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# Macleans College - POLICIES & DIRECTIVES

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SECTION NO: <b>300</b>	POLICY NO: <b>305</b>	ISSUE DATE: 11/08/11
TITLE: <b>FINANCIAL, ADMINISTRATIVE &amp; PHYSICAL RESOURCES</b>		ISSUE NO: 4
		PAGE: 1 OF 2

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## Medium Term Financial Strategy

### ANALYSIS:

Macleans requires a budget process overhaul which will limit overall expenditure to a prudent level while causing questioning of individual budget levels – possibly with a form of zero, based budgeting along with a “fiscal envelope,” of global spending.

There is cause for concern that in the future there are not adequate instruments to buffer the school against variations of needs and income.

### STRATEGY:

- 1 The budget process each year should set a limit on the overall operational budget based on the final budget for each year.
- 2 The process should include examination of all budget areas to remove expenditure which may not be necessary or has “crept” in previous budgets.
- 3 Operational increases should be set aside for reserves.
- 4 A medium term investment buffer of 1 million dollars should be aimed at.
- 5 The college should examine various aspects of community cost and use sharing for sports and cultural facilities, and endeavour to involve local bodies, sports clubs and agencies such as the SPARC and ASB in sharing such development.
- 6 College investment in technology should be reviewed with a view to balancing capital investment against the depreciation costs of that investment.
- 7 Methods of property and grounds maintenance should be examined to ensure that best value for money is obtained.

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- 8 In line with Ministry requirements, funds should be established for capital equipment depreciation/replacement; for property maintenance and fore purchase of new types of equipment eg science, technology and computers.
- 9 Cash flow should be managed and expenditure spread across the year wherever possible to maximise positive bank balances.