

5th May 2005

PARSA Budget 2005

Prepared by James Swansson, PARSA Treasurer

Preamble

This statement and the attendant schedule specifying the budget lines and line notes comprise the PARSA budget for 2005.

Towards 2006 will be a difficult period for PARSA under the shadow of the Commonwealth Government's Voluntary Student Unionism legislation and Higher Education Workplace Relations Requirements. The significance of these pending changes on our finances should not be underestimated by the Treasurer.

This is emphasised by Paragraph 13 of PARSA's Financial Statements for 2004 (our auditor's report from KPMG) which states that we can be guaranteed to be a "going concern" only until 28th February 2006. The basis for this is PARSA's reliance on ANU for continuing funding, and the likelihood that such funding would discontinue in 2006 due to the severe financial penalties imposed on universities providing such support.

Assuming that VSU is passed without significant modification, PARSA will not receive more than a fraction in total of its current income in 2006. Less than a quarter of this budget qualifies as "discretionary funds" in my interpretation: 75% is required to meet PARSA's commitments operating as an office with permanent staff. The logical outcome is that the Association's staff will have to be made redundant, and office and equipment divested of. In this sense VSU legislation would be better termed "anti-student organisation legislation."

This makes drafting a budget very difficult. On the one hand, I wish to provide for business-as-usual for the 2005 year to December. On the other hand, it would be irresponsible of me as Treasurer to not apply a conservative ruler to ensure PARSA can meet all of its potential liabilities, including the unforeseen redundancy liabilities.

This budget has imposed significant restrictions on budget lines in order to satisfy this, as summarised in the top two budget lines called "Balance" and "Cash flow". Historically PARSA has reported the latter to indicate that we do not spend more than we receive. This year the former is more informative: "balance" indicates PARSA's ability to settle its debts should it, at least financially, be required to wind up at the end of 2005

Whatever the outcome of the VSU legislation, this budget will require revision in the light of clearer circumstance. However, that "bottom line" (at the top of the schedule) is sufficiently close to balanced that I am confident of a fiscal equilibrium whether it is business-as-usual or time to bail out the books.

Financial Authorities

1. Once approved by AGM, this draft becomes PARSA's budget for 2005: no budget lines may be added or removed.
2. Once approved, the delegated authority of a given line possesses spending authority up to the amount specified in this budget for the financial year 2005. Where two officers are nominated, "Off1/Off2" indicates a shared responsibility and "Off1 & Off2" indicates a joint responsibility, the latter meaning that both officers are required to authorise spending.
3. The delegated authorities are PARSA's: President; Administrator; Treasurer; "SP" - Social & Publications officer; "E&A" - Education and Advocacy Team leader(s); "S&O" - Social and Outreach Team leader(s).
4. The delegated authorities are authorised to approve expenditure only on those items that may reasonably be interpreted as pertaining to the purpose of the budget line, and not for any other purpose.
5. The Treasurer retains the authority for the budget as a whole and supervening responsibility for all budget lines: where the delegated authority office becomes vacant or absent the Treasurer retains spending authority. The Treasurer may delegate authority of a vacant office to the President until the office is filled.
6. The Treasurer may temporarily suspend the delegated authority until review if the Treasurer, in agreement with the President, believes the delegated authority's actions are not consistent with their responsibilities in this budget, particularly as per Paragraph 4. The next immediate PRC meeting shall review spending and decide on the replacement or reinstatement of the delegated authority and any other action. In the event of a conflict between the President and Treasurer, either may call an emergency PRC meeting to take action. (An emergency PRC meeting is ratified by an ordinary PRC meeting.)
7. The Treasurer may decide, or be directed by the PRC, to reallocate funds between budget lines as needs demand and circumstances allow. This will be performed in consultation with all those delegated authorities for the lines concerned and in agreement with the President.
8. The Treasurer usually presents reports on spending against this budget and its policies to meeting of the PRC. The acceptance of these reports does not supersede the responsibilities of the delegated authorities for the responsible expenditure of their budget lines, nor the Treasurer of oversight.
9. Nothing in this document supersedes the powers and responsibilities of the Treasurer as defined in the Association's Constitution.

Budget Policy

Approval of this budget includes endorsement of these operational policies for the financial year 2005:

1. This budget must be revised subsequent to and in the light of the passed VSU legislation such that the balance of the budget is positive for policy actions permissible by that legislation.
2. Given funding restrictions, "discretionary" administrative items have a very low priority.
3. The S&O and E&A group leaders are to submit to the Treasurer expectations of expenditures for those budget lines for which they hold delegated authority.

