







Budget

An estimate of income and expenditures for a set period of time, usually one year

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*Budgets should be
program driven
not
revenue driven*

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Budget Committee

- President-elect appoints
- Treasurer-elect chairs
- New vs. Old?
- Board Goals
- Financial Roadmap

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Getting Started

- Goals and programs drive your budget
- Board-elect meets to decide on tentative goals
- Meet with principal
- Survey teachers and staff
- Involve the association members

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Goals, Funds and Fundraisers

- Compare your tentative goals to the info received
- Determine your final goals for the year
- Decide what funds you need to meet those goals
- Determine what fundraisers will provide the necessary funds

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Budget Timeline

- Proposed budget presented to the board-elect (Spring)
- Proposed budget presented for approval at last association meeting of the year (May/June)
- Association releases funds to pay summer bills (May/June)
- Revised budget to the board (July/Aug)
- Revised budget presented for approval at first association meeting of the year. Association releases funds (Aug/Sept)

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Fundraising is NOT a Goal

3 to 1 Rule

For every 1 fundraising event/activity there should be 3 non-fundraising events/activities



Budgets Should Include:

- Carry-Over Funds from previous fiscal year
- Income
- Funds Not Belonging to the Unit: Income
- Expenses
- Carry-Over for next fiscal year
- Unallocated
- Funds Not Belonging to the Unit: Expenses



Don't Forget Operating Expenses

- Insurance premiums
- Postage
- Financial software
- Record keeping materials (binders, folders, etc.)
- Council/district workshop fees
- Council/district association meeting fees
- California State PTA Convention
- National PTA Convention



Hospitality

- Hospitality is NOT one of our exempt purposes and may not constitute a "substantial" activity
- Total hospitality expenses should not exceed 5% of total expenditures or volunteer hours in a fiscal year
- Meeting refreshments, volunteer and staff appreciation events are considered hospitality
- Meals and snacks for volunteers working during an event or program are not considered hospitality

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Gifts and Gift Cards – Just Say NO



- PTA funds should NOT be spent on personal gifts
- California State PTA's policies and procedures expressly forbid giving gift cards purchased with PTA funds:
 "PTA funds cannot be used to purchase personal gifts for staff or volunteers, such as gift cards."
 (California State PTA *Toolkit*, Recommended Budget Line Items)

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Carry-Over Funds

- Be cautious. We all want to help with relief efforts in our communities, but finances for next fiscal year could be uncertain. Next year's board will need sufficient operating funds to hold activities and events in the fall, possibly before any fundraising can be done.
- Current PTA guidelines recommend that unrestricted reserves should not exceed 50% of the association's budget for an average year. Generally accepted nonprofit guidelines recommend that a nonprofit's unrestricted reserves not exceed two years' of operating expenses.

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Non-Cash Contributions

- Also referred to as In-Kind Donations
- Can be goods or services
- Donated gift cards are NOT non-cash contributions. Gift cards are considered to be the same as cash.
- Tracking non-cash contributions received and which programs/activities they are applied to is a best practice

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Budgeting for Convention

- Conventions are State and National PTA Annual Association meetings
 - Important to attend to represent your members
- California State Convention – Sacramento, CA
 - May 14-16, 2021
 - capta.org for updates and additional info
- National Convention – Grapevine, TX
 - June 24-27, 2021
 - pta.org for updates and additional info

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Monitoring the Budget

- Entire Board’s responsibility
- Revenues and Expenses
- Expenses within budget
- Working document, revise as needed



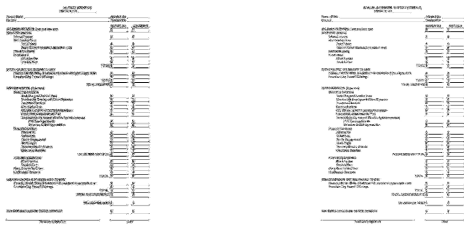
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Remember...

Budgets are **LIVING DOCUMENTS**
and must be reviewed regularly and
revised as needed.

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Sample Budget and Annual Financial Reports



The image shows two side-by-side financial reports. The left report is a budget with columns for 'Budgeted' and 'Actual' amounts. The right report is an annual financial report with columns for 'Actual' and 'Budgeted' amounts. Both reports list various categories such as 'Personnel', 'Travel', 'Materials', and 'Equipment'.

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