



pathways
southwest

Towards better mental health

Patron

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Budget Planning Policy & Procedure

APPROVED BY: Pathways SouthWest Board of Management

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THIS POLICY & PROCEDURE APPLIES TO: Pathways SouthWest Board of Management, Staff, Students, Volunteers, Consumers, Carers, other Stakeholders and the General Public

Budget Planning Policy and Procedure

Policy

This policy is designed to set out the process for compiling, monitoring and reviewing Pathways annual budget.

The Board of Management (BOM) of Pathways SouthWest Inc (Pathways) is responsible for overseeing and ratifying the budget of the organisation and for ensuring that the organisation operates within a responsible, sustainable financial framework.

Pathways receives funding through the Mental Health Commission, Department of Social Services, rental income from CDHP housing and other miscellaneous sources.

The BOM of Pathways conducts a budget process each year as part of its annual planning.

The BOM of Pathways conducts a budget planning process each year as part of its annual strategic planning process.

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.

It is the responsibility of the Chief Executive Officer and the Business Manager to prepare all budgets and the Treasurer to review budgets, before presenting to the BOM.

Procedure

Preparation of the Budget

1. The draft budget must be prepared no later than the end of April each year, the Chief Executive Officer, Business Manager and Treasurer will start preparing the budget estimates as part of the Strategic 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 will be provided.
3. The Chief Executive Officer, Business Manager and Treasurer will present the draft no later than the end of May each year to the BOM. Once adopted by the BOM, this becomes the official operating budget for Pathways for the following financial year, and all BOM members and employees must work within the financial limits stated or implied by this document.
4. The Budget must be ratified by the BOM no later than 30th June each year.

Monitoring and Reviewing the Budget

1. The Chief Executive Officer, Business Manager and Treasurer are 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 quarter 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 BOM reports detailing reasons for variations and recommendations for corrective action should they be required. The Chief Executive Officer, Business Manager and Treasurer will indicate what effect any variations will have on the budget projections and provide this information to the BOM. The Chief Executive Officer, Business Manager and Treasurer will also report on any other financial matters that may be related to the Strategic Plan.
3. Once adopted by the BOM, the Amended Budget will become the new operating budget for the remainder of that financial year.

Related documents

Pathways Strategic Plan