



Manitoba Child
Care Association

PEOPLE FIRST
HR SERVICES
A division of People Corporation

Governance Training for Child Care Centres in MB

January 2026

Canada 
Manitoba 

TODAY'S TOPICS

Financial Oversight 101

HR Oversight 101

Legal Oversight 101

Board Oversight of Finance 101

Interactive Poll

POLL

Question: What is your level of expertise in Finance / Accounting?

1 – Zero knowledge



2 – Beginner



3 – Intermediate



4 – Advanced



5 – Expert



Financial Topics to be Covered

- Balance Sheet



- Income Statement



- Budget



Balance Sheet - Assets

- Example from Small Child Care:

Cash in Bank	\$12,000
Toys & Equipment	8,000
Playground Structure	15,000
Accounts Receivable	2,500
Prepaid Insurance	1,200
 TOTAL ASSETS	 \$38,700



Balance Sheet - Liabilities

- Example from Small Child Care:

Wages Payable	\$3,000
Taxes Payable	1,500
Accounts Payable (supplies)	2,200
Credit Card Payable	1,000
Bank Loan (balance)	10,000
 TOTAL LIABILITIES	 \$21,700



Balance Sheet – Put it together

TOTAL ASSETS \$38,700

TOTAL LIABILITIES 21,700

NET ASSETS $= 38,700 - 21,700 = \$17,000$



Net Assets – Why You Care

- Shows the Net Value of the Centre
 - What is left if you paid off all debts at point in time
- Shows Financial Stability
 - Positive – own more than it owes
 - Gives confidence to banks, funders, families
- Helps Decision-Making, Planning
 - Can you invest in new playground equipment?
 - Is it a good time to expand?
- Required for Reporting
 - Legal requirement



Income Statement

- How is it different than balance sheet?
- Shows how much centre made or lost over a period of time (month, quarter, year)
- Balance Sheet shows Net Assets / Total Equity at point in time
 - What is the centre's financial health at December 31, 2024?
- Income Statement shows Net Income over the month/year
 - Did the centre make or lose month over the last month/year?



Income Statement - Revenue

- Example from Small Child Care:

Parent Fees	\$120,000	(20 kids X \$500/mo X 12 mos)
Operating Grant	15,000	
Late Pick-up Fees	500	
Fundraising	3,000	
Meal Program Fees	4,800	
TOTAL REVENUE	\$143,300	



Income Statement - Expenses

- Example from Small Child Care:

Staff Salaries & Benefits	\$90,000
Rent	18,000
Supplies	9,000
Utilities	3,000
Food& Snacks	4,000
Other	5,000
 TOTAL EXPENSES	 \$129,000



Income Statement – Put it Together

TOTAL INCOME \$143,300

TOTAL EXPENSES 129,000

NET INCOME = 143,300 – 129,000 = 14,300



Surplus/Deficit – Why You Care (even though non-profit)

- Financial Health = Sustainability
 - Living within means
- Builds Financial Reserves
 - Save for a rainy day
- Supports Reinvestment
 - Furniture, staff training, programs
- Demonstrates Accountability
 - Funders, parents
- Avoids Tough Cuts
 - Nobody likes surprises!



How to Budget for a Child Care Centre

Sample Steps:

1. Estimate Revenue
2. Estimate Expenses
 - Fixed
 - Variable
3. Set Some Aside?
4. Balance the Budget
5. Monitor and Adjust



Estimate Revenue

- Start with enrollment projections
- List all income sources
 - Parent fees
 - Operating grant
 - Fundraising or other grants
 - Extra programs (meals, B&A, late fees)
- Tip:
 - Be conservative



Estimate Expenses

Fixed Expenses

- **Staff Salaries & Benefits**
- Rent / Mortgage
- Insurance
- Utilities
- Software
- Licensing
- Inspection
- Required staff training & dues

Variable Expenses

- Food & snacks
- Cleaning supplies
- Diapers
- Art materials, toys
- Field trip costs
- Professional development for staff
- Seasonal (e.g. sunscreen)
- Repairs/maintenance



Balancing the Budget

+ Total Revenue

- Total Expenses

- Save for Rainy Day Fund

= Net Income (goal is to at least break even)



Budget is Ongoing

- After approved, continue to monitor
- For a variety of reasons, may need to change something
- Make sure you are on track or at least can explain variances
- Create a budget v.s. actual tracking process



Budget Dilemma Scenario: Enrollment Drop and Staffing

Background:

The “_____” Child Care is a non-profit organization licensed for 60 children. The centre typically operates at 95–100% capacity, but over the past three months, enrollment has dropped to 75%. Several families have moved away, and one room is currently half-full due to lower demand for infant spots.

