

Budget

The budget is your PTA's financial guide. It is a statement showing a plan of action for obtaining funds and for allocating those funds to meet the needs and commitments of the PTA's annual activities. Your budget must be approved by your General Membership at a General Meeting. Remember, PTA funds belong to the entire Membership, not the Executive Board. Should you need to raise or spend money not in your budget, you will need to amend the budget and once again have it voted on and approved by your General Membership.

Preparing the Budget

Traditionally, a preliminary budget is drafted by the Treasurer (I strongly recommend using a spreadsheet program for maintaining the budget) and presented at the Budget Committee Meeting. Your Budget Committee may be made up of your Officers, the Principal, a Faculty Representative, and Chairpersons. A small, core group may be more productive than a larger one. The budget is usually prepared over the summer or during the first couple of weeks of school so it will be ready to be presented and voted on at your first General Meeting of the year.

The preliminary budget should be drafted using the historical data available to you (what was done in the past), research of new ventures (what do you want to do this year), data supplied by the school as to its needs for the new year, as well as input from your officers and chairpersons who historically have had budget items (do they need more or less than last year). It is helpful to have last year's budget assumptions listed on the preliminary budget. For example, knowing that the Student Recognition budget was based on \$5 per student will provide a basis for discussion and help you make decisions for the coming year.

When creating your budget, your categories need to be descriptive enough so that your Membership can easily understand how money is being raised and spent, but general enough for the Board to function efficiently. It may be helpful to have a more detailed Budget Worksheet for the Board which specifies in more detail how it is expected that the monies will be raised or spent. For example, you could have a line item on your approved Budget for Appreciation, say for \$2,000.00. This is descriptive enough that the Membership can understand what the funds are for, but broad enough to give the board some flexibility in how the funds are spent. On your Budget Worksheet, you could then note that \$1,000.00 is for Teacher Appreciation and \$1,000.00 is for Volunteer Appreciation. The chairpeople for these two items then know how much they have available to them.

So why not just have separate line items on your budget? Well, if for whatever reason, the chairperson only spends \$800.00 for Volunteer Appreciation and wants to "give" the rest back to Teacher Appreciation, you do not have to amend your budget to do this as the approved budget simply shows \$2000.00 for Appreciation. If they were listed separately on the approved Budget, you would need to amend the budget to move the funds from Volunteer Appreciation to Teacher Appreciation. Another example is Florida PTA Conferences and Conventions. If they are grouped together on the approved Budget, the

Board is then free to decide how many people will attend each event, as long as they do not spend more than the total amount on the approved Budget. The Budget Worksheet does not replace your approved Budget, but is simply an additional source of information for Board Members.

Once your preliminary Budget is completed to the satisfaction of the Budget Committee, a finalized Budget should be created. It must then be presented to the Executive Board for approval, and once approved by the Board, it must be presented to the Membership at a General Meeting for approval. Remember that NO funds may be spent until the budget is approved by the Membership. An exception to this is if the prior year's budget allocated monies as summer or interim contingency funds, checks may be written for those items (but only after the audit is completed). If funds were not designated in the previous year's budget, there is one IRS exception to expense funds. Funds may be spent if they are necessary for the continuation of business. For example, the Liability Insurance must be paid.

Once the Budget is approved by the Membership, funds may be raised and spent as approved. Financial statements should be prepared monthly to reflect revenue and expenditures as compared to the budgeted amounts. They should be presented at every Board Meeting and every General Meeting. These reports are not voted on, but you should be prepared to answer any questions a member may have. All of these reports should be kept in your binder and turned over to the Auditor or Financial Review Committee at the end of the year.

Amending a Budget

Should you find yourself in a situation where you will potentially overspend in some categories, or if your major fundraiser was much higher or lower than you expected, you will want to amend your budget. Remember that funds can only be raised or spent as approved by the General Membership. Your budget can be amended any time throughout the year; however it is important to note how you carry out that amendment. If you give prior notification to your Membership that you are amending the budget, then a majority vote will approve the amended budget. If prior notification is not given to the Membership, then the budget can only be amended by a two-thirds (2/3) vote. Just as with your original budget, the Board must approve any amendments before they are presented to the Membership for adoption.