

The Council Budget



Understanding the Budget
Process

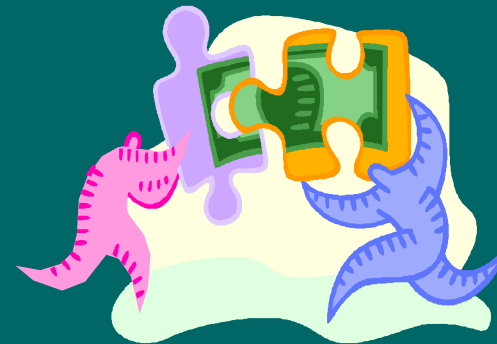
What is a Budget?

- An itemized summary of estimated or intended expenditures for a given period along with proposals for financing them



What is a Budget continued

- A systematic plan for the expenditure of a usually fixed resource, such as money or time, during a given period (fiscal year)



What is a budget continued

- Formalized statement of the goals of an organization stated in financial terms



Explanation of Terms

- **Expenditure** . Items bought and paid for within the same fiscal year
- **Federal Fiscal Year**
October 1 . September 30,
- **Calendar Fiscal Year**
January 1 . December 31
- **State Fiscal Year**
Specific to state or territory

The Council Budget

- Reflects the Council's State Plan . the budget is the plan of how a Council will fund their State Plan goals and objectives
- Is for a specific period of time . fiscal year, or calendar year

The Council Federal Allotment

- Each fiscal year a Council receives an allotment from the Department of Health and Human Services
- Allotments are based on: the population of the State; the extent of need for services for individuals with developmental disabilities and; the financial need of the State

Federal Allotment continued

- Councils are given a total of three years to expend funds
- Councils are given two years to obligate the federal funds
- Councils are given one additional year to liquidate funds



Explanation of Terms

- Obligate . A legal promise to pay money that has been set aside for a specific activity or purpose
- Liquidate . spending money that has been obligated

DD Act requires

- At least 70% of a Council's allotment must be used to implement the Council State Plan
- No more than 30% of a Council's allotment may be used for administrative costs

The Purpose of a Budget



- A spending plan of an organization for a specific period of time
- Formal statement of the goals of an organization in financial terms

The Council member role in the budget process

- Approve annual budget
- Monitor the Councils financial status on a regular basis (ex. Quarterly)



Questions Council members should ask as they consider budget development

- What activities or programs will your Council undertake?
- Are the activities/programs consistent with your State Plan?
- Are these programs/activities consistent with your Council's mission?
- How will the Council allocate resources to fund the activity/program?

Good questions to consider when reviewing a Council financial report

- Are our expenses in line with our budget?
- Are we meeting the overall budget by line-item?
If not, why?
- Is a particular grant spending according to schedule?
- Were all grantee expenses allowable? How did the Council handle any unallowable expenses?

Questions....continued

- Do we have un-obligated funds for the current year?
- Do we have funds from prior years that must be liquidated?
- What is the Council planning for these funds?

The Council's business

- In terms of dollars, at least 70% of the Council's business involves working with contractors and grant recipients as well as Council staff who perform functions/activities to meet the Council's goals within the State Plan
- A systematic approach to keeping everything focused and on track is needed



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“Do not value money for any more nor any less than its worth; it is a good servant but a bad master.” **Alexandre Dumas**