Issue:

The Executive Director (ED) has presented a **revised draft budget** showing a projected **\$80,000 shortfall** by year-end if enrollment doesn't recover.

Original / Revised Budget

Original Budget

Revenue

Parent Fees: \$720,000

Operating Grant: \$150,000

Fundraising: \$20,000

Total Revenue: \$890,000

Expenses

Staffing: \$700,000

Rent & Utilities: \$90,000

Food & Supplies: \$40,000

Admin & Insurance: \$30,000

Programming & Equipment: \$20,000

Total Expenses: \$880,000

Projected Surplus: \$10,000

Revised Budget

Revenue

Parent Fees: \$630,000 (12.5% drop)

Everything else remains the same

Total Revenue: \$800,000

Expenses

Everything remains the same

Projected Deficit: \$80,000

Original / Revised Budget

Original Budget

Revenue

Parent Fees: \$720,000

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Revised Budget

Revenue

Parent Fees: \$630,000 (12.5% drop)

Everything else remains the same

Total Revenue: \$800,000

Expenses

Everything remains the same

Projected Deficit: \$80,000

Adjustments Proposed by ED

- Cut 1 part-time position: Saves \$25,000
- Reduce programming and equipment: Saves \$5,000
- Reduce food / supplies: Saves \$10,000

TOTAL SAVINGS: \$40,000

Therefore, the Net Deficit is now $\$80,000 - 40,000 = \$40,000$

Now you are on the Board...

The Chair is bringing forward these options for discussion to make up the additional \$40,000 deficit:

1. Use \$40,000 from **reserve fund** (current balance is \$90,000)
2. **Lay off** additional staff
3. Apply for \$15,000 local **grant** (uncertain and may take 3 months)
4. Increase **parent fees** by 5% starting next quarter and jeopardize funding

Now you are on the Board (con't)

Your Board's mission:
How will you make up the deficit of \$40,000?

Factor in:

- How your decision affects families, staff morale and service quality
- Do you need further information from your ED
- How you will communicate to families and staff

Prepare to present your rationale to the full group.

Board Oversight of HR 101

Interactive Poll

POLL

Question: What is your level of expertise in Human Resources?

1 – Zero knowledge



2 – Beginner



3 – Intermediate



4 – Advanced



5 - Expert



HR Topics to be Covered

- Recruitment
- Performance Management
- Succession Planning

Recruiting a New Executive Director

- Manage any Conflicts of Interest
- Form an ad hoc Committee
- Seek external support if needed
- Leverage any HR expertise on the Board, if any



Setting Clearly Defined Goals

- What is a goal?

...something to which effort is directed; a statement of desired results to be achieved by a specific date in the future.



Clear goals

SMART Goals - Examples

1. Staffing & Engagement

“Reduce educator turnover from 22% to 15% by December 31 by implementing a retention plan and quarterly check-ins.”

2. Quality & Programming

“Achieve a score of ‘Meets or Exceeds’ on 100% of internal quality audits by year-end through monthly classroom walkthroughs and coaching.”

3. Parent Communication

“Launch a new parent communication protocol by March 31 and achieve 90% parent satisfaction on mid-year surveys.”

4. Health & Safety

“Ensure 100% of reportable incidents are communicated to the board within 24 hours and included in monthly dashboards for the full calendar year.”

5. Financial Stewardship

“Maintain monthly budget variance within $\pm 3\%$ and present accurate quarterly forecasts at each board meeting.”

Scenario: SMART Goals

- The centre has experienced challenges with staff communication and role clarity. In the last staff survey, only 40% of staff agreed that they “understand expectations and feel informed about centre operations.”
- The board would like the ED to improve **internal communication** and **staff engagement**.

Group Task

Each group is asked to:

1. **Draft one SMART goal** the board could include in the ED's annual work plan, based on the scenario.
2. Be prepared to **explain how the goal is SMART.**
3. Optionally, suggest **how the board would monitor** or evaluate progress.

