

BUDGET POLICY

SCD policies also apply. Where there is a conflict between this policy and the SCD policies, SCD policies should be followed.

PURPOSE

This policy outlines the principles and process behind developing the annual budget for Te Kupenga. It should be read in conjunction with other relevant policies, including the Financial Operations Policy.

PRINCIPLES

1. Te Kupenga aims to set and achieve a balanced annual budget
2. As an NZCBC agency, Te Kupenga adheres to the budget-setting requirements and timetable of the NZCBC Finance Committee
3. In preparing the budget, the Chief Executive and senior staff take a 'zero-base' approach to expenses, as much as possible, and actively seek diverse funding sources
4. The budget separately accounts for the expected income and expenses of the Nathaniel Centre and NCRS, with the latter further segmented by the source of funding. Planned expenses against the Curriculum Resource Contribution from schools by Te Kupenga as a whole must be justified
5. Te Kupenga recognises that NZCBC provides significant support to Te Kupenga, and thus the Board aims to present a budget that is sustainable, prudent and an effective use of these resources.

PROCESS

1. The Te Kupenga budget is based on the calendar year (January to December), to match with the academic year.
2. The budget process begins in July, for the financial year ahead, triggered by the six-month year-to-date report to 30 June.
3. The Chief Executive and Operations Manager review the year-to-date report to identify how income and expenditure is tracking against current year budget. Significant variances may indicate income and expense items for additional scrutiny in the next budget.
4. The Operations Manager gathers information from budget holders and senior leaders on significant or unusual expenses expected in the year ahead, and on new or additional revenue opportunities.
5. The Chief Executive and Operations Manager undertake a line-by-line budget review, to identify areas for savings or redistribution, and prepare a first draft of the budget for discussion by the leadership team, towards the end of July.
6. Following discussion and refinement, the Chief Executive forwards the draft budget to the Governance Board for consideration by mid-August. The Governance Board reviews the budget and seeks assurance that it conforms with the Principles above prior to approval.
7. The Chief Executive submits the approved budget to the NZCBC Finance Committee in late August/September, and responds to any subsequent requests for clarification or additional information.

8. The NZCBC Finance Committee meets in late September, and might invite the Chair, other representatives of the Governance Board and the Chief Executive to attend to assist with its consideration of the proposed budget and funding request. Further analysis and deliberation might be required following the meeting.
9. The Bishops Conference meets in early November and considers all the proposed budgets and funding requests from NZCBC agencies. The Conference might accept the Te Kupenga budget and funding request as presented, require further consideration by the Board, or determine a different amount to that requested. That might trigger a recalculation of budgeted income and expense, with operational implications.
10. Once the overall budget is finalised and approved, the Chief Executive notifies budget holders of their respective budgets. The Chief Executive and Operations Manager work with the accountant to phase the budget as accurately as possible over the up-coming financial year.

APPROVAL & REVIEW

The Budget Policy is subject to the normal three-yearly review. Review and approval is the responsibility of the Te Kupenga Governance Board

Issued: 19 February 2021
Next review: February 2023