

LONGLEY PARK SIXTH FORM COLLEGE

BUDGET VIREMENT POLICY

Originator:	Sharon Langridge, Clerk to the Corporation
Date of last approval:	12 July 2006
Approval/review by:	Resources Committee/Corporation in February 2011
Review interval (years):	2
Date of next review/approval:	February 2013

1 Definition of virement

Virement is the process of transferring a revenue budget from one budget heading to another, with the approval of the relevant senior manager. It can be used to enable accountable managers to amend budgets in the light of experience, or to reflect anticipated changes in the pattern of future income or expenditure.

2 Financial Responsibilities

In a cash limited budget environment, budgetary control must be strictly maintained throughout the year in order that potential expenditure overspends and income under-achievements within individual budget heads are identified at the earliest possible opportunity.

The Principal, as principal accounting officer, has a duty to ensure that adequate policies and procedures are in place to ensure effective system of financial control. The budget virement process is one of those controls. The setting up, amendment and profiling of budgets is centrally controlled by the Finance Manager, working to the Assistant Principal (Resources).

3 Virement Guidelines

- No virement may be made where it would potentially result in an overspend.
- It is important that virements are identified as recurrent or non-recurrent.
- No non-recurrent savings may be vired to increase recurrent expenditure, which then pre-commits the College resources in the following financial year, without the prior approval of the Principal.
- If the virement relates to an increase in the manpower establishment, then the existing personnel and HR policies and procedures will apply.
- Virements may not be made in respect of ring-fenced allocations.
- No virement proposal shall involve the introduction of a new policy or a significant variation of existing policy without the prior approval of the Principal and Corporation.
- No virement proposal shall affect amounts to be paid to another budget holder without the agreement of the budget holder **and** Assistant Principal (Resources).
- All virement proposals should be agreed with the Finance Manager for inclusion onto QLx Distinction and for monitoring purposes.
- All virement proposals shall be recorded and submitted on the appropriate pro-forma documentation, copies of which are available from the Finance department.
- Virement cannot be made in respect of internal recharge budgets.

4 Review of this Policy

This policy will be reviewed every two years.

No changes to the approved budget of each budget holder should be made without the necessary virement documentation being submitted.