

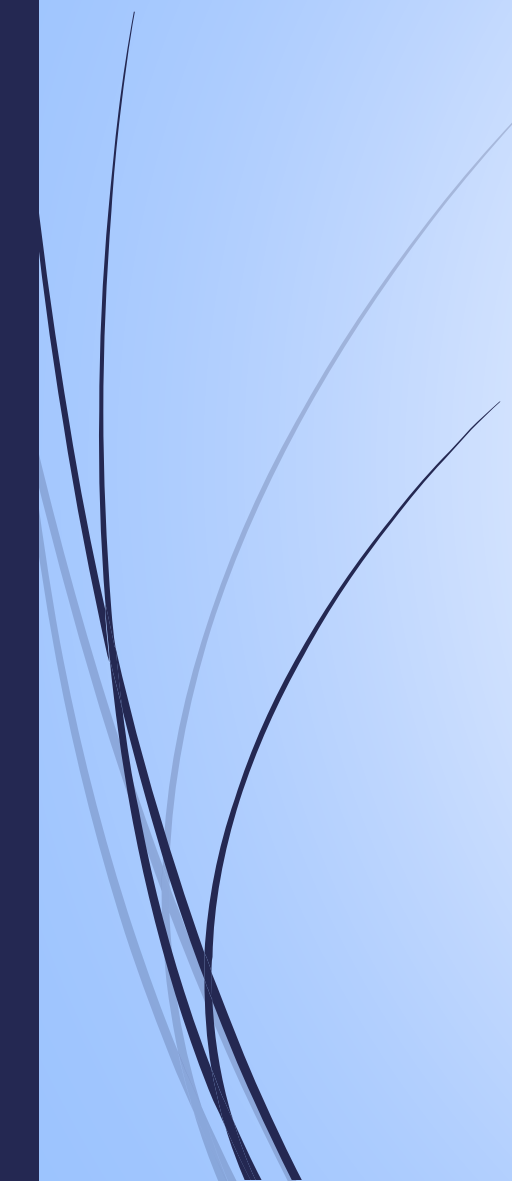


# Budgets and Budget Reviews

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# Topics

- ▶ **What is a budget?**
  - ▶ **Why do we need a budget?**
  - ▶ **How do we create a budget**
  - ▶ **How do we track our budget?**
  - ▶ **Can we change our budget?**
- 



# What is a Budget?

- ▶ **An estimate of Income and Expenditures for a set period of time.**  
**A roadmap of what your Lodge estimates to bring in and spend over the Fiscal Year (April 1 through March 31).**
- ▶ **When estimated Income is greater than or equal to estimated Expenditure, it is called a balanced budget.**  
**Lodge budgets are expected to be balanced, you should never budget for a loss.**



# Why do we need a budget?

- ▶ A budget is a way to keep track of the money you are getting and the money you are spending.
- ▶ A budget is a great way to make sure that you can cover your expenses from month to month.
- ▶ Statute 12.070 requires the Board of Directors/Trustees to present to the Lodge a segregated budget each year no later than the final meeting in April.



# Budget Planning

- ▶ **Each department (Lodge, Bar, Food Service, Golf Course, RV Park, etc. should meet and discuss their expected Income and Expense for the upcoming year. The separate budgets are presented to the Board of Directors for review and submission to the Lodge for approval.**



# Budget Planning (continued)

- ▶ **Have the Bookkeeper/Secretary provide a comparative Profit & Loss report for each department (class) for a least 2 prior years to use as a guide.**
- ▶ **Determine the expected income, necessary expenditures and desired expenditures, using the history and establish a budget. If it is not “balanced” adjust income or expenditures to make it balanced.**

# Proposed Budget Example

	Account	2021/22	2022/23	2024/25 Budget
<b>Income</b>				
	Dues	20,000	22,000	24,000
	GL Per Capita	7,000	7,700	8,400
	State Per Capita	1,100	1,210	1,320
	Fund Raising	1,200	1,500	2,000
	Donations	500	300	500
	<b>Total Income</b>	<b>29,800</b>	<b>32,710</b>	<b>36,220</b>
<b>Expense</b>				
	GL Per Capita	7,000	7,700	8,400
	State Per Capita	1,100	1,210	1,320
	Insurance	8,000	10,000	11,000
	D&O Insurance	900	900	900
	Utilities	1,200	1,300	1,400
	Charitable Donations	5,000	5,500	7,200
	Depreciation	6,000	6,000	6,000
	<b>Total Expense</b>	<b>29,200</b>	<b>32,610</b>	<b>36,220</b>
	<b>Net Income</b>	<b>600</b>	<b>100</b>	<b>-</b>



# Budget Review

- ▶ Each month you should review your actual income and expenses against your budget.
- ▶ Have Secretary or Bookkeeper run a Budget versus Actual report for the fiscal year to the end of the last month.
- ▶ Report should include amount over/under and percentage of the budget
- ▶ Identify accounts that may need adjusting or watching.



# Budget vs Actual Example

	Account	April 1 2024 to September 30, 2024	2024/25 Budget	Amount Over/(Under)	Percent of Budget
<b>Income</b>					
	Dues	18,000	24,000	(6,000)	75%
	GL Per Capita	6,300	8,400	(2,100)	75%
	State Per Capita	990	1,320	(330)	75%
	Fund Raising	2,300	2,000	300	115%
	Donations	75	500	(425)	15%
	<b>Total Income</b>	<b>27,665</b>	<b>36,220</b>	<b>(8,555)</b>	<b>76%</b>
<b>Expense</b>					
	GL Per Capita	6,300	8,400	(2,100)	75%
	State Per Capita	990	1,320	(330)	75%
	Insurance	11,250	11,000	250	102%
	D&O Insurance	900	900	-	100%
	Utilities	1,225	1,400	(175)	88%
	Charitable Donations	1,575	7,200	(5,625)	22%
	Depreciation	3,000	6,000	(3,000)	50%
	<b>Total Expense</b>	<b>25,240</b>	<b>36,220</b>	<b>(10,980)</b>	<b>70%</b>
<b>Net Income</b>		<b>2,425</b>	<b>-</b>		



# Recap

- ▶ **What is a budget?**
  - ▶ **An estimate of income and expenses for a specific period of time (Lodge Fiscal Year)**
- ▶ **Why do we need a budget?**
  - ▶ **To track the money being received and the money being spent**
- ▶ **How do we create a budget**
  - ▶ **Get actuals for a least 2 prior fiscal years and determine what you expect to receive and spend over the next fiscal year**



# Recap (continued)

- ▶ How do we track our budget?
  - ▶ Run Budget vs Actual reports and review, monitoring accounts that are not close to what you budgeted
- ▶ Can we change our budget?
  - ▶ Of course! Take a revised budget to the Lodge floor anytime during the year