BUDGETING FOR YOUR ORGANIZATION

One of the tasks you face as a financial officer, especially if your organization makes frequent

business transactions, is that of preparing a budget. A budget is a tool used for planning and

controlling your financial resources. It is a guideline for your plan of action, expressed in

financial terms within a set period. A budget does not have to be complex.

WHAT A BUDGET ACCOMPLISHES

• It helps refine goals.

• It compels members of the organization to use funds efficiently.

• It provides accurate information to analyze, adjust and evaluate programs and activities.

• It aids in decision making.

• It provides a historical reference to be used for future planning.

PRE-BUDGET CONSIDERATION

Knowing your organization’s priorities, objectives and goals helps as you begin to prepare your

budget. As you begin, ask yourself the following questions:

• What is the time period with which you are working (e.g., one term, entire school year)?

• What does your group most want to accomplish?

• How will you accomplish this?

• How much will it cost?

• Where is the money coming from?

Once these questions have been answered, you are ready to begin preparing your budget.

PREPARING YOUR BUDGET

• Prepare an outline of the organization’s planned future activities.

• Determine and record available funds (e.g., carryover balance from previous year).

• Estimate and record expected income and when it will be available (dues, t-shirt sales,

video games, etc.)

• Define and record needed expenses (advertising, rental, printing, supplies, etc.)

• Review, revise, and then assemble into a final budget.

• Have members vote for budget approval.

The budget must be flexible enough to anticipate conditions that might have been overlooked

during the planning process.

MANAGING THE BUDGET

• Set and maintain a minimum cash balance.

• Formulate general policies and procedures needed to achieve objectives while providing

internal control (e.g., allow only approved expenditures).

• Keep an accurate written log of financial transactions (income and expenses).

• Periodically compare the budget to your actual logged expenditures.

A SAMPLE BUDGET

Income Expenses

Vending Machine Sales $ 500.00 Travel $ 900.00

Dues 100.00 Speaker 300.00

Fundraising 500.00 Printing 100.00

Donations 200.00 Refreshments 400.00

SOAP Funds 500.00 Supplies / Office 100.00

Total Income $1,800.00 Total Expenses $1,800.00

Determine the outcome of each expense and revenue as the budget period is ending. Review

and judge actual costs to establish priorities for the next budgeted period. Begin

preparing for the next budget a month or more prior to the current budgeted period and then

begin the process anew.

IMPORTANT NOTE

SOAP funds must be spent during the fiscal year they were allocated, but fundraising money

may carry over from year to year.