

Budget and Expenditure Policy

Fact box

- **Policy owner:** Vice President Operations
- **Policy category:** Management: Finance
- **Policy status:** Approved
- **Approval body:** Council
- **Endorsement body:** Executive
- **Related policies:**
 - [Financial Controls Policy](#)
- **Last amended:** 20th Dec. 2022
- **Relevant HESF:**

Purpose

The purpose of this policy is to outline the annual budget and expenditure processes of Alphacrucis University College (AC).

Scope

All Department Heads

Policy

Every year in September a Budget Committee is convened. This committee includes, but is not limited to:

1. Vice President Operations (VP Operations) - Chair
2. President
3. Vice President Academic (VP Academic)
4. Vice President Advancement (VP Advancement)
5. Chief Information Officer (CIO)
6. Senior Accounts Manager
7. Accountant

A budget process is undertaken in order to achieve AC's Financial Controls. This budget process results in a budget paper which is recommended to Council for approval.

In November every year Council approves the yearly budget which needs to have in place a 5% net surplus. Once this budget is approved it becomes the sole financial document for AC. However, whilst the expenses can always be contained and spent according to budget, the income remains an unknown factor, so adjustments may be required.

Reviews are undertaken twice per annum.

Approval for Capital Items

All capital items shall be placed in one of the following categories:

1. Land, Building and Infrastructure purchases
2. Furniture and Fittings
3. Computer Hardware and Software purchases
4. Plant and Equipment purchases
5. Library purchases

An item is regarded as a capital asset if:

- it is not of a consumable nature;
- it has a useful life of two years or more;
- its cost exceeds the capitalisation threshold set for the particular asset class.

The capitalisation threshold for each category is as follows:

1. Land, Building and Infrastructure purchases – no minimum threshold all Land, Building and Infrastructure regardless of the cost.
2. Furniture and Fittings - minimum threshold: \$500 AUD.
3. Computer Hardware and Software purchases - minimum threshold: \$1000 AUD.
4. Plant and Equipment purchases - minimum threshold: \$1000 AUD.
5. Library purchases - minimum threshold: no minimum, all library books regardless of the cost.

Requests to purchase capital items by Departments Heads or Heads of Schools must be submitted through the budget process for evaluation and allocation of funding. The allocation of funding does not mean approval and staff are required to follow the approval procedure before purchasing the capital item.

Responsible for implementation

Vice President Operations

Key stakeholders

Vice President Operations, Department Heads, Heads of Schools, Budget Committee, Executive

Procedures

Budget and Expenditure Procedure

The budget process begins during the first week in September every year. The VP Operations informs all Department Heads and Heads of Schools to complete the AC Budget Request Form for consideration and approval.

When preparing budgets, Department Heads and Heads of Schools must consider any capital expenditure purchases that will be required within the following 12 months. Costing is required for each item and if appropriate, quotations should be obtained to verify estimates. Major items, such as capital expenditure or new staffing require a rationale behind such an expense. All requests for

capital expenditure in excess of \$1,000 AUD must be submitted in the budget approval process or made directly to the VP Operations. Wherever possible, at least two alternative quotes should be obtained.

Once these requests are received by the VP Operations they are examined by the Budget Committee. This committee analyses all the expenses requested together with the rationale against prior years expenses and then either approves the budget item or requests Department Head to attend a meeting with the committee to justify why the budget item should not be rejected.

Once a budget paper is agreed on by the Budget Committee it is then formatted into a document that is tabled at an Executive meeting where it is given to the Finance and Audit Committee of Council for their recommendation to Council for their approval. In November every year Council approves the yearly budget which needs to have in place a 5% net surplus. Once this budget is approved it becomes AC's sole financial document adhered to.

Following approval by Council, Department Heads and Heads of Schools are given a final copy of their approved budget.

Further, twice a year on census date, budget is reviewed by the VP Operations based on actual student numbers. This may result in a budget review and an amended budget presented at the next Council meeting for approval.

Capital Items

Once acquired, capital items are to be listed in the asset register. All items purchased as works of art and all items purchased as part of the library collection are to be listed in the asset register.
