



Policy: Budget

ChildNet Number: CN 010.003

Original Approved Date: June 2, 2003

Policy Revised Date(s): August 1, 2007, November 21, 2009, January 28, 2010, February 2010, May 20, 2010, September 16, 2010, October 28, 2010, May 4, 2017

Policy Sunset Date:

COA Standard(s): FIN 1, 3, 5.01, 5.02, 5.03, 5.04, 5.05, 5.06

Statement of Policy:

An annual operating budget is prepared, maintained and revised during the fiscal year for each of ChildNet's functional areas to enable the management of available financial resources in support of the Mission Statement. Variances of actual expenditures to budget projections are monitored on at least a monthly basis providing financial accountability and viability through the application of sound financial management practices in accordance with legal and regulatory requirements.

Scope:

Budgets are prepared utilizing agency-wide participation to meet the overall mission of ChildNet. Financial forecasts and budget preparation provides the ability to manage organizational financing requirements and effectively allocate and distribute organizational resources.

References:

2 CFR Part 200

Board Chair's Signature: _____

Date: _____

6/23/17



Procedure: Budget

ChildNet Number: CN 010.003

Original Approved Date: June 2, 2003

Procedure Revised Date(s): August 1, 2007, November 21, 2009, January 28, 2010, February 2010, May 20, 2010, September 16, 2010, October 28, 2010, August 22, 2014, August 9, 2017

Procedure Sunset Date:

COA Standard(s): FIN 1, 3, 5.01, 5.02, 5.03, 5.04, 5.05, 5.06

Definitions:

1. Cost Allocation Plan – Documentation of the methods and procedures that ChildNet uses to allocate costs to its various programs, grants, contracts and agreements in accordance with the requirements of 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards” in addition to the State of Florida expenditure guidelines.
2. Integrated modular accounting system and report writer - Extracts information from the general ledger and optionally combines it with information from Microsoft® Excel spreadsheets. Then, it uses ChildNet’s customized report formats and management reporting hierarchy to produce reports. These reports can be viewed, printed, sent as e-mail, or exported to a text or spreadsheet file.

Statement of Procedure:

1. Budget Preparation:

- a. Budgets are prepared in coordination with the fiscal staff, and Senior Management for agency provided programs. ChildNet maintains a budget matrix identifying the ChildNet staff responsible for development of the particular budget line item.
- b. The proposed annual budget is prepared in accordance with the overall mission of the Agency to include the following considerations:
 - Program priorities of the agency as identified by key stakeholders
 - Anticipated funding levels during the current fiscal period using current and historical financial data
 - Direct and indirect costs to operate programs in accordance with 2 CFR part 200, “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards” in addition to State of Florida expenditure guidelines
 - The Potential for changing costs and conditions during the fiscal year
 - Contractual obligations are included in planning process



- c. Projected budget expenditures are determined by departmental program area before being rolled up by funding source and consolidated into Agency totals. This methodology utilizes historical monthly data as well as the inclusion of program and administrative planning initiatives.
- d. As a general rule, the allocation in administrative categories is based on a proportional percentage of individual departmental staff to total staff. The allocations for administrative category projections are updated at least quarterly to reflect staff changes due to hiring or attrition.
- e. The Finance Committee performs a review of the annual budget and provides recommendations or comments for budgeted line items. If no revisions are necessary, the Committee approves the budget and notifies the Board of Directors to complete the final review and approval.
- f. The Board of Directors reviews and approves the annual budget prior to its implementation. Any subsequent revisions to the budget must also be approved by the Board of Directors.
- g. On at least a monthly basis, a variance report comparing actual expenditures to budget projections are monitored and submitted to management for review. Any significant differences are identified, explained and reported during the monthly Finance Committee meetings. A comprehensive annual review of actual to budgeted expenditures is performed following the completion of the fiscal year-end audit.
- h. Budget data also contains expenditure trend projections based on historical expenditure analysis and future management program changes or enhancements. The trend data is utilized to propose adjustments to the projected budget as well as to forecast adjustments to future contracts, billings and fee agreements.
- i. Revenue and expenditure projections are determined and projected at the base account coding level. This enables the creation of departmental level management reports with the ability to drill down to individual budgetary projection details.
- j. A budget spreadsheet template is produced from the integrated modular accounting system which uploads the projected budget. This facilitates the creation of a budget library containing management summaries for use in projection analysis and ongoing report modification. Budget projections is then modified throughout the fiscal year to adjust revenue and expenditure outlooks based on changes in program resources or management planning initiatives.
- k. These reports are used in the evaluation and review of expenditure variances to original annual budget and adjusted budget projections during the fiscal year cycle.

President's Signature: _____

Date: 08-14-17