



Williamsburgh

HOUSING ASSOCIATION

• Limited •

EXTRACT FROM
FINANCIAL REGULATIONS
BUDGET PREPARATION

1. BUSINESS PLANNING AND FORECASTING

- 1.1 The Association will make financial planning an integral part of its overall strategic planning.
- 1.2 The Chief Executive Officer will be responsible for preparing the Internal Management Plan with input from the Management Team. Responsibility for approving the plan will lie with the Management Committee.
- 1.3 The Association's Internal Management Plan will be reviewed annually, and will include a 30 year financial plan comprising Income and Expenditure account, Balance Sheet and Cashflow statements.
- 1.4 The Association's long term planned maintenance programme will be devised by the Maintenance Manager and included within the 30 year plan.
- 1.5 The Association's development programme will be devised in conjunction with the Development Manager and included within the 30 year plan.
- 1.6 The Finance manager will be responsible for co-ordinating and producing The Scottish Housing Regulator 5 year financial viability projections. The projections will be presented to the Finance and Audit Sub Committee or Management Committee for approval prior to submission.
- 1.7 The Scottish Housing Regulator 5 year financial viability projections will be derived from the 30 year business plan and updated with the most recent data available to represent the most accurate and up to date forecast position available.

2. BUDGET PREPARATION

- 2.1 The Association's financial year runs from 1st April to 31st March. Each year, the Management Committee will consider income and expenditure proposals for the coming year and agree and authorise the budget. The approved budget will detail the Association's expenditure (capital and revenue) plans and expected income (capital and revenue) for the coming year.
- 2.2 The Finance Manager will prepare budget proposals in consultation with the Chief Executive Officer and other senior staff. The Finance Manager will submit the budget proposals to the Management Committee for approval.
- 2.3 The proposed budget will cover both capital and revenue income and expenditure streams.
- 2.4 The budget will be prepared and submitted during the last quarter of the preceding financial year. The budget should be approved by the Management Committee no later than 31st March each year. Once approved, the budget will be the basis for authority to incur expenditure and for comparisons between budgeted and actual results. A revised budget may also be approved by the Finance and Audit Sub Committee should the estimated opening balance sheet be significantly different from the actual and/or to bring into line with the 5 year plans.
- 2.5 Nothing in the Financial Regulations will prevent a member of staff from incurring expenditure that is essential to meet any immediate needs of the Association which may arise but are outwith agreed budget levels. Such action must be agreed beforehand with the Chief Executive Officer or Finance Manager.
- 2.6 The budget is the Association's plan for the coming year, expressed in financial terms. The budget covers income (e.g. rents etc); expenditure (e.g. maintenance costs) and capital expenditure within the balance sheet (e.g. new build or refurbished properties for future rental accommodation). Like any plan, the budget should be flexible and should be able to adapt to the changing requirements of the association in the coming financial year. In this respect, it is evidently more practical to manage the budget as a total entity rather than, but with respect to, the individual areas detailed within the plan. This principle shall be adopted in the management of the budget, with

virement between budgets being applied as necessary but remaining within the same budgeted surplus total authorised by committee.