

Lambton High School

Budgeting Policy

Reviewed 2015

Objectives:

- To ensure that funds are available to support the school plan and that its outcomes are being realised
- The educational, administrative and capital programs of the school are reliant on the allocation of all sources of income and expenditure to ensure that all school programs are adequately resourced, effective and meet student needs.
- To ensure that funds are available to support the school plan and to provide sufficient reserves for long-term and on going commitments.

1. Income Budgets

Anticipated income from all sources is recorded in order to establish the estimated total income for the coming year.

(a) GLOBAL FUNDS

- Budget amounts for global grants details the allocation of funds for the year. This amount is determined by the Department of Education and is based on student enrolment figures.
- Budget amounts for GST received and GST recoups ATO are initially based on the previous year's transactions.
- Budget amounts for managed funds include any outstanding claims from the previous year.

(b) TIED FUNDS

- Budget amounts are obtained from the indicative allocation notification, specific funding letters and historical data.

(c) SCHOOL & COMMUNITY SOURCES

- Budget amounts are based on data from previous years and local knowledge e.g. major excursion, MPC hire contracts, P&C donation forecasts.
- Subject contributions are based on students who have elected to undertake specific subjects. *Head Teachers are required to provide a breakdown and costing of resources which constitute the subject contribution fee each year.*

(d) INTEREST

- Budget amounts are based on historical data and adjusted for known interest rate changes and cash balances held by school.

(e) TRUST FUNDS

- Trust receipts are included as part of the budget as these funds are committed and are introduced throughout the year at varying times.

2. Expenditure Budgets

The cash flow program will be used to assist the School in reconciling the budgets.

- ◆ The cash flow budget should reflect the school management plan.
- ◆ Budget income and expenditure must be prepared on a term basis.
- ◆ The budget should reflect when income will be received, when expenditure will be spent and the level of reserve to be maintained at the end of each term.
- ◆ The cash flow budget must include all sources of projected income and expected expenditure and be presented in a format that can be monitored against the actual income and expenditure.
- ◆ To maximise the effectiveness of the cash flow budget, income and expenditure should be categorised in educational, administrative, capital programs and comply with the Department's Chart of Accounts.

(a) EDUCATIONAL PROGRAMS

Key Learning Areas / Extra Curricula Activities / Special Programs:

- ◆ Head Teachers/Program Managers are to develop a management plan, in consultation with their faculty/committee members, which complements the School plan, targets and priorities (Appendix 1)
- ◆ A detailed budget submission should be prepared by the Head Teacher / Project Manager (Appendix 2). The programs should be based on needs and priority. The program plan should identify when the needs are required over the period of the school year. The Head Teacher / Program Manager should ask; what is needed to achieve the desired educational outcome for the students? What are the costs? When do I need them?

- ◆ The core focus of the faculty budget submission is Teaching and Learning. Funding for increased access to technology (computers, printers etc), building refurbishment and general maintenance is to be obtained through written expression to the Appropriate Committee/ Principal.
- ◆ Purchases must comply with the Schools Procurement Policy. All schools must use the States Contracts Control Board whole-of-government contracts, irrespective of the source of the funds, where they are available when procuring goods and services. Quotes are not required for 'in contract' goods and services. All monetary amounts are GST inclusive. DEC Procurement contracts can be found on detwww.det.nsw.edu.au/adminiserv/contproc/index.htm
- ◆ Any purchases (not in procurement contract) the following applies (All monetary amounts are GST inclusive):
 - Up to \$1,500 in value, no quotations are required
 - Over \$1,500 and up to \$30,000 in value, minimum one written quotation
 - Over \$30,000 and up to \$150,000 in value, minimum of three written quotations
 - Over \$150,000 in value, full specifications must be submitted to the Department of Commerce for the invitation of tenders.
- ◆ Head Teachers / Project Managers are encouraged to maximise the subject contribution funds (Appendix 3)
- ◆ A finance committee will meet to consider the budget submissions for Key Learning Areas and special programs/committees. The finance committee will consist of the Principal, Executive member, Teacher, Senior Administration Manager and Parent representative. The Principal and finance committee will then apply the school and DEC priorities and increase or reduce budgets accordingly.
- ◆ The cash flow is provided in the milestone template (Appendix 1). No more than 50% of the budget is to be spent in Term 1. This is only to be completed after the budget amount is allocated by the finance committee.

Only the following dissection codes should be used.

(790) Teaching Resources: These resources are used to support teaching and learning. This should include the purchase of HSC examinations; computer technology, software, applications and/or subscriptions;

Annual conferences, subscriptions and professional memberships are not teaching resources. An application should be made to the TPL committee for these expenses as required.

