

Monitoring Your Budget



PURPOSE

Once a budget has been adopted, it is important to monitor revenue and expenses throughout the budget cycle to ensure your organization stays within the budget. If revenue or expenses are significantly different than expected, you may need to make adjustments to your budget in mid-year.

INSTRUCTIONS

Before your board meeting, ask your bookkeeper or treasurer to prepare a Profit & Loss Statement summarizing your actual year-to-date revenue and expenses with an additional column for the current budget. The line items should be organized in the same format as your budget and cover the same time period, (this is often called a Budget vs. Actual Profit and Loss Statement that is a standard report in accounting software).

At your board meeting take 10 minutes to have all board members compare the budgeted sums to the actual expenditures to see if any adjustments to your budget are necessary. Then, using the Monitoring the Budget worksheet, evaluate your year-to-date revenue and expenditures as compared to your budget. You can add any revenue or expense categories to the worksheet that are unique to your organization.

FOLLOW-UP

At the following board meeting, use the individual worksheets to facilitate a discussion regarding what budget revisions are necessary (if any). Continue to monitor the budget on a monthly or quarterly basis.

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Instructions: Fill out the form below and use it to facilitate a board discussion at your next meeting.

Is year-to-date revenue consistent with budgeted expectations?	Yes	No
• Donations	_____	_____
• Grant Revenue	_____	_____
• Special Events	_____	_____
• Program Service Revenue (Fees and Sales)	_____	_____
• Other Revenue	_____	_____
• Other Revenue	_____	_____
• Other Revenue	_____	_____
Are year-to-date expenses consistent with budgeted expectations?	Yes	No
• Administrative Expenses	_____	_____
• Fundraising Expenses	_____	_____
• Personnel Expense	_____	_____
• Program Expense	_____	_____
• Other Expense	_____	_____
• Other Expense	_____	_____
• Other Expense	_____	_____

Answer the following questions; use an additional sheet if necessary

Are adjustments necessary for budgeted revenue expectations? If so, describe.

Are adjustments necessary for budgeted expenses? If so, describe.

What concerns do you have?

List any ideas for ways to increase revenue or cut expenses.