

MASTER GARDENER FOUNDATION OF KITSAP COUNTY POLICY

POLICY: CREATING AND MAINTAINING THE FOUNDATION BUDGET

POLICY

Prudent management of the financial resources of the Master Gardener Foundation is a key responsibility of the Foundation Board. Members of the Foundation, and those who would look over our shoulders, must have confidence that decisions regarding Foundation finances are made in an open and informed manner.

GUIDELINES

The annual budget is the Foundation Board's best informed estimate of the year's upcoming financial activity.

This policy addresses Foundation financial planning and decisions only. The Horticulture Coordinator is responsible for designing and executing a budget process for use in requesting funds from the Foundation for benefit of the Master Gardener program and for tracking the use of those funds.

As specified in the Bylaws, the Finance Committee is responsible for developing the annual budget and presenting it to the Board for discussion and approval. The Foundation Treasurer is the Board ex-officio member on the Finance Committee.

Foundation Board members have the fiduciary responsibility of managing the organization's resources. Therefore, reviews of the performance to budget should be held on a regular basis during monthly board meetings.

PROCEDURES

The procedures for creating the annual budget assume that several things have already happened –

- The current year's budget is up-to-date and available
- A Foundation business plan and timeline for the upcoming year has been finished
- Foundation and program committee chairpersons have been appointed
- A business plan and timeline exist for the Master Gardener program

Meetings to establish the annual budget will be open to general membership.

Every request for funds not already allocated in the budget must include a business plan and must be distributed to the Board at least one week prior to a regularly scheduled board meeting.

This policy will be reviewed every three years.

To create a new annual budget

Mid-November	The Finance Committee will contact (via email if possible) the Foundation committee chairpersons and the Horticulture Coordinator to ask them to set up meetings to formulate income and expense estimates for the coming fiscal year. Estimates should be received by the treasurer no later than the end of December.
Early December	The Finance Committee will remind all parties of the time line. The president will schedule a meeting date for mid January for the first budget review meeting. A Meeting notice will be sent to all members of the Foundation inviting them to attend and comment. Only Board members can vote on the budget..
Early January	The treasurer will use these numbers to develop a first draft of the budget and forward it to the Board for its review.
Mid January	Board will have a budget planning meeting. The Finance Committee will present the proposed budget to the board and answer any questions. Board will make adjustments and give tentative approval OR ask the treasurer to make any significant changes needed and send amended proposed budget to the Board at a second budget planning meeting.
February Board Meeting	The Board will approve the budget, in total, in a vote at the regularly scheduled Board meeting.

**To amend an approved budget
A significant event occurs that impacts the budget...**

Income higher than expected	Not a problem *
Income lower than Expected	Board reviews the budget as is prudent (e.g. after a significant fundraiser), and takes remedial action (reduce spending, tap savings, or create a new fundraising activity).
Expense lower than expected	Not a problem*
An Expense line item in the budget is higher than expected	This is a normal expense item that wasn't estimated closely enough. Treasurer will ask Board to increase the annual spending amount to the new adjusted total.
Expense is a new line item in an already-approved project	Treasurer works with committee chairperson to ascertain the correct dollar amount, and takes that to the Board for approval at the next regularly scheduled Board meeting.
Expense is a totally new project	Project must have business plan and timeline that shows budget income and expense amounts and time they will occur. Assuming Board approval of project, the Treasurer will incorporate the new amounts into the annual budget. Treasurer will also work with the committee chairperson to project cash flow, if necessary.

* May be too much unspent cash, check with CPA for tax implications

Note: Grant (Resource Development) process and tracking will impact budget construction and maintenance in the future in a currently unknown way.

Accepted 11/2/2005