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| The Junction Clubhouse Cairns Ltd | | |
| Policy: Budget | | |
| Policy number: JQS.P1.13 | | Date adopted: 22/08/2018 |
| Authorised by: The Board | | |
| Date last reviewed: 21/10/2020 | Reviewed by: Quality Review Panel | Date of next review: 22/10/22 |

| Related documents: | |
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| Related policies and procedures, How To Task Lists, forms, registers or other organisational documents of The Junction | <ul style="list-style-type: none"> • Vision, Mission, Values and Planning policy • Financial Management and Delegation policy |
| Other standards | <ul style="list-style-type: none"> • National Mental Health Standards • Human Services Quality standards • NDIS Practice Standards |
| Legislation or other requirements | <ul style="list-style-type: none"> • Australian Accounting Standards. https://www.finance.gov.au/ • Human Rights Act 2019 (QLD) |

1. Purpose:

The purpose of this policy is to outline the responsibilities of the Board of The Junction 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 Director of the Junction conducts a budget to present to the Board of Directors each year as part of its annual business planning.

2. Scope

This policy applies to Board members and the Director and is designed to set out the process for compiling, monitoring and reviewing The Junction's annual budget.

3. Policy statement: Our commitment

The Board of The Junction is committed to managing the budget each year as part of its annual business planning.

The Junction 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.

4. Procedures

4.1 Preparation of the Budget

In April each year, as documented on the Business Arising Register, the Director starts preparing the budget estimates as part of the Business Plan for the financial year. The process includes:

- Presenting current budget with YTD expenditure
- Considering operational costsd
- Setting payroll costs; and
- Estimating income.

The initial budget estimates are based on the current expenditure projections to end of year, plus Consumer Price Index increments for wages or higher percentages for known expenditure (such as vehicle purchases, electricity etc.). The Board shall be provided with information about how cost increases will be absorbed, or additional revenue estimated.

The Director will present the draft budget for discussion. The Board may accept the estimates as presented or may request variations, within the context of the Budget.

A summary report denoting reasons and assumptions for decisions should be attached to the draft budget for discussion.

The Director 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 May. Once adopted by the Board, this becomes the official operating budget for The Junction for the following financial year, and all Board members and employees must work within the financial limits stated or implied by this document.

4.2 Monitoring and Reviewing the Budget

The Director is responsible for monitoring the organisation’s expenditure, reviewing the actual and budgeted expenditures, and reporting on the progress of such expenditure to the Board of Directors.

Financial reports will be prepared quarterly showing the year-to-date expenditure and its variation from budget estimates. A detailed commentary should be attached to Board reports detailing reasons for variations greater than 20% and recommendations for corrective action should that be required.

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

Once adopted by the Board, the Amended Budget(quarterly) will become the new operating budget for the remainder of that financial year.

5. Review processes

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| Policy review frequency: Annually | Responsibility for review: The Director |
| Review process: The Director, as Chair of the Quality Review Panel convenes the panel to conduct reviews. | |
| Documentation and communication: All policy decisions will be documented and communicated through the Quality Review Panel observing the Document Control HTTL. Note: add version number after review. | |

