

## Budget Process

### What is a Budget?

A budget is an ESTIMATE of planned income and expenses for the year.

- Developing a budget helps your board-elect make choices between programs, events, activities, and fundraisers. And it helps to maintain focus on what's most important to your group.
- At least three to four months before the beginning of your financial year you will want to start working on your budget for the following year.

<b>Board-Elect Actions</b> <ul style="list-style-type: none"> <li>• Meet soon after election to plan for the coming term</li> <li>• Review mission statement from California State or purposes of PTA in bylaws</li> <li>• Survey school needs</li> <li>• Develop goals that implement PTA mission and meet school's needs</li> <li>• Determine programs and fundraisers</li> </ul>	<b>Budget Committee</b> <ul style="list-style-type: none"> <li>• Plans the budget</li> <li>• Process begins after new officers are elected and prior to beginning of term</li> <li>• Committee appointed by president-elect</li> <li>• Chaired by treasurer-elect</li> <li>• In a perfect world you would have a budget committee made up of 3 to 5 people. But the budget committee may just be the Treasurer-elect and the President-elect.</li> </ul>	
	<b>Material Needed to Prepare a Budget</b> <ul style="list-style-type: none"> <li>• Prior year reports                             <ul style="list-style-type: none"> <li>○ Budget</li> <li>○ Annual Financial Report</li> </ul> </li> <li>• Committee reports</li> <li>• Survey (membership/staff)</li> <li>• Current year reports</li> <li>• School calendar</li> <li>• Insurance and Loss Prevention Guide</li> </ul>	
<b>Step 1: Vision/The Big Picture</b>	Before you even start trying to put numbers to paper, you will want to make sure that your Board-elect agree on common goals. <ul style="list-style-type: none"> <li>• This is the time to schedule a retreat with your board members to have these conversations first.</li> <li>• Have an agenda.</li> <li>• Make sure that everyone's voice is heard.</li> </ul>	
	Start by reviewing the year that is ending.	

	<p>Methods to Review the Previous Year: One method is to survey staff and parents before you have this retreat:</p> <ul style="list-style-type: none"> <li>• Questions to ask <ul style="list-style-type: none"> <li>○ Programs liked? Disliked?</li> <li>○ What needs to be done?</li> <li>○ Fundraisers liked? Disliked?</li> </ul> </li> <li>• Who to ask <ul style="list-style-type: none"> <li>○ Members</li> <li>○ Principal and teachers</li> <li>○ School Site Council/ELAC</li> <li>○ Students (secondary schools)</li> <li>○ Committee Chairs and Members</li> </ul> </li> </ul>
	<p>Set overall goals:</p> <ul style="list-style-type: none"> <li>• What's our priority area? What do we want to emphasize? What portion of our budget should we spend on each area? <ul style="list-style-type: none"> <li>○ Community Building</li> <li>○ School Support</li> <li>○ Student Services</li> <li>○ Curriculum Enrichment</li> </ul> </li> </ul> <p>This is big picture time. Find common ground. Come prepared to both share your ideas and to compromise.</p>
<p>Step 2: Now we get down to the details.</p>	<p>GOALS ↓ PROGRAMS ↓ BUDGET</p>
<p>Program Ideas:</p> <ul style="list-style-type: none"> <li>• Parent Education and Outreach</li> <li>• Leadership Training/Convention</li> <li>• Community Building Events <ul style="list-style-type: none"> <li>○ Movie Nights</li> <li>○ Carnivals</li> <li>○ Field Days</li> </ul> </li> <li>• Assemblies</li> <li>• Classroom Funds</li> <li>• Field Trip Funds</li> <li>• Technology Funds</li> <li>• Playground Safety</li> <li>• New Playground Equipment</li> <li>• Check green and yellow pages in the Insurance Guide for more ideas</li> </ul>	<p>The PTA budget is program-driven, not revenue-driven.</p> <ul style="list-style-type: none"> <li>• Figure out income after establishing your programs.</li> <li>• Board members and committee chairpersons should participate in the budgeting process that affects the areas for which they will later be responsible.</li> <li>• Some programs can be considered both a fundraiser and a program</li> </ul>

