

BUDGET PLANNING

Document Number: <<insert number>>

Version: 1

Date of Issue: <<insert date>>

Contact: <<contact details>>

Introduction

The Management Committee of Go! Highlands Inc 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 Management Committee of Go! Highlands Inc 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 Go! Highlands Inc's annual budget.

Authorisation

Management Committee
Go! Highlands Inc

Policy

The Management Committee of Go! Highlands Inc conducts a budget planning process each year as part of its annual business planning.

Go! Highlands Inc receives most of its operating funds through [name of funding body/bodies and other sources of income].

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

Responsibility

The **Management Committee** of Go! Highlands Inc 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 Treasurer to prepare all budgets and review budgets in consultation with the Management Committee.

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Procedure

Preparation of the Budget

1. In April each year, the 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.
2. 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 per cent increase on operating expenses such as power, telephones, etc. Details of how cost increases will be absorbed or lead to increases in service charges (e.g. membership fees) will be provided.
3. The Treasurer will present the draft budget for discussion at a Management Committee meeting. The Management 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.
4. The Treasurer will then revise the draft and present the amended draft budget at the next available Management Committee meeting, usually in April but no later than end of May. Once adopted by the Management Committee, this becomes the official operating budget for Go! Highlands Inc for the following financial year, and all Management Committee members and employees must work within the financial limits stated or implied by this document.

Monitoring and Reviewing the Budget

1. The Treasurer is responsible for monitoring the organisation's expenditure, reviewing the actual and budgeted expenditures, and reporting on the progress of such expenditure.
2. 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 Management Committee reports detailing reasons for variations and recommendations for corrective action should that be required. The Treasurer will indicate what effect any variations will have on the budget projections and provide this information to the Executive Director and the Management Committee. The Treasurer will also report on any other financial matters that may be related to the Business Plan.
3. Once adopted by the Management Committee, the Amended Budget will become the new operating budget for the remainder of that financial year.

Related documents

Go! Highlands Inc Business Plan