

BUDGET PLANNING POLICY

Policy number	FINPOL018	Version	V.070916
Drafted by	J Rakadrudru	Board approval date	
Responsible person	M Usumaki	Scheduled review date	31/01/2020

INTRODUCTION

The Management Committee (Committee) of Harbour City Harvest Church (the church) 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 the church 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 the church's annual budget.

POLICY

The Management Committee of the church 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

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Chairman

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Date

HARBOUR CITY HARVEST CHURCH

BUDGET PLANNING PROCEDURES

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RESPONSIBILITIES

The Board of Directors of the church 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 Finance Sub-Committee.

The Finance Sub-Committee consists of:

- The Board Treasurer
- The Fundraising Manager
- The Internal Auditor
- The Grants Officer

PROCEDURES

Preparation of the Budget

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.

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 Sub-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 Treasurer will present the draft budget for discussion at a Finance Sub-Committee meeting. The Finance Sub-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 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.

Policies can be established or altered only by the Board: Procedures may be altered by the Secretary.

HARBOUR CITY HARVEST CHURCH BY-LAWS

ABN: 83 894 491 228
[NSW, AUSTRALIA]

Once adopted by the Management Committee, this becomes the official operating budget for the church 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

The 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 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 CEO and the Management Committee. The Treasurer will also report on any other financial matters that may be related to the Business Plan.

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

AUTHORISATION

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Chairman

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Date