



Frequently Asked Questions: Finance

Why does Speech Pathology Australia have a budget?

The Association receives money from its key stakeholders – its members. Budgeting is essential to make the best use of funds for the benefit of members. The budget is an estimate of future transactions for each planned activity, and is linked to the strategic plan, and helps ensure the Association's viability and effectiveness. The budget is used throughout the year as a management tool to check that the organisation is operating on target.

How is the Speech Pathology Australia budget decided?

Any member of the Association may submit a budget proposal for the budget meeting, which occurs in November to prepare the following year's budget. Members should contact the relevant Portfolio Leader or Branch Treasurer in his/her state or territory in August for further information.

The Councillors review the proposals, decide priorities in line with the Association's strategic plan and then allocate resources accordingly.

Why is the Association's financial year is 1 January to 31 December?

Companies have a legal choice as to the timing of the financial year. Because the Association's main source of income is membership fees, which are due at the start of the calendar year, it makes sense for the budget to run for the same period as the membership.

How is the Association's income and expenditure managed?

The Association employs a part-time Finance Manager and a CEO with appropriate financial acumen, and they manage day-to-day financial transactions, working closely with the Vice President Operations (VPO).

If actual expenditure differs significantly from the planned budget, the Association's activity must be modified to ensure budget targets are met. The Association's financial status is audited annually by an independent auditor. The audited financial reports are presented to the membership at the AGM.

What are a Councillor's financial responsibilities?

A Councillor is a Director of the Association and is legally responsible for the appropriate financial management of the Association. The Vice President Operations (VPO) oversees the financial management of the Association and advises the President, Councillors and Branch Treasurers on financial matters.

How does Council know the finances are being managed appropriately?

The Finance Manager, CEO and VPO read the detailed accounts of the Association's finances every month, and examine any anomalies. Every quarter, all Councillors have to report on the budget in their area of responsibility and they also receive reports from all the other areas of operation.

What are the Branch Treasurer's financial responsibilities?

The Branch Treasurer is responsible for managing the budget allocated for the activities of his/her Branch. He/she is responsible to the VPO. The Branch Treasurer submits the proposed budget for the Branch each year, and assists the Branch President in spending the funds to achieve the Branch objectives.

How do portfolio budgets work?

Each Branch Portfolio Leader submits a budget for the activities that portfolio wishes to achieve in the coming year. These budgets are submitted to the portfolio Coordinator (who is a member of Council). Once the budgets are approved, the Branch Portfolio Leader is responsible for ensuring that portfolio activities stay within budget.

Who approves expenditure?

The sign-off of expenses is done by different people, depending on what part of the business the expenses relate to. Some bills will be sent directly to the Association. Where an individual has incurred costs, that person submits receipts with a Claim for Payment form. The authorised person checks the budget, signs for approval, and sends to the Finance Manager who arranges reimbursement.

The authorised people are:

- Branch costs – Branch Treasurer (the Branch President signs off the Branch Treasurers' expenses)
- Portfolio costs – Portfolio Coordinator (Council member)
- Council costs – VPO (the National President signs off the VPO's expenses)

How soon will the money be reimbursed?

The Association writes cheques every two weeks, so the time it takes for payment will be based on when the last cheque run was completed.

What if the money isn't spent from the previous year?

Each year the Association budget starts again at zero. This means any money allocated for activities in the previous year **cannot** be carried over to the new financial year. New proposals must be submitted for any activities which have been delayed and need funds in the new financial year.

What if someone needs money for a new project or activity?

Special budget submissions can be made throughout the year if they cannot wait for the normal budget meeting. Council will consider these depending on priorities and the current budget position.

What if there's some money left over from a planned activity?

Branch Treasurers and Portfolio Coordinators can approve requests for reallocation of funds from one activity to another, so long as the costs are **less than \$300**.

Where can I find out more?

Read the Finance section in the Branch President's Handbook, Councillor Handbook or Portfolio Handbook, or contact the Vice President Operations, Finance Manager or Chief Executive Officer.