

14. Financial Management and Budgeting

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Budgeting

(Source: Manitoba Recreation Director's Handbook)

Budgeting is a way of keeping track of your money. It keeps you informed of your incoming money (revenue), and where it is coming from (e.g. grants, donations, fundraising, registration fees, concessions, etc.) as well as your outgoing money (expenses), and on what it is spent (e.g. instructor fees, facility rental, power bills, etc.). It may also be a financial plan that covers a year or a particular activity.

Budget Advantages:

Financial control. Budgeting allows you to control costs related to facilities, programs, etc.

Prioritized planning. Budgeting allows you to plan according to the most urgent needs of the community.

Estimating costs. Budgeting is a vehicle for translating community needs and plans into dollar needs.

Communication tool. A budget tells others what you are trying to do and how you will be doing it.

Evaluation tool. Budgets can be used to evaluate whether you can realistically meet your needs.

Continuity of administration. A budget provides a future plan for spending that would continue even if the people in power change

Annual Budget Template

(Source: Manitoba Recreation Director's Handbook)

Year _____

Approved at a meeting of the _____

Committee on _____, 20_____

Staff Signature

Committee Chairperson

SUMMARY

TOTAL ESTIMATED REVENUE	_____
Estimated Expenditures	
Total Administration Costs	_____
Total Program Costs	_____
Total Facilities Costs	_____
Total Equipment Costs	_____
TOTAL ESTIMATED EXPENDITURES	_____
NET SURPLUS OR DEFICIT	(+ or -)

REVENUE	Actual (previous year)	Estimate (upcoming year)
- grants	_____	_____
- donations	_____	_____
- rentals	_____	_____
- council (salary)	_____	_____
- bingos	_____	_____
- raffles	_____	_____
- dances	_____	_____
- festivals	_____	_____
- concerts	_____	_____
- membership fees	_____	_____
- registration fees	_____	_____
TOTAL REVENUE	_____	_____

Toolbox - 14. Financial Management and Budgeting

EXPENDITURES	Actual (Previous year)	Estimate (upcoming year)
ADMINISTRATION		
- salaries	_____	_____
- stationary/supplies	_____	_____
- postage	_____	_____
- telephone	_____	_____
- meetings/conferences	_____	_____
- memberships	_____	_____
- bank charges	_____	_____
- insurance	_____	_____
- legal costs	_____	_____
- office equipment	_____	_____
- surveys, studies	_____	_____
- taxes	_____	_____
- freight	_____	_____
- other	_____	_____
 Total Admin Costs	 _____	 _____
 COMMUNITY PROGRAMS (CP)		
- instructor fees	_____	_____
- supplies/materials	_____	_____
- publicity/promotions	_____	_____
- hall rental	_____	_____
- transportation	_____	_____
- hospitality	_____	_____
- security	_____	_____
- equipment	_____	_____
- other	_____	_____
 Total CP Costs	 _____	 _____

Toolbox - 14. Financial Management and Budgeting

EXPENDITURES	Actual (Previous year)	Estimate (upcoming year)
FACILITIES		
- insurance	_____	_____
- heat, light, power	_____	_____
- security	_____	_____
- equipment	_____	_____
- maintenance		
- rec center	_____	_____
- ball fields	_____	_____
- soccer fields	_____	_____
- parks, playgrounds	_____	_____
- community hall	_____	_____
- capital projects	_____	_____
- other	_____	_____
 Total Facilities Costs	 _____	 _____
 EQUIPMENT		
- repairs	_____	_____
- purchases	_____	_____
 Total Equipment Cost	 _____	 _____
 TOTAL EXPENDITURES	 _____	 _____

Program Budget Template

(Source: Manitoba Recreation Director's Handbook)

Program: _____

Date: _____

REVENUES:

1. Donations _____

2. Participant Fees _____

3. Fundraising _____

4. Other _____

TOTAL REVENUE _____

EXPENDITURES:

1. Facility _____

a. rental _____

b. damage deposit _____

2. Supplies/Equipment _____

3. Leadership Fees _____

4. Advertising _____

5. Administrative _____

a. office supplies _____

b. phone _____

c. other _____

6. Travel _____

7. Miscellaneous _____

TOTAL EXPENDITURES _____

BALANCE: (surplus or deficit) _____

Monthly Budget Report

(Source: Manitoba Recreation Director's Handbook)

Month: _____

1. Money on hand at 1st of Month: _____

2. Add: revenues during the month:

- April 6 - Movie Night _____
- April 26 - Fishing Derby _____

Total Revenue _____

Total Money Available _____

3. Subtract: expenses during the month

- April 5 - Movie Rental _____
- April 15 - Derby Prizes _____

Total Expenses _____

Total Money Remaining _____

Subtract: bills left to be paid

- printing _____

4. Total Bills Unpaid _____

5. Actual Money Left _____

Ten Most Common Mistakes

(Source: Flo Frank's Toolbox)

The following are the ten most common mistakes in financial management and budgeting. Try to avoid making them – or if you've already made the mistake – correct it as soon as possible!

The most common mistakes are:

1. Having no financial systems or ways to manage a budget.
2. Trying to set up a financial system or budgets without getting help from a bookkeeper/accountant.
3. Not keeping receipts – or losing them.
4. Not taking care of finances each week or month (not longer).
5. Developing a reputation for being too sloppy or “casual” with financial matters.
6. Not hiring an accountant each year to have an organizational audit done.
7. Having no financial policies or not enforcing those that are in place.
8. Rounding off numbers to make it easier.
9. Cheating (even a little bit). Including internal borrowing or lending without records.
10. Not using funds for the things for which they were intended.