

REGULATION 6 - YQ BUDGET POLICY

(February 2007)

Introduction

1. The Yachting Queensland budget development process is designed to ensure that the Board, Sub-Committees, and staff have input into how Yachting Queensland's income will be spent. The policy is intended to give staff greater autonomy in the control and expenditure of funds within their individual areas of responsibility.

Aim

2. To provide a policy and process for the development and implementation of the Yachting Queensland Budget.

Budget Process General

3. The development and implementation process is maintained in a simple form to ensure that all aspects of Yachting Queensland's modus operandi receive the necessary funding to maintain effective levels.

4. The process detailed in this policy meets the requirements of the restricted nature of Yachting Queensland's budget (ie. small budget to cover a large spectrum of fixed charges).

5. In developing the budget the following factors are to be considered:

- a. Financial Factors;
- b. Development Stages;
- c. Development Dates; and
- d. Responsibilities.

Financial Factors

6. Prior to any deliberations on the budget both the known and the anticipated financial factors are to be produced. There are four aspects that are to be established in detail. These are:

- a. Anticipated income;
- b. Known recurring expenditure;
- c. Approved capital expenditure; and
- d. Staff requirements/bids.

7. Once these four aspects have been established the Executive Officer (EO) will confirm the priorities with the Board.

Anticipated Income

8. Yachting Queensland's income can be placed into two groups, Private Income and Government Grants.
 - a. **Private Income.** This includes fees, levies, donations and receipts from sponsors. The bulk of the income is easily predicted based upon Members fees.
 - b. **Government Grants.** The Government Grants includes funding from the Queensland Government. These grants are often notified well in advance and therefore can normally be accurately predicted.

Known Recurring Expenditure

9. The known recurring expenses needed to operate Yachting Queensland are placed into six categories:
 - a. Staff Salaries
 - b. Recurring Essential Services
 - c. Recurring Essential Administration
 - d. Recurring Essential Finance
 - e. Other Recurring Expenses
 - f. Contractor Expenses

Staff Salaries

- 10 This category covers all staff salaries and on costs such as:
 - a. Superannuation
 - b. Fringe Benefit Tax
 - c. Staff Training
 - d. Holiday Pay
 - e. Worker's Compensation
 - f. Staff Allowances and Expenses

Recurring Essential Services

11. This category contains the expenses incurred from essential services to keep Yachting Queensland administrative staff in acceptable accommodation. This group covers:
 - a. Cleaning Contract
 - b. Electricity
 - c. Waste Disposal

- d. Rent
- e. Rates

Recurring Essential Administration

12. This category contains the expenses incurred from administrative aspects, which are essential for the effective and efficient conduct of Yachting Queensland's operations:

- a. Insurance
- b. Postage
- c. Telephones/Facsimile/Internet
- d. Printing (eg. Annual Report / Manuals)
- e. Stationery
- f. Freight and Cartage
- g. Computer Software and Website Maintenance

Recurring Essential Finance

13. This category contains aspects, which are direct charges to Yachting Queensland for recurring services given by outside organisations:

- a. Bank Charges
- b. Audit Fees
- c. Legal Fees
- d. Levies (eg. Yachting Australia)
- e. Lease Payments (Photocopier)
- f. Petty Cash

Other Recurring Expenses

14. In addition to the expenses in the above paragraphs there are the following aspects which have recurring expenditure but to varying degrees:

- a. Advertising
- b. First Aid Material

Contractor Expenses

15. This category covers the costs incurred by the following contractors:

- a. National High Performance Coach (QLD) (contra costs; office, telephone, internet, boat, accommodation, lecture room etc)

Approved Capital Expenditure

- 16. Capital expenditure covers: furniture, electronic hardware, and trophies.

Development Stages

- 17. To ensure all staff have the opportunity to submit their bids for consideration in the Budget the following six stages are set down. Some of these activities will be concurrent:

- a. **Stage One.**

- (1) Financial Administrator (FA) advises staff of the forthcoming Budget development and calls for bids from individuals. FA provides advice to staff as requested on anticipated funding in individuals area of concern.
- (2) EO seeks Board direction on capital expenditure. This will include the level of Members affiliation fees.
- (3) FA in liaison with the EO prepares statements of anticipated income and anticipated recurring expenditure.

- b. **Stage Two.**

- (1) FA collates bids from staff and contractors.
- (2) FA in liaison with the EO prepares Draft Budget based on information received in Stages One and Two.

- c. **Stage Three.**

- (1) Draft discussed by EO and FA with the Board Director who holds the Finance portfolio for confirmation of priorities.
- (2) FA discusses any changes or amendments required to individual bids with respective budget holder.

- d. **Stage Four.**

- (1) Draft amended where necessary by FA.
- (2) Draft presented to Board for approval by EO.

- e. **Stage Five.**

- (1) FA issues approved Budget with implementation instruction.

- f. **Stage Six.**

- (1) EO monitors budget during the year reporting progress at each Board meeting.

Development Dates

18. The staff members are to be given early notification of the requirement for their input into the budget. They are also to be given time to prepare their bids for submission.
19. Time is to be given for the Board to consider and amend the Draft Budget where necessary.
20. The final budget document is to be issued prior to the end of the financial year to give all personnel time to conduct follow up action prior to implementation commencing in July the following year.
21. **Timetable.** The timetable for the development and implementation of the Yachting Queensland Budget is as follows:
 - a. **Stage One.** February (second Friday)(6 weeks)
 - b. **Stage Two.** March (third Friday)(2 weeks)
 - c. **Stage Three.** March (fourth Friday)(2 weeks)
 - d. **Stage Four.** April (first Friday)(2 weeks)
 - e. **Stage Five.** May (first Friday)
 - f. **Stage Six.** July - June (Yachting Year)

Development/Implementation Responsibilities

22. The responsibilities for the development and implementation are divided as follows:
 - a. **Staff Members.** To provide written submissions to the FA detailing the activities/items they require funding for in the Financial Year (FY) by the fourth Friday in March. Submissions to include priorities to allow EO to review if required;
 - b. **FA.**
 - (1) Prepare and distribute by the second Friday in February a minute to staff members advising the requirement for bids for financial support in the Budget for the following year.
 - (2) Prepare statements for anticipated income and expenditure.
 - (3) Collate Staff bids and put into a draft budget.
 - (4) In consultation with EO and the Board Member who has the Finance portfolio prepare a draft budget.
 - (5) Advise Staff of any major changes to their bids.
 - (6) In consultation with the EO Prepare approved Budget and distribute on the first Friday in April.
 - (7) Monitor budgets throughout the year and amend where necessary at the direction of the EO.

d. **EO.**

- (1) Seek Yachting Queensland Board input to Budget for major projects/items.
- (2) Prepare a draft budget in consultation with FA and the Board Member who has the Finance portfolio.
- (3) Prepare and present draft budget to Yachting Queensland Board on the third Friday in March.
- (4) Provide a monthly report to the Board on the progress of the Budget.

e. **Board Member (with the Finance portfolio).**

- (1) In consultation with the EO and FA prepare a draft budget for presentation to the Board.

f. **Yachting Queensland Board.**

- (1) Confirm Membership Fees requirement based on draft budget.
- (2) Approve final draft budget by the third Friday in April .

Approval of Final Draft Budget

23. The final draft budget is to be approved by the Yachting Queensland Board.

Yachting Queensland Files

24. The FA is responsible for the maintenance of all budget systems and files.