

	<b>Policy</b>
	<b>Policy Category: GOVERNANCE</b>
	Date Created: November 2016
	<b>Policy Name: Financial Management</b>

## Policy and Recommended Procedure

The 2 Key Principles of financial management of the centre are that;

- A] There is sufficient income and control over expenditure to ensure the continued viability of the Centre
- B] Income will be maximized and expenditure controlled or minimized in a manner that will ensure the achievement of all of the objectives set.

### Financial Management Policies

1. The Management of the Centre will ensure that suitable financial management policies are adopted and implemented that will ensure that policies and objectives of the Centre can be met.
2. Financial management policies will include roll targets; resource priorities; budgeting; cashflow planning; accounting records, data and reports; analysis and monitoring; expenditure/purchasing controls, fee policies and debt collection; reserves, savings and contingency planning; staffing policies; wages and staff and professional development costs; loans, equity, capital, and banking; GST and tax reporting/planning; insurance and risk management; asset and liability management; statutory reporting; strategic planning, records and archives, information technology.
3. Management will give consideration to converting or developing some or all financial policies into written statements that sufficiently and accurately reflects and records their intentions, expectations and the roles required.

### Budgeting

4. Following the development of statement of philosophy and strategic plan and/or business plan or other management decisions on the setting of specific targets/objectives and/or strategies, the Management of the Centre will develop an annual budget statement (prior to the beginning of the financial year) which will set out the level and sources of expected income and level and types of expenditure or a statement of budget principles necessary to achieve the stated objectives and policies and maintain the continued viability of the centre operation.
5. The budget development process will be used by management to;-
  - provide a format of planning and balancing priorities; and
  - express intentions of future expenditure decisions; and
  - provide a list of priorities or principles for discretionary spending; and
  - project the individual and overall impact of financial and other planning decisions;
 and
  - ensure that income and expenditure expectations allow continued viability of the service.

6. The budget statement will be used by management to;-
- provide a guide to those responsible for expenditure decisions as to the planned limits; and
  - provide evidence that this type of planning has taken place; and
  - provide a benchmark against which actual income and expenditure can be compared.
7. Management will ensure that there are systems in place that provide suitable information on past and expected financial transactions that enables them to compare actual expenditure to the planned expenditure in the budget statement, or the statement of budget principles on a regular (no less than 4 times a year) basis.
8. Management will undertake sufficient analysis of the financial information (actuals and budget) such that they are able to determine and understand the cause of any significant variation in expectation and to, as necessary, restate objectives and limits and take other such action that will ensure the key principles are attained and that future forecasting will be more accurate.
9. Management will ensure that the budget statement is supplemented or replaced by a revised budget statement or projection, if during the financial period of the original budget statement, there are significant changes to either projected income or expenditure; so that the remaining part of the financial period is viewed in terms of a realistic budget
10. Management will ensure that where any capital expenditure/investment is planned that such expenditure is contingent on achievement of a financial surplus (or met by loans or grants) and that where there is more than one item; that commitments on such expenditure are made, in order of a priority set by management, and to the limits provided by the budget or any such lower limit as may be allowed if the budget net income result is less than expected.

<b>Authorised:</b>	Grow
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