

What is an annual budget?

An annual budget is a financial plan for the calendar year. It tells people how the school is going to provide money so it can implement its strategic plan in that year. (<http://www.education.vic.gov.au/management/governance/schoolcouncils/strategicplanning.htm>).

The annual budget tells people:

- The total money available to the school for that year
- How the school is going to use its money to support the strategic plan
- The plans for each particular program (for example literacy, maths, LOTE) operating in the school.

Does my school have to have one?

Yes, all Victorian government schools are required to develop an annual budget. It is one of the school's key plans.

Schools have limited money so it is important to use resources as efficiently as possible. The school council works to get the best results for its money through a carefully planned annual budget.

What should be in the annual budget?

- The total money available to the school for that year. This includes:
 - What the school gets from the Government in the Student Resource Package (SRP)
 - Money in the bank in various accounts
 - Money raised from voluntary contributions, bank interest, fund-raising activities and other sources.
- How the school is going to use the money to implement the strategic plan
- A description of the major plans for each particular program operating in the school, the funds to be spent in that program, and (usually) the person who will be in charge of that program.

What is school council's role?

School council is responsible for approving the annual budget. Once it is in operation, council should regularly monitor the budget's progress to make sure it is on track. A school's Operating Statement is the key report school council should use to monitor the budget's progress.

How is the annual budget usually developed?

1. All programs are reviewed and draft plans for the following year are created, together with a spending plan for each program
2. While this is happening, the school works out the total money it will have available to it for the coming year. This should consider not only new money the school will make in the new year, but also funds brought forward from previous years, regardless of whether they are committed or uncommitted.
3. Once the school knows how much money is available, the finance sub-committee matches the money available against all the cost estimates and spending plans to work out what it will be able to (and what it should) fund.
4. The priorities for funding have already been worked out in the school's strategic plan
5. Once all the available money has been allocated, the finance sub-committee should create a list of future priorities to fund when more money is available
6. The annual budget should then be fully documented and when ready, submitted to school council for discussion and approval.

Where do I find out more?

For further information see:

Understanding School Finances Training Program –

<http://www.education.vic.gov.au/management/governance/schoolcouncils/financecommittees.htm>.

Various DEECD websites

- <http://www.education.vic.gov.au/management/governance/schoolcouncils/role.htm>
- <http://www.sofweb.vic.edu.au/srp/>
(Student Resource Package Information site)
- <http://www.sofweb.vic.edu.au/standards/account/index.htm>
(for all strategic planning guidelines, templates and reports)
- <http://www.sofweb.vic.edu.au/schoolfinance/>
(School Financial Management website)