Schedule

	2004 Budget	2004 Actual	Remnant	2005 Budget	Delegated Authority
Balance = Inc - Exp + Assets - Liabilities		\$25,187		-\$16,513	
Cash flow = Inc - Exp	-\$3,742	\$17,349		\$20,404	
Income					
General Services Fee	\$203,500	\$203,500	\$0	\$220,000	
Activities Income	\$0	\$2,141	\$2,141	\$0	
Advertising	\$0		\$0	\$0	
Social/Publishing	\$50	\$518	\$468	\$0	
Reimbursement	\$250	\$943	\$693	\$200	
Other	\$0		\$0	\$40,000	
Interest	\$1,749	\$1,749	\$0	\$1,757	
Income total	\$205,549	\$208,852	\$3,303	\$261,957	
Expenses					
<u>Office Operation</u>					
Office	\$1,210	\$1,307	-\$97	\$1,000	Administrator
Postage/telephone/fax	\$1,252	\$676	\$576	\$813	Administrator
Mobile Phone Calls	\$600	\$156	\$444	\$0	Administrator
Internet	\$220	\$0	\$220	\$0	Administrator
Photocopying/printing	\$850	\$658	\$192	\$724	Administrator
Office Equipment	\$3,500	\$441	\$3,059	\$300	President
Maintenance office equipment	\$1,151	\$275	\$876	\$485	Administrator
Office Operation Total	\$8,783	\$3,163	\$5,620	\$2,939	
<u>Other Expenses</u>					
Other Expenses	\$550	\$134	\$416	\$300	
<u>Professional Activities</u>					
Meeting/Social	\$9,500	\$12,108	-\$2,608	\$10,700	S&O/SP
Conferences	\$4,400	\$1,975	\$2,425	\$1,320	Pres & Treas
Affiliations	\$13,000	\$17,500	-\$4,500	\$19,418	Treasurer
Campaigns	\$4,000	\$338	\$3,662	\$2,300	Pres & E&A
ARC Linkage support	\$5,000	\$2,500	\$2,500	\$5,000	Treasurer
Professional Activities	\$35,900	\$34,420	\$1,480	\$38,738	
<u>Staff training</u>					
Staff training - ad hoc	\$500	\$415	\$85	\$500	President
Meetings	\$500	\$36	\$464	\$0	President
Staff training	\$1,000	\$451	\$549	\$500	
<u>Associated Publication Costs</u>					
Handbook	\$10,417	\$9,471	\$946	\$9,000	S&O & SP
Antitheses student promotions	\$6,500	\$3,940	\$2,560	\$600	S&O/SP
Advertising		\$182	-\$182	\$300	S&O/SP

Associated Publication Costs		\$16,917	\$13,593	\$3,324	\$9,900		
		2004 Budget	2004 Actual	Remnant	2005 Budget	Delegated Authority	Notes
<u>Financial</u>							
	Bank charges	\$320	\$251	\$69	\$320	Administrator	
	Accounting costs	\$2,500	\$239	\$2,261	\$1,250	Administrator	
Financial		\$2,820	\$490	\$2,330	\$1,570		
<u>Maintenance</u>							
	Technical support computers	\$4,800	\$3,000	\$1,800	\$4,000	Treasurer	
	Maintenance & Repairs (bldg)	\$300	\$219	\$81	\$40,000	Treasurer	14
Maintenance		\$5,100	\$3,219	\$1,881	\$44,000		
<u>Executive, Staff and Support</u>							
	Oncosts	\$1,474	\$1,567	-\$94	\$1,521	Administrator	
	Superannuation	\$12,000	\$11,699	\$301	\$11,594	Administrator	
	Salaries & Wages	\$83,742	\$89,060	-\$5,318	\$86,414	Treasurer	
	Honorarium	\$9,040	\$15,069	-\$6,029	\$15,008	Treasurer	
	Legal Officer	\$20,000	\$12,400	\$7,600	\$20,000	Treasurer	
Executive, Staff and Support		\$126,256	\$129,795	-\$3,539	\$134,536		
<u>Bills</u>							
	Insurance	\$3,933	\$5,814	-\$1,881	\$1,993	Administrator	15
	Gas	\$0	\$0	\$0	\$0	Administrator	16
	Electricity	\$3,300	\$0	\$3,300	\$0	Administrator	16
	Income Tax	\$732	\$424	\$308	\$527	Administrator	
Bills		\$7,965	\$6,238	\$1,727	\$2,520		
<u>Depreciation of assets</u>							
Depreciation of assets		\$4,000	\$0	\$4,000	\$0		
<u>Contingency</u>						Pres & Treas	
	2.5% of income				\$6,549		
Expenditure total		\$209,291	\$191,503	\$17,788	\$241,553		
Assets		\$49,105	\$49,105		\$49,105		
<u>Current Liabilities</u>							
	GST nett	\$18,500	\$19,189		\$22,000		
	GST collected to be sent		\$21,572				
	GST Paid on purchases		-\$2,383				
	Payroll Liabilities		\$22,078		\$64,023		17
Liabilities		\$18,500	\$41,267		\$86,023		18
Equity		\$0	\$0		\$0		

Notes

- 1 Balance means whether PARSA would have any outstanding debts should it wind up its office.
- 2 Cash flow is the normal difference between annual income and expenses
- 3 capital development grant
- 4 Income only assumes those sources which are confirmed
- 5 these lines are deleted
- 6 banner, perhaps?
- 7 e.g. printer toner
- 8 meetings includes \$300 for S&O group and \$400 for PRC planning/training days
- 9 PARSA has applied for a remission and refund of a part of this affiliation fee
- 10 includes \$300 for E&A group meetings
- 11 these lines are deleted
- 12 this line is renamed to provide rewards to student contributions to PARSA products, such as the art competition held for 2005's handbook design.
- 13 design competition posters, awareness postcards
- 14 deliberately refraining from spending on capital we don't own
- 15 GSF Committee Nov 2004 agreed the joint D&O Insurance premium will be paid from GSF funds before distribution to the associations: i.e. this bill remains but does not appear on our books
- 16 since relocation the Graduate School meets the utility costs of the building
- 17 changes with calculation of redundancies at \$41,945
- 18 With VSU impending, all staff liabilities have been properly calculated and included.