

BUDGET PLANNING POLICY

Policy number	2019.04.9cxiii.POLICY	Version	2
Drafted by	Committee	Approved by Board on	03/04/2019
Responsible person	Chairperson	Scheduled review date	October 2019

INTRODUCTION

The Board of Bandiana Neighbourhood House is responsible for overseeing the budget of the organisation and for ensuring that the organisation operates within a responsible, sustainable financial framework.

In line with this responsibility, the Board of Bandiana Neighbourhood House conducts a budget planning process each year as part of its annual business planning.

PURPOSE

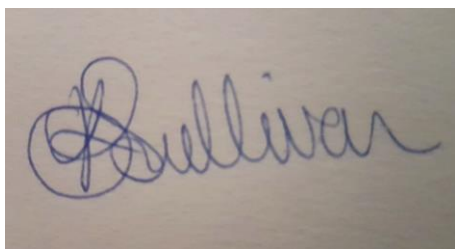
This policy is designed to set out the process for compiling, monitoring and reviewing Bandiana Neighbourhood House’s annual budget.

POLICY

The Board of Bandiana Neighbourhood House conducts a budget planning process each year as part of its annual business planning.

The organisation operates under a budget that must be flexible in responding to unforeseen events, including possible reductions in cash flow, and therefore be regularly monitored and reviewed.

AUTHORISATION



BUDGET PLANNING PROCEDURE

Procedures number	2019.04.9cxiii.PROC	Version	1
Drafted by	Committee	Approved by CEO on	03/04/2019
Responsible person	MANAGER	Scheduled review date	2019

RESPONSIBILITIES

The Board of Bandiana Neighbourhood House has ultimate responsibility for overseeing the budget of the organisation and for ensuring that the organisation operates within a responsible, sustainable financial framework.

It is the responsibility of the Manager & Treasurer to prepare all budgets and review budgets in consultation with the Finance Committee.

The Finance Committee consists of:

- The Board Chair;
- The Board Treasurer;
- The Manager;

PROCEDURES**Preparation of the Budget**

In April each year, the Manager & Treasurer starts preparing the budget estimates as part of the Business Plan for the financial year. The process includes:

- considering operational costs;
- setting payroll costs; and
- estimating income.

The initial budget estimates are based on the current expenditure projections to end of year, plus Consumer Price Increments for salaries or relevant wage increases, revisions to awards/contracts, and a 10% increase on operating expenses such as power, telephones, etc. The Finance Committee shall be provided with information about how cost increases will be absorbed or will lead to increases in service charges (e.g. membership fees).

The Manager & Treasurer will present the draft budget for discussion at a Finance Committee meeting. The Finance Committee may accept the estimates as presented or may request variations, within the context of the Business Plan. A detailed report denoting reasons for decisions should be attached to the draft budget for discussion.

The Manager & Treasurer will then revise the draft and present the amended draft budget at the next available Board meeting, usually in April but no later than end of May. Once adopted by the Board, this becomes the official operating budget for Bandiana Neighbourhood House for the following financial year, and all Board members and employees must work within the financial limits stated or implied by this document.

Monitoring and Reviewing the Budget

The Manager & Treasurer is responsible for monitoring the organisation's expenditure, reviewing the actual and budgeted expenditures, and reporting on the progress of such expenditure.

Financial reports will be prepared each month showing the year-to-date expenditure and its variation from the budget estimates and indicating any increases or decreases in funding. A detailed commentary should be attached to Board reports detailing reasons for variations and recommendations for corrective action should that be required.

The Manager & Treasurer will indicate what effect any variations will have on the budget projections and provide this information to the CEO and the Board. The Manager & Treasurer will also report on any other financial matters that may be related to the Business Plan.

Once adopted by the Board, the Amended Budget will become the new operating budget for the remainder of that financial year.

RELATED DOCUMENTS

- Bandiana Neighbourhood House [Business Plan](#)
- [Investment Planning Policy](#)

AUTHORISATION



Karen Ramsay

13/03/2019