

**About this document**

This document is part of a suite of resources developed by Matrix to assist organisations delivering Emergency Relief services in Australia. We gratefully acknowledge the generous assistance provided by the following organisations, who provided examples of their own documents to inform the development of this set of resources.

**Institute of Community Directors Australia**

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**Using this document**

This resource is intended to provide a starting point for the development of appropriate Emergency Relief service forms, policies, procedures, processes and other documents. It is provided as a ‘white label’ template, which means that it may be customised to suit the needs of your organisation. Text in *italics and highlighted in blue* indicates customisation is required. Matrix strongly recommends that the whole document is carefully reviewed to ensure that the details are compliant with your organisation’s funding agreements, contracts, service standards and policies. We have kept formatting to a minimum, as your organisation may require specific formatting to be applied to the final document.

Your organisation’s decision making or delegation policies and procedures should be followed to ensure appropriate approvals are obtained.

It is good practice to review and update any formal documents on a regular basis. We have included a ‘document review’ field in the footer of this document for this purpose.

Please contact Matrix on (freecall) 1800 628 749 or mobct.com.au if you have any questions or problems using this resource.

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| --- | --- | --- | --- |
| Policy number | <<insert number>> | Version | <<insert number>> |
| Drafted by | <<insert name>> | Approved by Board on | <<insert date>> |
| Responsible person | <<insert name>> | Scheduled review date | <<insert date>> |

***Please note that this is a template policy for guidance only. For assistance in tailoring this policy to suit your organisation, or for legal advice at a pre-agreed price or training in this area, please do not hesitate to contact Moores to discuss how we can meet your needs. Please call the NFP-Assist Legal Hotline on (03) 9843 0418 or email to*** ***NFPassist@moores.com.au******.***

## **Introduction**

The Board of [name of organisation] 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 [name of organisation] 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 [name of organisation]’s annual budget.

## **Policy**

The Board of [name of organisation] 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**

<Signature of Board Secretary>
<Date of approval by the Board>
<Name of organisation>



|  |  |  |  |
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| Procedures number | <<insert number>> | Version | <<insert number>> |
| Drafted by | <<insert name>> | Approved by CEO on | <<insert date>> |
| Responsible person | <<insert name>> | Scheduled review date | <<insert date>> |

## **Responsibilities**

The Board of [name of organisation] 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 [Finance 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 CEO;
* The Finance Manager.

## **Procedures**

**Preparation of the Budget**

In April each year, the [Finance 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 [Finance 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 [Finance 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 [name of organisation] 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 [Finance 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 [Finance 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 [Finance 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**

* [Name of Organisation] [Business Plan](https://www.communitydirectors.com.au/icda/tools/?articleId=1795)
* [Investment Planning Policy](http://www.ourcommunity.com.au/files/policybank/InvestmentPlanningPolicy2015.doc)

## **Authorisation**

[Signature of CEO]
[Name of CEO]
[Date]