**Baildon Town Council Financial Regulations – Key Points for Councillors**

*(Numbers in ( ) refer to the relevant paragraph in the Financial Regulations)*

The annual budget cycle – the **fiscal** year runs from 1 April to 31 March

* **Sept/Oct** – committees submit a draft budget to Governance for the *next* fiscal year based on concrete projects in order to assist in calculation of the precept (3.1); Governance will review for congruence with overall council budget; not all proposals will be accepted.
* **Nov** – Governance reviews the overall council budget which should balance income (precept) and expenditure on an annual basis, and recommends to Council
* **Dec** – the overall budget is agreed by Full Council (3.3) including the level of precept. The precept, and any increase, is formally requested from Bradford in January
* **Feb/Mar** – last opportunity for committees to spend current year budget
* **April/May** – the budget is complete for the *previous* fiscal year; any carry forward or ring-fenced funds are identified and minuted; underspends are *not* automatically carried forward
* **June/July** – the committees receive their final budget for the current fiscal year and proceed to implement their projects

The budget is a formal document. It is good practice for any new project ideas to be shared and discussed informally prior to formal meetings, to ensure they are practicable and can be delivered in the following fiscal year, and budget is available.

Making financial decisions

* There is a resolution by committee to support/develop a project (this means a councillor can legally work on a project)
* The councillor develops the project with others and obtains costings/quotes/estimates
* The proposal is discussed with Chair, who verifies if there is scope in the budget; if supported the item is placed on agenda for a financial decision (4.10)
* The committee considers the proposal and makes a decision by vote and it is minuted. A committee can vire up to 50% of a budget line within its own budget (4.2) if required to facilitate a project.
* Staff implement the decision in discussion with the relevant councillor
* N.B. all committees must have a lawful power and a budget line from which to spend the money. A councillor is not able to act individually nor to make any financial or other binding arrangements on behalf of the Council.

Limits on committee spending

* The full council must approve any grant or single commitment in excess of £10,000 (1.14).

Committees can spend a maximum of £10,000 from their approved budget on any one project, if greater, approval must be obtained from the full council. (4.1)

* This also includes grants may be approved by committees but any grant in excess of £10,000 (per project per annum) is subject to ratification by resolution of the council. (5.5)

Miscellaneous

* The RFO verifies the lawful nature of any proposed purchase or payment, and in the case of new or infrequent purchases or payments will report the statutory authority to the committee meeting so the minutes can record the power being used (10.5)
* There are specific and legal requirements for contract tenders which must be followed (Section 11 para 11.1b and 11.1c are mandatory)
* Tangible property cannot be disposed of without the authority of the Governance cttee, unless the value does not exceed £750 (cost value); the RFO should be notified (14.2)

The Financial Regulations set out the procedures to guide the Council in law, and also set out the role profile and legal duties of the RFO so acts as a reference guide for the RFO.