
6. BUDGETING PROCEDURES

Budget Preparation and Approval

- 6.1 Each year, the Management Committee will consider income and expenditure proposals for the following year and agree a budget. The approved budget will detail Rosehill's expenditure plans and expected income.
- 6.2 The budget will be prepared in a format agreed by the Management Committee and in line with Rosehill's objectives.
- 6.3 The budget will be prepared by the Finance Manager commencing two months prior to the financial year end. Discussions will take place with the Director and other members of the Management Team, so that the current year's budget can be revised taking into account actual results for the year to date plus any known projects and/or developments which will take place in the coming year.
- 6.4 The budget will be discussed and approved by the Management Committee prior to the start of the financial year to which it relates. The budget proposals will be consistent with the approved business plan. The process and timescale for giving final approval to any proposed rent increase will take account of Rosehill's legal obligations to inform and consult tenants about proposed increases in rents and service charges, therefore any budgeted increase in rent levels and other charges is always subject to consultation with tenants at the appropriate time.
- 6.5 Once approved, the budget will be used as the basis of authority to incur expenditure up to the approved budget limit.
- 6.6 The authority to spend up to the approved budget limit has been delegated to staff, except in those circumstances where authority to approve expenditure has been reserved to the Management Committee under the Scheme of Delegated Authority and Financial Procedures.

Budgetary Control

- 6.7 Variance analysis comparing the actual income and expenditure with the budget figures will be reported quarterly to the Management Committee by the Finance Manager.

- 6.8 Where additional expenditure in excess of the approved budget is required, authorisation will be sought from the Management Committee. The Director can authorise expenditure in excess of the approved budget with the agreement of the Chairperson, in the period until Committee approval is received.
- 6.9 Nothing in the Financial Regulations shall prevent a member of staff from incurring expenditure that is essential to meet immediate needs created by a sudden emergency or to deal with matters related to health and safety. Such action must be agreed with the Director and will then be reported to the next meeting of the Management Committee if levels of authority are exceeded.
- 6.10 Any new proposal to the Management Committee that involves expenditure not allowed for in the approved budget will be accompanied by a report quantifying the financial impact. If the proposal will result in the overall budgeted expenditure being exceeded, Management Committee approval will be required for the proposal to proceed.
- 6.11 Further guidance on authority to commit expenditure and to make payments is included with the Scheme of Delegated Authority and the attached Financial Procedures.