(810) Textbooks: Outline if the textbooks are for a new syllabus or for replenishment of stocks. There will be a greater emphasis on e-learning resources in the budget.

Under the Local Schools, Local Decisions reforms, the use of state or DEC contracts is optional up to \$5,000 (except for excluded items)

(320) Minor Equipment: for the purchase of equipment less than \$10,000.

- Less than \$3,000, quotes are not required, but recommended to be obtained where practical to ensure value for money.
- Between \$3,000 and \$5,000, there should be a minimum of one written quote, but it is recommended that at least two quotes are sought.

(080) Major Equipment: For the purchase of equipment over \$10,000.

(570) Learning Space Maintenance: A nominal \$2500 is allocated for LSM per year for Industrial Arts, Applied Technology, Science and CAPA. This is to be used for maintenance, repair or service of current equipment e.g. machinery, sewing machines, etc. It may be used to **replace** equipment which is obsolete, unserviceable or beyond economic repair. These items would generally be on the assets register. An amount of \$2,500 is budgeted annually which cannot be rolled over.

Areas of Responsibility:

Science- Science laboratory equipment

Industrial Arts- Workshop equipment and machinery e.g. lathe, band saw

Applied Technology- Commercial kitchen, kitchen and textiles equipment e.g. sewing machines, stoves

CAPA- Tiered Learning Theatre, MPC lighting and sound equipment, music performance equipment

PDHPE- MPC floor

Furniture requests or facility upgrades are not Learning Space Maintenance.

(130) Subject Consumables: This is received through subject contribution fees. It is something the students buy the materials that they need when they make an educational product for themselves. Essentially, these students are purchasing consumable resources so that they can benefit in a practical way. This would include items such as chemicals, glassware, dissections, cleaning agents, timber, metal, nails, glue, fabric, food supplies, guitar strings, paint, boards, clay, booklets etc.

(130) *Teacher Consumables*: This is for items/materials of a general nature. It is calculated at \$80 per FTE teacher for the purchase of equipment such as stationary. If a teacher works 3 days per week, this is a FTE load of 0.6 (0.6 X \$80 is equivalent to \$48)

(660) *Paper*: Estimate on previous year expenditure. This may not be necessarily approved for excessive usage.

Photocopying is charged to the faculty based on usage including worksheets, assessments, booklets etc. Each member of staff has been allocated a PIN number which will be used to determine the photocopying amounts and usage through the Print Room will be tallied.

The following rates will apply:

- 1.5 cent per copy on large machine in the Print Room.
- 2.5 cents per copy on smaller machines in faculty areas.

Computer printing will be charged to each Faculty at 2.5 cents per page.

It must be transparent that the funds allocated for each dissection, are as approved by the Finance Committee through expenditure.

- ◆ The Learning Space Maintenance and consumables budgets cannot be rolled over from one year to the next.
- ◆ Positive paper budgets will be held by faculties as an incentive to limit usage. Where possible, negative budgets will be recouped through remaining subject contributions.
- ◆ The balance forwarded from one year to the next will be considered when allocating the budget. Any savings should be noted with any long-term projects and on going commitments identified to the Principal.
- ◆ It is not appropriate to overspend creating a deficit budget. A written request outlining the faculty/program and additional funding needs may result in a budget allocation review at the discretion of the Principal.
- ◆ Extra Curricula and Special program amounts are based on historical data, matching to linked income budgets and local knowledge. (See Excursion Policy for financial process details)

Other:

- ◆ Short term relief is calculated by using the previous year's data and global allocations.
- ◆ Excursions can be identified by historical data and matched to income budgets. (Note: Amounts collected prior to 30 November of the previous year are factored into budgeted expenditure in the current budget).

(b) ADMINISTRATIVE PROGRAMS

- ◆ Budget amounts for Administration and Office Programs should be prepared by the Principal with historical data used as a guide.
- ◆ Budget amounts for Utilities can be based on historical data and adjusted for any potential changes eg air conditioning installed, increased waste pick-ups etc.
- ◆ Budget amounts for Maintenance can be based on historical data.
- ◆ Trust expenditure should be calculated as the sum of the income budget and balances shown in Note 4 of the previous year's Annual Financial Statement.

(c) CAPITAL PROGRAMS

- ◆ Capital Programs refer to purchases of \$5,000 or more for equipment, furniture, building refurbishment and ground improvements. Budget amounts should be based on long term plans for replacement of major assets and new projects (eg COLA, playground equipment).

Asset replacement reserves should be calculated in accordance with the school's long term asset replacement program to set aside funds for future needs. Provision for additional assets refers to building of funds towards special projects. General contingency reserves are required to meet unforeseen expenditures and shortfalls to income budgets.

