

During any period of crisis, the ability of a school to manage cash and cash flows becomes vital for near- term decision making and helps school leaders understand the potential longer-term impact.

Having a clear line of sight into costs or expenses is the start of any cash or cash flow management initiative. The below picture gives an insight into the types of costs incurred at a school.

Evaluating Costs at Your School

What are the types of costs

There are 2 KEY types of Costs – Operating Costs and Capital/ Fixed/ Investment Costs

Operating Costs

Costs that you need to pay every term to operate your school. They are usually more regular and repetitive. Examples – Teacher Salaries, Rent, Learning Materials, Water and other utilities

Capital/ Fixed/ Investment Costs

Infrequent costs, usually for construction or buying an asset. They are usually long term in nature and can be one off. Examples – Classroom Construction, Building Washrooms, Buying Computers for Lab



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