



Budget Basics – Tips

- Review last year's activities and budget and compare it to the proposed itemized plans and expense projections provided by the board or committees for the coming year.
- Study the previous year's expenses and income to get an idea of what you will spend or make in the coming year. If you are doing the same thing, you can conservatively budget for the same income and slightly more expenses because of inflation. If you are doing things differently, adjust the expenses and income accordingly.
- Cover a full fiscal year as defined by your PTA's bylaws.
- Be realistic. Don't anticipate a large turn out for a fund-raising event when previous fund-raising events have had little participation.
- Make sure that you will have enough money in the bank to cover any expenses at the time they are due. For example, if you plan to rent a \$500 moon bounce for your fall fair, make sure you have the money in the bank to pay for it.
- Include the dues to your PTA in the budget, but do not include the dues that will be sent to your state PTA or the National PTA. The state and National PTA dues should be accounted for separately since they do not impact your plans.
- Budget for insurance. It is in the best interest of the PTA to have insurance coverage as will be discussed in more detail later in this course.
- Carry over money for the following year for start-up expenses and summer leadership training.
- If your anticipated expenses are higher than your anticipated income, now is the time to make changes. What can you cut? Should you add another fundraiser?
- Present the budget to the members for approval once your PTA board has reviewed it. It should be presented line item by line item with time allowed for discussion and amendments of each section.

- Most bylaws require a quorum to be present for a vote to take place on the budget; a budget is generally passed by a majority vote.
- Provide a monthly report throughout the year that shows how the actual dollar amounts spent or made compare to the amounts budgeted.
- A budget can be amended after the members have approved it. Generally it can be amended by a vote of the association at any regular meeting or at a special meeting called for that purpose. Check your bylaws to learn the procedures for amending a budget at your PTA.
- Income should equal expenses for the year, *though make sure to retain some money to carry you through the summer or until you start receiving income again.*
- Any activities, whether they make money or spend money, should be in keeping with your PTA's mission.
- The activities and programs that the PTA undertakes, and their respective budgets, must be approved by the membership.
- No money may be spent until the membership has approved the budget.
- The PTA's budget is not the school's budget.