

Budgets

(Excerpt from Chapter Regent's Manual & Parliamentary Procedure Guide, Doc #OSG-4000)

Revised May 2025

A budget is a financial statement of estimated income and expenses of an organization for a designated period. Most chapters adopt an annual budget.

The main sources of income in most not-for-profit organizations are: dues, contributions, interest on bonds and other investments and ways and means projects. The total expenditures should not exceed the total anticipated income.

There should be a budget committee to prepare and present the annual budget for adoption by the board or by the chapter, as provided in the bylaws. Generally, the budget is presented and adopted annually or at the beginning of each administration. The committee should assemble all financial data for the past administration. Analyze and compare totals in each category year by year. Estimate reasonable need in each category and compare total need with anticipated income during each year.

Budgets should be based on anticipated income for the budget period. It is never good financial policy to budget on reserve funds and current deposits. A good balance in the bank is a cushion against possible failure to realize the anticipated income, and it gives any organization a firm financial structure.

The chair of the Budget Committee presents the budget, in writing (a copy for every member) and then moves its adoption. Under discussion of that motion, the budget is read item by item and opportunity is given for amendments. When the discussion is concluded the pending motion to adopt the budget is voted on "as presented" or "as amended." A Majority Vote is required to adopt.

Adopting a budget is not giving a blank check for payment of bills for budget items. All bills must be approved for payment in the procedure provided by the chapter bylaws. Usually, authority is given in the bylaws to the Regent or Executive Board to "approve routine bills within the adopted budget."

Suggested Form of Budget

Proposed Budget for the Liberty Chapter of Kansas City, Missouri
For the year ending 20--

ESTIMATED INCOME

Dues from 100 members at \$40	\$4,000.00
Ways and Means Projects (estimate)	300.00
Contributions	100.00
Interest on bonds	100.00
Total Estimated Income	<u>\$4,500.00</u>

ESTIMATED EXPENSES

Per capita to NSDAR 100 at \$30	\$3,000.00
Per capita to MSDAR 100 at \$5	500.00
Officer's Expense	150.00
Yearbook and Postage	250.00
President General's Project	200.00
Committee Expense	50.00
Chapter Achievement Donations	250.00
Miscellaneous	100.00
Total Estimated Expense	<u>\$4,500.00</u>

General Fund Balance _____

/S/ _____
Chair, Budget Committee