



# Your Unit Budget From Start To Finish

HILLSBOROUGH COUNTY COUNCIL PTA/PTSA

STACY KELLER

# Objectives

- ▶ Explain what a budget is and is not and why a PTA should prepare a budget
- ▶ Identify who is responsible for preparing a budget
- ▶ Describe how a PTA budget is developed
- ▶ Explain the budget approval process

# What a Budget is Not

- ▶ **Your PTA Budget is not a static document that can never change.**
  - ▶ It should be a living, breathing document that changes to suit the needs of the PTA.
- ▶ Similarly, **the PTA Budget isn't a pipe dream.** In fact, it's just the opposite.
- ▶ As much as possible, you need to base your budget on what the *actual numbers* will be.
  - ▶ Just as with your personal finances, the PTA budget needs to be revisited and re-evaluated after the budget is first approved.

# So What is a Budget then?

- ▶ Just like your household budget, which ebbs and flows with the reality of bonuses from work or unexpected car repair bills, the PTA budget is an *estimate* of the monetary ins and outs for your group.
  - ▶ Without a budget, you could very easily find that come the end of the school year, your plans have to abruptly change because there's simply no money in the bank account to fund the event.
- ▶ A budget is what gets all leaders and volunteers on the same page.
  - ▶ Ex) When Becky goes to get dance decorations and food for the Sweetheart Dance, she'll know that there's only \$500 allocated for the dance, so she can't spend more than that. Similarly, Kim knows as Fundraising Chair that her goal is to earn \$4,500 from the Concessions Stand this year, so she needs to meet or beat that number.

# Why do we need a Budget?

- ▶ It Is The Easiest Way To Control Your Finances
- ▶ Budgeting helps you to avoid unnecessary debt
- ▶ Budgeting will help you to meet your goals
- ▶ Budgeting Helps in Accountability

# A budget should reflect the priorities of your PTA

- ▶ Your PTA budget is an absolute mirror reflection of your goals and priorities.
- ▶ How much you attribute for one category or another depends on where your focus should be as a group.
- ▶ Example
  - ▶ starting a school garden will require more money than to maintain it, so your budget will reflect that. But once the garden is up and running, it won't take as much money to sustain it, so your PTA budget will reflect that change.

# Key Takeaways to remember

- ▶ The annual budget is an itemized summary of estimated income and expenses for the Fiscal Year (1 July – 30 Jun)
- ▶ Your PTA activities should be focused the PTA mission (including raising and spending money)
  - ▶ Remember that raising money is not the goal of the PTA. The PTA is there to work with the school to enhance the lives of the students and their families
- ▶ A budget is simply a working document that represents what your PTA intends to do (how you plan to raise and spend funds)
  - ▶ It does **NOT** dictate what your PTA **MUST** do
  - ▶ It is a roadmap that informs membership what the PTA proposes to do during the school year
- ▶ Transparency!!! How we raise and spend money needs to be communicated clearly

# Who is Responsible to Prepare the Budget

## Budget Committee

- ▶ The budget committee is comprised of 3 to 5 members (one of whom will be the Treasurer)
  - ▶ The Treasurer serves as the chair of this committee
  - ▶ The committee may be appointed or elected
  - ▶ Typically meets during the summer to create a tentative budget for the new school year

# Where do I start?

- ▶ The development of the annual budget is a collaborative process since it is based on the goals and programs that are determined by the board for the year.
- ▶ You (the Treasurer) and your committee will need to determine:
  - ▶ Your PTA goals and the resources needed to achieve your planned activities
    - ▶ Remember to encompass the entire Fiscal Year (1 July to 30 June)
  - ▶ How much money will your PTA will need to cover anticipated expenses for the upcoming school year (programs, supplies, etc.)
  - ▶ How are you are going to pay for those expenses (fundraisers, membership)

# Some tips on getting started

- ▶ To create the budget
  - ▶ Use whatever method works best for your PTA
- ▶ Review the prior year's actual vs. budgeted receipts and disbursements
  - ▶ Ensure you are not forgetting certain items (Insurance, sales tax)
- ▶ Study the previous years expenses and income to get an idea of what you will spend or make in the coming year.
  - ▶ Will you be offering the same programs as last year?
  - ▶ Will you be doing things differently?
- ▶ Be Realistic!!