Debrief Questions

- What is your SMART goal?
- What was the hardest part of making the goal SMART?
- How does this kind of goal help both the board and ED?
- How might you use this process in your actual ED evaluations?

Managing performance



Interactive Question

Type in the chat one word that comes to mind when you hear
“performance review”



Reasons for poor performance

- 1. They didn't understand**
- 2. They didn't know how**
- 3. They didn't have the resources**

= 97% of poor performance

4. They refused or didn't want to

"Most of your team members want to make a valued contribution – to find purpose in their work."

Stephen R. Covey

The key to managing performance?

Feedback that is:

- **Timely** – Provide feedback as soon as possible. This links the behaviour with the evaluation.
- **Open and Honest** – Make sure that the feedback is accurate. Avoid mixed messages or talking about the person rather than the performance. That said, provide both positive and negative feedback so that employees can begin to truly understand their strengths and weaknesses.
- **Private** – When you are providing the feedback, do it in a location that offers privacy so that the individual is not embarrassed in front of their colleagues

Benefits of doing performance reviews well

- Detect and eliminate barriers to effective performance
- Pick up dissatisfactions that would otherwise lead employees to leave
- Focus employee's efforts in the right direction
- Motivate employees to work towards important goals
- Help them develop skills and competencies necessary to achieve future objectives
- Celebrate their successes
- Provides the employee an understanding of how they are performing

Performance reviews

- Golden Rule

No Surprises

The performance review meeting

- Hold the meeting in private and allow plenty of time.
- Hold the meeting as close to the due date as possible.
- Discuss specific examples both positive and negative.
- Show confidence in the ED's ability to improve on the opportunities.
- Show appreciation and recognize what is going well.
- Listen to ED's opinions.
- Be hard on behaviours and soft on person.
- Keep it neutral, non judgmental.
- Make it supporting, not threatening

I am committed to:

Starting

Stopping

Doing More of

Doing Less of

Scenario – Stalled Priorities

- The Board approved a 3-year strategic plan with career priorities – improve programming quality, community partnerships and facilities.
- At mid-year, progress is minimal. Reports are vague and there are no documented timelines. When asked, the ED responds' “We are really busy with day-to-day operations. These will have to wait.”
- The issue is that parents have been told these things would happen.
- The Board is unsure if this is a capacity issue, prioritization problem , or lack of leadership drive.

Discussion Prompts

1. How should the board evaluate whether the ED is appropriately balancing operations vs. strategic work?
2. What indicators should the board use to monitor strategic progress without micromanaging?
3. How does the board coach the ED on delegation, prioritization, and change leadership?
4. What should be incorporated into the ED's performance goals for the next cycle?

Scenario – Unreported Incident

- Monthly dashboard on ED Report shows *0 moderate injuries*.
- Parent emails board chair: child needed **3 stitches** after fall two weeks ago.
- Board policy states that this should be reported immediately.
- Parent's concern: centre “downplayed” incident; no follow-up call.
- ED says: “It didn't meet my threshold — we handled it.”
- This is the **second time** an incident wasn't included in board reporting.

Discussion Prompts

- How should the board address repeated under-reporting?
- What expectations should be set for parent and Board communication?
- What performance implications or supports are appropriate?

Succession Planning



Interactive Poll

Question – Have you had to replace an Executive Director?

- 1 – Yes – in a sudden, emergency situation
- 2 – Yes – due to a planned retirement
- 3 – No but we think it might be coming in < 3 years
- 4 – No and do not see a need in the foreseeable future

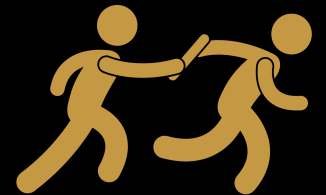
Succession Planning for the ED is ...

- ... the Board's responsibility to make sure the Centre is never left without capable leadership for staff.
- ... about preparing for both planned transitions (e.g. retirement) and unexpected ones (e.g. illness, sudden resignation)



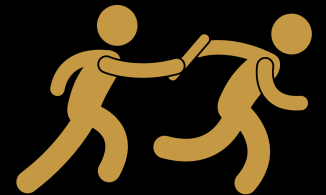
Why Succession Planning is Critical

- Continuity for children and families
- Compliance – licensing, funding
- Relationships – staff, parents, funders, community
- Risk Management – avoid a crisis!



