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|-----------------------------------------------------------------------------------|-------------------------------------------------|------------------------|----------------------|
|  | <b>Financial Budgeting and Reporting Policy</b> | <b>Policy Number:</b>  | POL_FN 02_FBR        |
|                                                                                   |                                                 | <b>Policy Owner :</b>  | Finance and Accounts |
|                                                                                   |                                                 | <b>Effective Date:</b> | 01 Jan 2025          |
|                                                                                   |                                                 | <b>Last Revised:</b>   | 04 Dec 2024          |

## 1. Purpose and Objectives

This policy document elucidates practices to be applied with respect to all activities pertaining to Financial Budgeting and Reporting. Its purpose is to provide a clear understanding of the lines of authorities and responsibilities and thereby ensure consistency in recording and processing of transactions

## 2. Scope

- Budget preparation
- Approval of budget
- Budget monitoring and reporting
- Preparation of Financial Statements

## 3. Responsibility

The overall responsibility for ensuring correct application of the policies rests with the Board who will be assisted by the Management.

Compliance is compulsory for all staffs and volunteers.

## 4. Definition

- CEO – Chief Executive Officer
- CM – Centre Managers
- FN – Finance Department
- HOD – Head of Department
- HCM – Head, Centre Management

## 5. Budgeting Process

### 5.1 Budget Preparation

- 5.1.1 The organisation shall include financial budgeting, cashflow budgeting and reporting process in their financial policy. The policy should indicate timeline for budget preparation, personnel involved in budget preparation, and the review process.

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## 5.2 Approval of Budget

- 5.2.1 The draft budget should be reviewed by the CEO, Treasurer, and the Chairman before being presented to the Board for final approval.

## 5.3 Budget Monitoring and Reporting

- 5.3.1 Every month all departments and centres shall perform an analysis between actual results versus budgeted. All significant variances shall be explained and included in the analysis.
- 5.3.2 The Chairman and Treasurer shall review the analysis and present a summary at the Board meeting.
- 5.3.3 A half-yearly variance analysis should be performed to explain the differences between the budget/forecast and actual.
- 5.3.4 Material variances (i.e., more than 20%) and justifications for variances would be included in the presentation at meeting.

## 5.4 Preparation of Financial Statements

- 5.4.1 Financial year is defined as a period of 12 months or, as a transitional measure to change the next financial year, such other period shall not exceed 18 months.
- 5.4.2 Monthly closing of account shall be performed as soon as possible after month end. Upon finalisation of monthly closing, the organisation shall prepare Statement of financial position as at month end, Statement of Profit and Loss to date.
- 5.4.3 Statement of Cash Flow to be prepared yearly at the end of financial period.
- 5.4.4 The Financial Statement shall be prepared based on Singapore Financial Reporting Standard ("FRS").
- 5.4.5 Evidence of reconciliation between sub-ledger accounts and general ledger balance performed should be documented. Variances identified should be investigated and results documented on a timely basis.
- 5.4.6 The governing Board Member shall prepare a set of Financial Statement, which comprises of:
- Statement of financial activities for the period;
  - Statement of financial position at the end of financial period;
  - Statement of Cash Flow for the financial period; and
  - Notes to the financial statements.
- 5.4.7 All three Financial Statements shall be given equal prominence and shall not

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be relegated to the notes.

- 5.4.8 The Financial Statements are subject to external auditor examination. Depending on the gross income or expenditure, the requirements of external examination will vary. Please refer to Charities (Accounts and Annual Report) Regulations fourth schedule for the details
- 5.4.9 The audited Financial Statements together with Annual Report, Statement by Directors, Director's report and auditor/examiner's report shall be presented to the Board for approval and subsequently tabled at the Annual General Meeting

End of Document

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## AMENDMENTS LOG

### Version History

| Version | Date        | Version Author | Summary of Changes |
|---------|-------------|----------------|--------------------|
| 1.0     | 15 Dec 2021 | Mavis Ren      | First Release      |
| 2.0     | 04 Dec 2024 | Felicia Tham   | Formatting         |
|         |             |                |                    |
|         |             |                |                    |

### Review & Approval

| Name/Position | Reviewed By                | Approved By | Date |
|---------------|----------------------------|-------------|------|
| Felicia Tham  | Head, Accounts and Finance | BOARD       |      |