



BUDGET PLANNING POLICY

Lake Baroon Catchment Care Group Inc

PO Box 567, Maleny Qld, 4552

Tel: 07 5494 3775

Email: info@lbccg.org.au

Policy Number	015	Responsible person	Chair
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Drafted by	Office Manager	Scheduled review date	As required

Policy adapted from <https://www.communitydirectors.com.au/icda/policybank/>

Introduction

The Management Committee of Lake Baroon Catchment Care Group 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 Lake Baroon Catchment Care Group conducts a budget planning process each year as part of its annual business planning (incorporated into Annual Investment Strategy).

Purpose

This policy is designed to set out the process for compiling, monitoring and reviewing Lake Baroon Catchment Care Group's annual budget.

Policy

The Management Committee of Lake Baroon Catchment Care Group 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 funding, and therefore be regularly monitored and reviewed.

Responsibilities

The Management Committee of Lake Baroon Catchment Care Group 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 oversee the preparation of all budgets and review budgets in consultation with the Manager and a Finance sub-committee (if deemed necessary).

A Finance Committee may consist of:

- The President/Chair
- The Treasurer

- The Office Manager
- Other Management Committee members that are nominated

Procedures

Preparation of the Budget

In March each year, the Treasurer starts overseeing the preparation of the budget estimates as part of the Business Plan for the financial year. The process includes:

- considering operational costs
- setting payroll costs
- estimating income
- estimating holiday and long service leave liabilities

The initial budget estimates are based on the current expenditure projections to end of year, plus Consumer Price Increments (or 2.5%) for salaries or relevant wage increases, revisions to awards/contracts, and a 10% increase on operating expenses such as power, telephones, etc.

Estimate Holiday and long service liabilities based on length of service over seven years

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 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 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. Once adopted by the Management Committee, this becomes the official operating budget for Lake Baroon Catchment Care Group 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 if required.

The Treasurer will indicate what effect any variations will have on the budget projections and provide this information to the Manager 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.

Related Documents

Business Plan