# Developing the Budget

- ▶ The budget shows the amount of money assigned to be spent on each activity or budgeted items and the amount of income from each activity of budget item
- ▶ Individual items can be grouped, such as committee expenses, administrative expenses, leadership development, etc. and/or just listed separately
- ▶ Follow the 3 to 1 Rule
  - ▶ You should have on your budget at least THREE non-fundraising programs/projects for every ONE fundraiser proposed in the budget
    - ▶ This does not mean you have to spend all of the receipts from that one fundraiser on the three programs in the expense section

# Estimate Income

- ▶ There is no right way or wrong way to name budget line items
- ▶ The income section of the budget **MUST** be specific
  - ▶ There should be a separate line item for each source of income
- ▶ Membership Dues Income
  - ▶ Show only the amount the unit keeps under income
    - ▶ Example – 10 members pay \$10 dues each
      - ▶ You know that \$3.50 goes to Florida PTA for State and National Dues)
    - ▶ Show \$65 (10 X \$6.5) on income for local portion

# Income Continued

- ▶ Study the previous years expenses and income and begin filling in information.
- ▶ Add the names of all fundraisers and other income sources you anticipate having in the upcoming year.
- ▶ Was this the fourth time offering the same fundraiser and the amount raised each year has decreased?
  - ▶ Adjust your expected income amount and enter accordingly on your proposed budget sheet.
  - ▶ Using the income earned from the past few years, fill in an amount for each income source listed.
    - ▶ When in doubt, estimate low.
- ▶ The next page will give you an example of the income portion of your budget

# Sample Budget Worksheet (Income)

Proposed Budget 2022-2023			
	2021-2022 Budget	2021-2022 Actual	2022-2023 Proposed
Income			
Carry -Forward from Previous year	\$2,000.00	\$1,800.00	\$1,800.00
Membership Dues	\$1,500.00	\$1,500.00	\$1,500.00
Community/Business Sponsorships	\$2,500.00	\$3,000.00	\$3,000.00
Donation	\$0.00	\$500.00	\$500.00
Spirit Nights	\$300.00	\$500.00	\$500.00
Spirit Wear Store	\$1,500.00	\$2,000.00	\$2,000.00
Fundraising Projects			
Math Night	\$100.00	\$100.00	\$100.00
Fun Run	\$8,000.00	\$9,000.00	\$10,000.00
Winter Store	\$2,000.00	\$2,500.00	\$3,000.00
Total Income	\$17,900.00	\$20,900.00	\$22,400.00

# Enter Expenses

For your expenses you can be as broad or as specific as you'd like in defining your expense categories

Some things to keep in mind:

- ▶ If you lump everything into a few very broad expense categories—each with a large percentage of the budget
- ▶ your members will need to vote throughout the year to disperse these large budgets into different projects. This reduces the benefits gained by having a budget.

If you have a long list of narrowly defined categories—each with a small budgeted amount.

- ▶ the budget may be too inflexible and you'll be voting often to move money from one category to another.

# Expenses Cont..

- ▶ You can budget tightly for expenses when the amount is fairly predictable
  - ▶ Example: The presenters for the 2<sup>nd</sup> grade assembly charge your group \$150 per class and there are 4 classes of 2<sup>nd</sup> graders next year – the total budget amount should be \$600
- ▶ You can keep both flexibility and control by including a few broad categories
  - ▶ Example: You might allocate \$1500 for PTA Supplies. Your group might not know up front how those funds will be used but you know you will use them for items such as supplies, amazon prime membership, zoom membership, etc

# What to include on the Budget (expense)

- ▶ Some items to remember
  - ▶ Did you list your insurance?
  - ▶ Leadership development/Conferences?
  - ▶ Interim Summer?
  - ▶ Have you followed the 3 to 1 Rule?
  - ▶ Have you listed your subscriptions? (Zoom, Amazon, etc.)?
  - ▶ Supplies (to include printing, supplies, postage, etc.)

