

**Policy:** Budgeting

**Policy Number:** FI06

**Effective Date:** May 22, 2018

**Editions:**

## **OVERVIEW**

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's resources. A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of the organization's programs and activities while simultaneously considering the available resources.

Budgets are also prepared for specific funding sources and staff must adhere to the requirements of the individual grant when creating or modifying the budget to ensure compliance with the guidelines set forth by the funding source and OMB Uniform Guidance to conform to the policies and procedures of the agency. The Early Learning Coalition of Flagler and Volusia Counties, Inc (ELCFV) will document and follow all such requirements.

### **Preparation and Adoption**

The Finance Department will prepare a detailed agency-wide budget organized by general ledger, fund, and department annually on the accrual basis of accounting by gathering proposed budget information from all Department Directors and other staff with budget responsibility within the Coalition. Executive Leadership will review and approve the consolidated budget for submission to the Finance Committee. The draft is then submitted to entire Board of Directors for adoption.

### **Budget Modifications**

After a budget has been approved by the Board of Directors and adopted by the Organization, reclassifications of budgeted expense amounts and changes to budgeted revenues must be approved following the same policy as the original budget.



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### **Monitoring Performance**

ELCFV monitors its financial performance by comparing and analyzing actual results with budgeted projections. This function shall be accomplished in conjunction with the monthly financial reporting process.