**NLN Affiliated Constituent League**

**Policy and Procedure**

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| policy number | **4.1** |
| policy name | Budget Process & Review |
| **date of origin** | (Date) |
| purpose | Outlines respective responsibilities during the budgeting process. |
| 1. **policy** | The budget process is designed to provide   * a means by which spending limits are set based on expected revenue levels * a system to allow for procedures to compare actual results to the set spending limits * a means for setting program priorities and allocating resources to those priorities * a means for comparison of actual financial results to budgeted amounts and analysis of differences from those budgeted amounts   **Preparation of Budget**  Prior to the end of the fiscal year, the president/chief executive and treasurer shall review the financial activity for each of the prior two fiscal years, including actual results of operations for those two fiscal years, mission of the organization, goals, short-term plans, and any other relevant information deemed appropriate.  **Approval of Budget**  After preparation of the budget for the next fiscal (calendar) year, copies of the budget, proposals for cost reductions (if necessary), and proposals for cost increases (if necessary) shall be sent to all board members. At the fall in-person board meeting or the in-person board meeting closest to the end of the year, the board shall meet to discuss and approve or reject the budget. If the budget is rejected, the board shall direct the president/chief executive and treasurer to amend the budget for changes as directed by the board.  **Review of Budget**  Once the budget has been set for the fiscal year, the budget shall be included in the accounting system of XYZ. As monthly financial statements are prepared, a comparison of actual monthly results of operations to budget figures shall also be prepared. The financial statements and budget variances (with detailed explanations) shall be reviewed by the board. When deemed necessary, the board shall revise the budget to fund additional services or make allowances for other unbudgeted revenues or expenses. |
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Revision Dates: