

2.5	Finance	Budgets – setting, monitoring, variances, exchange rate fluctuations and inflation
Responsible Officer		Project Manager
Approved by		Director
Approved and commenced		January 2012, revised August 2015
Review by		June 2016

1. Objective

As Leader of the National IMOS Project, the University of Tasmania has set-up the IMOS Office to oversee that the Project is conducted according to the terms of the IMOS Funding Agreements. IMOS funding is underpinned via co-investment from stakeholders. It is essential that all working on the Project adhere to the agreed budgets and any adjustments are dealt with in a reasonable timeframe to maximise the use of the IMOS funding.

2. Scope

This policy applies to the IMOS Operators, Facility and Sub-Facility Leaders.

3. Policy Provisions

Under the IMOS Operator sub-contracts, the terms of funding, work to be done and the budget (including IMOS funding and co-investments) are documented. The Operators are required to adhere to the agreed budget and milestones, and to advise the IMOS Office of any significant variations in a reasonable timeframe. The IMOS Office does have some flexibility to vary budgets but will only do so on the agreement of the Operators, the Board and the Department (as necessary).

Setting of budgets: All IMOS funding was allocated following a National call for proposals, consultation to determine what would be funded, agreement by the Board and Department, then negotiation with the successful bidders to ensure that costs were minimized, and relevant co-investment secured to maximize the use of the funding. That process resulted in agreed budgets provided to the Operators via the sub-contracts, to lead a part or parts of the IMOS infrastructure.

Monitoring: As part of the preparation of each Business Plan (in January-March) and Progress Report (in July-September) Operators are required to acquit expenditure of IMOS funding, including related co-investments, and advise formally if any significant variations. On an ad-hoc basis, Operators are also required to advise the IMOS Office immediately if any major events happen which impact on the budget (ie causing significant additional costs or savings). If necessary, the Board may need to meet to deal with any major budget overruns

Variances: It is anticipated that while budgets and co-investments are initially agreed for a particular financial year, the timing when funding is needed or co-investments received will change as realities of implementing the project plan are further understood. Timing differences will be dealt with in the normal course of project management, and should not impact on the overall budget. However if Operators are aware of any permanent changes to the agreed total budgets

they should advise the IMOS Office as soon as possible, so the relevant parties can be informed and sub-contracts varied if necessary.

Exchange rate fluctuations: While much of the IMOS infrastructure is sourced within Australia, some of the Facilities are exposed to exchange rate fluctuations. If Operators are aware of significant cost savings due to exchange rate fluctuations they should advise the IMOS Office. Any permanent savings may be recovered to be used to deal with variations elsewhere in the IMOS budget. Similarly, and exchange rate fluctuations leading to higher costs will mean the budget needs to be reviewed with the IMOS Office to determine how the additional cost will be managed

Inflation: IMOS budgets were set with an anticipated inflation rate of ~4% per annum. Operators are required to advise the IMOS Office if the actual costs significantly exceed or fall below the anticipated costs, and a decision will be made on how to proceed (based on the quantum of the change and if savings have been identified elsewhere).

4. Supporting Documentation

IMOS Funding Agreements, and variations
IMOS Operator Subcontracts, and variations

5. Versioning

January 2012 – draft for review by IMOS Director
August 2015 – minor variations to update Policy