



## ANNUAL BUDGET PREPARATION

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<b>Owner - role</b>	Director of Finance & Corporate Services

<b>Record of Updates/Changes</b>			
<b>Current Version</b>	<b>Date Approved</b>	<b>Approved By</b>	<b>Changes</b>

## ANNUAL BUDGET PREPARATION PROCESS

The Finance Manager (FM) is responsible for preparation of the annual budget.

In November of each year the FM will send memos to each of the following Castlehill Housing Association (CHA) department heads for information on their areas of responsibility. The instruction would include a spreadsheet for completion, containing the actual figures for the 7- months year to date compared to prior year budget as a starting point for looking ahead to the next budget year.

- Chief Exec – strategic information that may impact on budget and other one off items
- Housing Admin Officer – Rent figures and service income
- Director of Housing & Property Services – overhead spend for housing management dept and any IT spend
- Development Manager – overhead spend for development dept and details of new developments being undertaken or coming on line in current budget year
- Property Services Manager planned maintenance costs
- Senior Property services Officer – overhead spend for maintenance dept
- HR Advisor – details of likely spend from HR activities , training , H&S etc
- Corporate Services Officer – general office costs
- Finance Director – details of new finance, dept changes, capex etc.

The template will be requested to be returned by mid-January for consolidation by the Finance Manager.

Other items are input by the Finance Manager and include:

- Grant income release – roll forward of prior year and update for new grant awards expected
- Loans and interest – update for new loans and assessment of any changes in interest rates
- Capital spend – based on information from SMT

Once consolidated the draft budget comprising Income Statement, Balance Sheet and Cashflow will be discussed with the Finance Director (FD) in the first instance and subsequently with both the Chief Exec and the FD. The organisation aims to return a surplus in the region of £100k - £120k.

Following initial approval from the CE on the level of surplus the budget will be presented to the whole SMT and following their approval will be presented to the Finance Sub-Committee in late February. Challenges will be made at each of these stages and amendments reflected in the budget where necessary.

Any amendments required following discussion by the Finance Sub-Committee will be incorporated in the version of the budget presented to the Management Committee also in February. The budget will receive overall approval from the Management Committee and this is the version of the budget that is reported against in the quarterly management accounts.