

# BUDGETING

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## Budgeting

A budget is a tool used for planning and controlling your financial resources. It is a guideline for your plan of action, expressed in financial terms within a set period of time. A budget does not have to be complex, as the information below will explain.

## What a Budget Accomplishes

- Refines goals
- Compels members of the organization to use funds efficiently
- Provides accurate information to analyze, adjust and evaluate programs
- Aids in decision making
- Provides a historical reference to be used for future planning

## Pre-Budget Considerations

Knowing your organization's priorities, objectives and goals helps as you prepare your budget. As you begin, ask yourself the following questions:

- What is the budget time period? (e.g. semester, school year)
- What does your group want to accomplish most?
- How will you accomplish this goal?
- How much will it cost?
- Where will the money come from?

## Preparing Your Budget

If your organization has been in operation for a fair amount of time, the easiest way to prepare a budget is to start by recording your last two or three years of actual financial data by year. Historical financial data will allow you to compare trends and identify major expense centers. It will also point out areas where your group is growing or declining and indicate areas where reductions and cost savings might be possible. This historical information can then be used as a basis for preparing a current year budget forecast. The budget forecast is adjusted and modified from the historical data for projected major changes in revenues, programs, or expenditures. Obtain historical data from your organization's records to assist you in this process. If your organization does not have these records, begin creating a system now so they can be used in the future.

When developing your budget, remember to be realistic and even conservative. Don't plan for a tab of \$2/person for a steak and seafood dinner dance; it probably won't happen. The budget must be flexible to anticipate conditions which might have been overlooked during the planning process.

Following are some ideas to consider when planning and laying out your budget:

## Preparing Your Budget (cont.)

- Prepare an outline of the organization's planned future activities.
- Determine and record available funds (e.g. carryover balance from previous year).
- Estimate and record expected income and when it will be available (e.g. membership dues, fundraiser revenue, etc.); Each of these sources should be listed separately in the income section.
- Define and record needed expenses (e.g. national membership dues, retreats, socials, membership education, alumni relations, conferences, recruitment, supplies, printing, etc.).
- Review, revise and assemble information into a final budget.
- Have members vote for budget approval.



## Managing the Budget

- Once prepared and approved, the budget should be closely managed.
- Set and maintain a minimum cash balance.
- Formulate general policies and procedures needed to achieve objectives while providing internal control (i.e. allow only approved expenditures).
- Keep an accurate written log of financial transactions (income and expenses).
- Compare the budget to your actual logged expenditures.

While most organizations use a treasurer to manage financial matters, it is important that more than one person understand the financial operations of the group. Even the best of treasurers need expectations and direction. Requiring monthly financial reports and documentation could help divert a financial disaster. Be sure your student organization and advisor are informed of all financial matters.

Common expenses and income sources to consider when preparing your budget:

### Expenses

- Office expenses
  - Copies, paper, staples, tape, pens, postage
- Room/Equipment rental
  - Sound, lighting, tables/chairs, tent
- Food
  - Food, beverages, ice, linens, dishes, utensils
- Decorations
  - Balloons, party supplies
- Marketing
  - Printing services, markers, poster paper, paint, chalk, t-shirts
- Contracts, services of others
  - Speakers, performers, photographer, DJs, security
- National Dues
- Member recognition
  - Awards, certificates, gifts
- Travel expenses
  - Flight, vehicle rental, lodging, insurance

### Income Sources

- Rollover funds from previous years
- Interest from savings account
- Dues
- Admission fees to your events
- Donations
- Fundraisers
- Student Government Funding
- Dollars for Innovative Campus Events (D.I.C.E.)
- Department/Dean funding



# Sample Annual Budget

Date	Description	Budgeted FY 09	Actual FY 09
07.01.17	Starting Balance	\$ 462.87	\$ 462.87
08.19.17	Membership Dues	\$ 200.00	\$ 160.00
	Recruitment	\$ (50.00)	
08.20.17	Flyers		\$ (24.00)
09.09.17	Food at September Meeting		\$ (40.00)
	Office Supplies	\$ (100.00)	
08.04.18	July Copies		
09.01.18	August Copies		\$ (2.68)
10.06.18	September Copies		\$ (5.24)
11.03.18	October Copies		\$ (6.64)
12.01.18	November Copies		\$ (10.44)
01.05.19	December Copies		\$ (2.24)
02.02.19	January Copies		\$ (4.42)
03.02.19	February Copies		\$ (6.32)
04.06.19	March Copies		\$ (6.68)
05.04.19	April Copies		\$ (2.16)
06.03.19	May Copies		
	Fall Retreat		
09.16.19	Supplies	\$ (100.00)	\$ (86.72)
09.19.19	Food	\$ (200.00)	\$ (196.52)
	Bake Sale - Spring Fundraiser	\$ 200.00	
03.02.19	Baking supplies	\$ (100.00)	\$ (84.53)
02.20.19	Flyers	\$ (20.00)	\$ (18.24)
	Money raised		\$ 268.00
	End-of-Year Banquet		
04.27.19	Food	\$ (250.00)	\$ (223.73)
04.23.19	Awards	\$ (100.00)	\$ (86.00)
	Price to attend	\$ 200.00	\$ 220.00
	<b>TOTAL</b>	<b>\$ 142.87</b>	<b>\$ 304.31</b>

## Maintaining Financial Records

Student organizations should budget their operations annually.

Be sure that budgeting information is shared and fully understood during officer transitions and that ALL banking records are transferred to the new treasurer. As a good rule of thumb, financial documents should be kept for seven years.

You also might want to compile financial documents (budgets, financial reports, transactions, and receipts) yearly and provide your student organization advisor with a copy or ask him or her to keep the documents over long breaks such as winter holiday or the summer months. The position of Treasurer often changes from year to year, so your advisor can provide consistency.

If you choose to clean out your financial records, be sure to SHRED them. If you do not have access to a paper shredder, you may bring them to the Center for Student Involvement, University Center 204.

For related information, please visit the Funding & Finances section of the Student Organization Handbook, <https://semo.edu/campuslife/studentorgs/resources.html>.

Adapted from:

Department of Leadership, Service, and Engagement. (2009). Maintaining your finances. De Pere, Wisconsin: St. Norbert College.

Retrieved August 5, 2009 from <http://www.snc.edu/studentorgs/handbook/finances.html>

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