	<p>Brainstorm program ideas, the more ideas the better.</p> <ul style="list-style-type: none"> <li>• Quantity not quality.</li> <li>• Don't be afraid of change <ul style="list-style-type: none"> <li>○ Look for fresh ideas (check green and yellow pages in Insurance Guide)</li> </ul> </li> <li>• Don't worry about the cost during brainstorming</li> </ul>
	<p>Questions to Consider:</p> <ul style="list-style-type: none"> <li>• If we were only able to do one thing, which would it be?</li> <li>• What would do the most good?</li> <li>• How many students would this impact?</li> <li>• Where can we get the most bang for the buck?</li> <li>• How many volunteer hours will it take?</li> </ul>
<b>Step 3: How much money do we need?</b>	<p>Now you need to know how much all this will cost.</p> <ul style="list-style-type: none"> <li>• Put numbers to each activity</li> <li>• How do the numbers relate to your vision and goals?</li> </ul>
	<p>\$ Cost of Programs  + \$ Cost of Operating and Administrative Exp  – \$ Carryover From Last Year  + \$ Carry Forward to Next Year  + \$ Restricted Funds from Prior Years  + \$ Unit Portion of Membership Dues</p> <hr/> <p>= \$ Total Funds Required</p>
<p><b><i>There should be three non-fundraising programs geared to meet your goals for each one fundraiser.</i></b></p>	
<b>Step 4: How do we raise the funds needed?</b>	<p>Fundraisers.</p> <ul style="list-style-type: none"> <li>• These are things that you do only because you need to raise money.</li> <li>• This is focused money making.</li> </ul>
	<p>Types of Fundraisers</p> <ul style="list-style-type: none"> <li>• Donations and direct solicitations</li> <li>• Experience Fundraisers (Walk-a-thon, Talent show)</li> <li>• Stuff Fundraisers (Cookie Dough, Magazine Sales, Catalog Sales)</li> </ul>

	<p>Review Fundraisers</p> <ul style="list-style-type: none"> <li>• Use the previous committee’s reports.</li> <li>• Does this fundraiser still fit your school community?</li> <li>• How much can you expect to raise?</li> <li>• How many volunteer hours are involved?</li> <li>• What changes were recommended by the previous committee?</li> </ul>
<p><b><i>Always, always, always take the amount of volunteer effort required into account.</i></b></p>	
<b>Step 5: Balance Income and Expense</b>	<ul style="list-style-type: none"> <li>• Do you need to cut a program or add another fundraiser?</li> <li>• Keep your goals in mind.</li> </ul>
<b>Step 6: Preliminary Budget is Now Ready</b>	<ul style="list-style-type: none"> <li>• Board-elect reviews/approves the budget draft.</li> </ul>
<b>Step 7: Budget Approval in the Spring</b>	<ul style="list-style-type: none"> <li>• Executive board-elect presents/ recommends budget to members at association meeting.</li> <li>• Budget must be posted 10 days before association meeting.</li> <li>• Majority vote by general membership</li> <li>• Release funds needed to start the year</li> </ul>
	<p>If preliminary budget is not ready for last association meeting,</p> <ul style="list-style-type: none"> <li>• request that a motion authorizing the executive board to pay necessary bills during the summer “up to x dollars” for summer and school year start-up expenses.</li> </ul>
<b>Step 8: Budget Approval in the Fall</b>	<ul style="list-style-type: none"> <li>• Budget committee continues to make adjustments as needed during the summer</li> <li>• Executive board reviews budget draft</li> <li>• Budget is posted 10 days before association meeting</li> <li>• Executive board presents/recommends budget to members</li> <li>• Each program/activity must be approved.</li> <li>• Majority vote by general membership</li> </ul>
<b>Step 9: Budget Adjustments during the Year</b>	<p>Budget adjustments are made as needed only at association meetings by a vote of the members.</p>
<p><b><i>Approval of budget does NOT give board/chairmen permission to spend money.</i></b></p>	