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## BUDGET REALIGNMENT

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### I. PURPOSE:

The purpose of this policy is to establish delegation of budget realignment authority, under particular circumstances, from the Board of Directors to the Executive Director.

### II. OVERVIEW:

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's financial and human resources. A budget is a financial management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of the organization's programs and activities simultaneously in light of the available resources.

#### **Preparation and Adoption**

It is the policy of the Coalition to adopt a final budget at least 30 days before the beginning of the fiscal year. The purpose of adopting a final budget at this time is to allow adequate time for the accounting department to input the budget into the accounting system and establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts) to ensure proper classification of activities and comparison of budget versus actual once the fiscal year begins.

#### **Monitoring Performance**

It is the policy of the Coalition to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier. On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the Fiscal Manager and distributed to the Board of Directors for adoption.

### **III. BUDGET REALIGNMENT:**

After a budget has been approved by the Board of Directors and adopted by the Coalition, reclassifications of budgeted expense amounts within a single category may be made by the Executive Director. All reclassifications are to be reported to the Finance and Audit Committee and the Board of Directors.

1<sup>st</sup> Reading: August 28, 2008

2<sup>nd</sup> Reading: September 25, 2008

Adopted: September 25, 2008