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.

Board-Elect Actions
- Meet soon after election to plan for the coming term
- Review mission statement from California State or purposes of PTA in bylaws
- Survey school needs
- Develop goals that implement PTA mission and meet school's needs
- Determine programs and fundraisers

Budget Committee
- Plans the budget
- Process begins after new officers are elected and prior to beginning of term
- Committee appointed by president-elect
- Chaired by treasurer-elect
- 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.

Material Needed to Prepare a Budget
- Prior year reports
  - Budget
  - Annual Financial Report
- Committee reports
- Survey (membership/staff)
- Current year reports
- School calendar
- Insurance and Loss Prevention Guide

Step 1: Vision/The Big Picture

Before you even start trying to put numbers to paper, you will want to make sure that your Board-elect agree on common goals.
- This is the time to schedule a retreat with your board members to have these conversations first.
- Have an agenda.
- Make sure that everyone's voice is heard.

Start by reviewing the year that is ending.

	Methods to Review the Previous Year: One method is to survey staff and parents before you have this retreat: • Questions to ask o Programs liked? Disliked? o What needs to be done? o Fundraisers liked? Disliked? • Who to ask o Members o Principal and teachers o School Site Council/ELAC o Students (secondary schools) o Committee Chairs and Members
	Set overall goals: • What's our priority area? What do we want to emphasize? What portion of our budget should we spend on each area? o Community Building o School Support o Student Services o Curriculum Enrichment This is big picture time. Find common ground. Come prepared to both share your ideas and to compromise.
Step 2: Now we get down to the details.	GOALS ↓ PROGRAMS ↓ BUDGET

Program Ideas:
• Parent Education and Outreach
• Leadership Training/Convention
• Community Building Events
    Movie Nights
    Carnivals
    Field Days
• Assemblies
• Classroom Funds
• Field Trip Funds
• Technology Funds
• Playground Safety
• New Playground Equipment
• Check green and yellow pages in Insurance Guide for more ideas
	The PTA budget is program-driven, not revenue-driven.
	• Figure out income after establishing your programs.
	• Board members and committee chairpersons should participate in the budgeting process that affects the areas for which they will later be responsible.
	• Some programs can be considered both a fundraiser and a program

	Brainstorm program ideas, the more ideas the better. • Quantity not quality. • Don't be afraid of change ◦ Look for fresh ideas (ex. check green and yellow pages in Insurance Guide) • Don't worry about the cost during brainstorming
	Questions to Consider: • If we were only able to do one thing, which would it be? • What would do the most good? • How many students would this impact? • Where can we get the most bang for the buck? • How many volunteer hours will it take?
Step 3: How much money do we need?	Now you need to know how much all this will cost. • Put numbers to each activity • How do the numbers relate to your vision and goals?
	$ 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 _____ = $ Total Funds Required
There should be three non-fundraising programs geared to meet your goals for each one fundraiser.	
Step 4: How do we raise the funds needed?	Fundraisers. • These are things that you do only because you need to raise money. • This is focused money making.
	Types of Fundraisers • Donations and direct solicitations • Experience Fundraisers (Walk-a-thon, Talent show) • Stuff Fundraisers (Cookie Dough, Magazine Sales, Catalog Sales)

	Review Fundraisers • Use the previous committee's reports. • Does this fundraiser still fit your school community? • How much can you expect to raise? • How many volunteer hours are involved? • What changes were recommended by the previous committee?
Always, always, always take the amount of volunteer effort required into account.	
Step 5: Balance Income and Expense	• Do you need to cut a program or add another fundraiser? • Keep your goals in mind.
Step 6: Preliminary Budget is Now Ready	• Board-elect reviews the budget draft.
Step 7: Budget Approval in the Spring	• Executive board-elect presents/ recommends budget to members at association meeting. • Budget must be posted 10 days before association meeting. • Majority vote by general membership • Release funds needed to start the year
	If preliminary budget is not ready for last association meeting, • 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.
Step 8: Budget Approval in the Fall	• Budget committee continues to make adjustments as needed during the summer • Executive board reviews budget draft • Budget is posted 10 days before association meeting • Executive board presents/recommends budget to members • Each program/activity must be approved. • Majority vote by general membership
Step 9: Budget Adjustments during the Year	Budget adjustments are made as needed only at association meetings by a vote of the members.
Approval of budget does NOT give board/chairmen permission to spend money.	