Payments to Suppliers	(189,454)	(145,369)	(178,450)	0
Cyclical Maintenance Payments in the year	(8,131)		(9,861)	0
Interest Paid	(691)	(550)	(870)	0
Interest Received	4,496	4,001	3,931	0
			-	
Net cash from / (to) the Operating Activities	48,391	47,558	20,875	0
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)	(15,492)	(35,520)	(37,365)	0
Net cash from / (to) the Investing Activities	(15,492)	(35,520)	(37,365)	0
Cash flows from Financing Activities				
Furniture and Equipment Grant	4,951	-	2,645	0
Finance Lease Payments	(5,862)	17,216	(5,082)	0
Funds Administered on Behalf of Third Parties	(2,830)	(12,062)	1,611	0
Funds Held for Capital Works Projects	(4,577)	-	32,022	0
Painting contract payments	(12)	(6)	(6)	0
Net cash from Financing Activities	(8,330)	5,148	31,190	0
	0.4.500	47.400	44.700	
Net increase/(decrease) in cash and cash equivalents	24,569	17,186	14,700	0
Cash and cash equivalents at the beginning of the year	190,263	190,263	175,563	190,263
Cash and Cash equivalents at the beginning of the year	190,203	150,203	175,563	150,203
Cash and cash equivalents at the end of the year	214,832	207,449	190,263	190,263
Caon and Caon equivalents at the end of the year	214,032	201,443	150,205	150,205

- AFS will complete once the Profit & Loss Budget final.
- Cannot be completed until profit & loss and balance sheets budgets completed
- Some complex formulae involved, we complete for our schools. If completing yourself, the Kiwi Park model is a good option.

#### **NEXT STEPS**

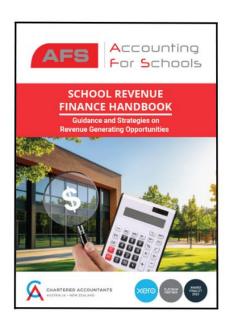


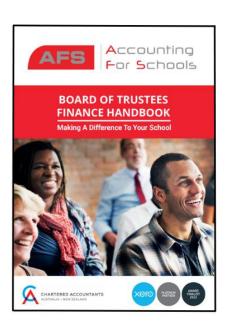
- Once the budget has been drafted, review the overall results.
- If significant deficit, then need to review key areas such as:
  - Teacher Aides
  - BOT Funded Teachers
  - Relieving (Don't under estimate)
  - Professional Development
  - Property Maintenance
  - Cyclical Maintenance
  - Depreciation
- Review initial pass through and review, let AFS know. We're more than happy to meet in person or online to chat through the potential issues.
- Once profit and loss budget final, AFS will complete the Balance Sheet & Cash Flow reports.
- 2026 Budget then presented to the Board for sign-off.

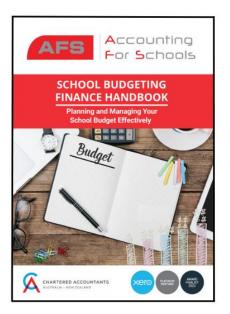


#### PROFESSIONAL DEVELOPMENT

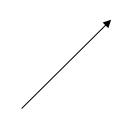
- "The Chalkboard" monthly newsletters providing financial information, Xero feature updates and other news
- Group training sessions for school support staff
- Zoom webinars on various topics
- Accounting For Schools Website Resources Hub free resources for school leaders and support staff















## FREE SUPPORT TO PRINCIPALS' ASSOCIATIONS

- Partners with the New Zealand Principals Federation and provide support to the Model and Normal Schools Association, School Business Managers and National Association Of Secondary Deputy And Assistant Principals Association.
- Also provide support to the Wellington Regional Primary Principals Association, Upper Hutt Principals Association and Nelson Principals Association

#### At no Cost:

- We will complete the annual financial statements for your Principals' Association, including filing any Charity Services or Incorporated Societies returns; and
- Provide the monthly Xero subscription for your Principals' Association