# Do Some Math - Balancing the Budget

- ▶ Once the Income and Expenses have been filled in, take a look at your numbers.
- ▶ Are you spending what you want to spend in different areas?
- ▶ If your anticipated expenses are higher than your anticipated income, now is the time to make changes unless you have additional funds available to cover your loss. What can you cut? Should you add another fundraiser?
- ▶ Ideally, you'll want to leave some money as start up cash for the next school year too.
  - ▶ If you run the account down to zero, it'll be putting next year's officer's into an uncomfortable spot since they won't be able to do anything until a fundraiser is held.
- ▶ The next page will give you an example of the income portion of your budget

# Sample Budget Worksheet (Expenses)

Proposed Budget 2022-2023			
	2021-2022 Budget	2021-2022 Actual	2022-2023 Proposed
Expenses			
Bank Fees	\$50.00	\$10.00	\$50.00
Printing Expenses/Postage	\$100.00	\$125.00	\$125.00
Office Supplies	\$300.00	\$350.00	\$375.00
Liability Insurance and Bonding	\$277.00	\$277.00	\$277.00
Hospitality: Teacher Conferences, PTA Meetings, Volunteer Appreciation	\$1,000.00	\$800.00	\$1,000.00
Reflections	\$200.00	\$180.00	\$300.00
Science Fair	\$200.00	\$225.00	\$300.00
Math Night	\$100.00	\$100.00	\$150.00
Movie Night	\$1,000.00	\$700.00	\$1,000.00
Parent Involvement	\$1,500.00	\$1,600.00	\$1,700.00
Grants - Teachers	\$3,000.00	\$3,100.00	\$3,200.00
Interim Summer	\$4,000.00	\$4,000.00	\$4,000.00
<b>Total Expenses</b>	<b>\$11,727.00</b>	<b>\$11,467.00</b>	<b>\$12,477.00</b>

# The Proposed Budget is done, now what?

- ▶ Present the draft proposed budget to the PTA Board for consideration and recommended changes.
- ▶ Present the final budget at a general PTA meeting for approval.
  - ▶ The budget should be presented line item by line item with time allowed for discussion and amendments of each sections
  - ▶ A majority vote of the members present is required for adoption – as always, a quorum should be established before conducting business.
- ▶ A budget can be amended after the membership and board have approved it. Generally, the budget can be amended by a vote of the association at any regular meeting or at a special meeting called for that purpose.

# Key Takeaways

- ▶ The annual budget is a fluid document of estimated income and expenses for the fiscal year.
- ▶ Based on your planned activities, the budget can act as a roadmap for your PTA.
- ▶ The budget should be reviewed monthly and compared to the YTD income and expenses to ensure you are staying within your budget.
- ▶ The membership must approve the budget before any money can be spent.
- ▶ **Be realistic.** If your anticipated expenses are higher than your anticipated income, now is the time to make changes to your budget unless you have additional funds to cover the loss

# Budget Tip

- ▶ Add into standing rules (where appropriate) that spending overages 10% or less are automatically approved.
  - ▶ This will save the headache of having to vote to make minor budget adjustments throughout the year.
  - ▶ This type of overage is too common given the rising prices of goods and services.
  - ▶ Just make sure your budgeted income amount exceeds your budgeted expenses by more than 10% for this trick to work!

# If you have no history to pull from

Here' is what you can do:

- ▶ Ask your Principal for fundraisers that the school has done before. Learn the type of fundraiser and earnings. This enables you to have an idea of what is possible when first starting up. If this information is not available, then you're going to have to guess estimate.
- ▶ And with that in mind, you should be *conservative* with your estimates of income and *generous* with your estimates of expenses.
- ▶ Groups that are brand stinking new should consider having a fundraiser early in the school year and then put the budget for the rest of the year together after the net income after fundraiser expenses comes in. This will eliminate pure guessing and will mean that the budget is based on reality. Plus it avoids the double work of having to make adjustments in every category based on the fundraising results. Until the fundraising proceeds come in, your PTO will have to be creative with putting on low cost events!

# Recap

- ▶ Today's training we:
  - ▶ Explained what a budget is/is not and why a PTA/PTSA should prepare one
  - ▶ Identified who is responsible for preparing the PTA/PTSA budget
  - ▶ Described how a PTA budget is developed
  - ▶ Explained how the budget approval process works



**What questions  
can we answer?**