When to Begin?

Now



Scenario – Succession Planning

Scenario: Your Executive Director wins the lottery and resigns tomorrow.

Question: What would be your first three actions as a Board?

You will come back and share your plan with the full group.



Directors' Desk

- New online portal
- Created by MCCA for Administrators of child care programs





Board Oversight of Legal Issues 101

Legal Functions

- Fiduciary Duty / Duty of Care
- Bylaws versus Board Policies
- Child Care Centre Requirements

Interactive Poll

Question: How does the term “Fiduciary Duty” make you feel?

- 1 – Highly energized
- 2 – Slightly motivated
- 3 – Neutral
- 4 – A little nervous
- 5 – Terrified

Fiduciary Duty

Board members must act:

- Honestly (don't cheat, lie, steal)
- In good faith
- With a view to the best interests of the Centre (no Conflicts of Interest)

Example: If a Board member votes against a change for personal reasons, they may not be fulfilling their Fiduciary Duty

Fiduciary

Latin word meaning "trust"

"a person who stands in a special relation of trust, confidence or responsibility in his or her obligation to another" (Webster Dictionary)

Duty of Care



Board members must:

- Make informed decisions using reasonable care and diligence
- Attend meetings, review materials, understand operations
- Ensure policies are followed and staff are qualified and trained

Example: If the board approves a budget without taking time to understand the impact on staff-child ratios or licensing compliance, they may be breaching their duty of care.

Sample Scenarios – Poll

Did the Board uphold their Duty (Y/N)

1. Board members regularly miss meetings and vote on budget items without reviewing financials.
2. The centre's ED allows her cousin's business to get a cleaning contract without disclosing the relationship.
3. The board conducts an annual program review to assess whether they are meeting quality goals and ratios.
4. A board member advocates to keep a program running because it personally benefits their child, even though it is losing money.
5. The Board does not adopt new safety protocols required by Manitoba legislation because it wasn't in their budget.

Sample Scenarios – Which one? Upheld or Violated?

1. A board member regularly misses meetings and votes on budget items without reviewing financials. **NO – not informed or diligent**
2. The centre's ED allows her cousin's business to get a cleaning contract without disclosing the relationship. **NO – conflict of interest**
3. The board conducts an annual program review to assess whether they are meeting quality goals and ratios. **YES – proactive oversight and informed decision-making**
4. A board member advocates to keep a program running because it personally benefits their child, even though it is losing money. **NO – personal interest over organizational good**
5. A Board resists adoption of new safety protocols required by Manitoba legislation. **NO – must comply with laws / regulations**

Bylaws

- Centre is governed by bylaws
- Cover areas such as the following (may be more):
 - Membership in the organization – who, rights, how cease
 - Board members - #, how elected, length of term, remove, officers, qualifications, how to remove, max term
 - Fiscal Year
 - Meetings – AGM, special, regular – quorum, notice, process to call
 - Voting – how, tie break, proxies
 - Amendments – passed by majority vote at AGM or special meeting
 - Record keeping – minutes, financial reports

Bylaw versus Board Governance Policy

Bylaw

Rules and regulations
Require expertise (legal) to review and revise typically
Approved by membership
Include: purpose of organization, how directors are elected, how meetings are conducted, what constitutes quorum, how indemnified

Board Governance Policy

How the board conducts its business internally
Cover what is expected of Board members
Created and approved by the Board

Key Legislation and Standards - Child Care Centre in Manitoba

- The Community Child Care Standards Act
 - Primary law under which centres operate
 - Licensing, minimum standards
- Manitoba Regulation 62/86 (“Child Care Regulation”)
 - More details around ratios, qualifications, supervision, standards, etc.
- Best Practice Learning Manual for ... Centres
 - More guidance than strict legal requirements
- Other Relevant Legislation
 - Employment laws
 - Workplace health & safety
 - Fire code, safety, zoning

Board Member and Governance

- Licensing and Regulatory Compliance
- Board Structure and Composition
- Financial Accountability
- Program Oversight and Quality Assurance
- Legal Accountability and Liability
- Policy and Procedures
- Board Meetings, Officers, Roles



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