



## Policies and Procedures

Operations Department

**Resources and Budgetary Plans**

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## Resources and Budgetary Plans

Future Focus ensures that it allocates sufficient budget for resources via an analysis of the patterns of expenditure and revenue over the workings across the board. Before drawing up the budget, we ascertain that we have an overview of the type of inputs needed to achieve the objectives of our projects.

### 1. Aims and Objectives

The budget has mainly two functions. First, we estimate, as realistically as possible, the cost of completing the objectives identified in our project proposal. Via the budget details we determine whether the proposal is economically feasible and realistic. Secondly, the budget provides us with means to monitor the project's financial activities over the life of the project. In this way, it is possible to determine how closely the actual progress toward achieving the objectives is being made relative to the proposed budget.

Budgets are usually developed for 12-month periods. When developing the budget, we usually estimate the revenue first, to determine the level of resources that will be made available in the upcoming budget year. Based on the estimated resources, expenditure limits are assigned to each budget category. When developing these budgetary allocations, all needs of the organization are taken into account and decisions are made where best to allocate available money.

Our budget incorporates the financial plan used to estimate revenues and expenditures for a specific period of time. It is a management and planning tool, not just an accounting document. It assists us in the allocation of resources. Budget allocation centres around the amount of funding designated to each expenditure and the maximum amount of funding we shall be spending on a given

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program. Moreover, it is a limit that is not to be exceeded by staff authorized to charge expenses to a particular budget line.

### 2. Procedure

Budgetary allocations are routinely monitored to ensure the amounts budgeted are sufficient to meet expenditures. We have a tracking system in place for all purchase orders and bills. The purchase orders and bills are matched regularly against the budgetary allocation to ensure sufficient funds exist for the remainder of the budget year. The following procedure is in place at Future Focus Ltd.:

- i. Listing all the categories in columns in a spreadsheet application, such as excel, to help us organise our costs.
- ii. We ensure that the budget is in line with the activities set in the work plan
- iii. We work through the narrative of the proposal identifying all the costs that must be incurred in order to carry out each single activity planned
- iv. We identify the type of expenditures our project will have
- v. We classify expenditures according to standard budget categories
- vi. When determining the actual rate of the costs related to our projects, we ensure that we are as close to reality as possible
- vii. We take care that the budget is compiled in close cooperation with staff from the financial department, so that we always obtain realistic numbers.

### 3. Ensuring that Resources are fit-for-purpose

In general, our budget allocation involves a prediction of the possible costs that will be incurred by carrying out the courses planned on a year-to-year basis. Realistic planning of finances is our key to the implementation of the Centre's

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aims and objectives, wherein a professional and transparent approach to budget planning ensures that financial resources are available. Allocation of such budget moves in line with the needs where resources are assessed to ensure they are fit for purpose. This will also enable us to identify where additional resources are required and what is needed for the Centre to run smoothly.

Assessing resources for fitness for purpose begins with reviewing our objectives. Without sufficient resources, or if resources are not fit for purpose, objectives may not be attainable. We therefore conduct a needs assessment by analysing and evaluating the answers to these questions:

- What quantity of a resource is required?
- When will the resource be needed?
- What capability does the resource need to have? Are there any limitations?
- What is the cost for procuring or having the resource available?
- Are there any liabilities associated with use of the resource?

Resources are needed for all phases of the programs within the Centre, therefore, the availability and fitness for purpose of resources is determined - some are required immediately, other resources may be stocked in advance or purchased as the need arises. A needs assessment is conducted to determine resources needed. Following this procedure, there is the management of resources to get them to where they are needed, when they are needed.