

Madawaska Valley

Association For

Community Living

**POLICY: BUDGET DEVELOPMENT**

**PAGES:**

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**CATEGORY: FINANCIAL**

**Practice:**

All budget preparation will be based on Work Plan goals, which are recognized by the Board. Budgets reflect the program operating requirements, which are then expressed in financial terms.

Procedure:

The Executive Director and Finance Manager will establish any common costs or policies, which affect all programs. For example, salary grids, benefit levels, insurance costs, audit fees, bank charges, payroll costs, cost recoveries, mileage, etc.

1. The Finance Manager will calculate the cost indicators such as salaries of fulltime and part-time staff; coverage needed for staff for vacation days, sick days, statutory holidays, and miscellaneous coverage; staff development; and transportation which need to be allocated to various program budgets.
2. Work Plans and budget allocations will be reviewed by management and compared to program operations to determine the most effective and efficient use of budget allocations.
3. The Finance Manager will collate the information to produce a full draft budget package.

This budget should include projected actuals for the current fiscal year and audited actuals for the previous year. Where applicable, requests for enrichment or expansion must be clearly indicated. Supporting documentation must be attached.

1. The draft budget package is submitted to the Board of Directors for review. The Board reviews and approves the base budget request. Any requests for capital or minor capital projects, expansion, and enrichment are reviewed separately and prioritized. The Board discusses and approves commitments to fundraising and contributions from the corporations capital and/or donation accounts.
2. The Executive Director reviews the budget request with the Ministry Program Supervisor.
3. The Ministry approved budget is returned to the Executive Director with any legal documents regarding the service to be provided. Changes may initiate repeat of any of the above stages. If there are no changes, the documents are signed by the Executive Director and the Board President and returned to the Ministry.
4. The Ministry returns a copy of the signed agreements. These provide the authority for the Executive Director to operate his/her program within the budget guidelines.
5. Any change to an existing budget may require approval of the Board and/or Ministry Program Supervisor. A major change could initiate repeat of the above steps. Any major change should be formally accepted in Minutes of the meeting of the representatives of the Board and Program Supervisor. Ministry commitments should be obtained in writing where possible.