

Chapter Four: Budgeting Process

A. Policies

It is the policy of the Diocese of La Crosse Catholic Unified School Systems that each system operates under an annual budget. This budget is to be prepared and approved by the Finance Committee prior to the beginning of the fiscal year. Policy also requires that the budget be balanced which includes a minimum \$100,000 payment for outstanding loans or Accounts Payable balance to St. Ambrose Financial Services, Inc. Although not mandatory, it is recommended that in addition to the annual budget, a three-year planning budget be prepared to plan for large capital expenditures or significant changes in operations.

A “bottom up” approach to budgeting is recommended. This means that budgeting should start at the department level, adding school administration costs, and finally combining at the Central Office. This type of budgeting allows input at all levels and usually results in a more accurate and realistic budget. In addition, employees are more likely to operate within a budget they have helped create.

B. Procedures

A budget can be prepared in a variety of ways, either manually or electronically using a spreadsheet package such as Excel. Using a spreadsheet is recommended as it minimizes errors and allows for flexibility during the preparation process. The following procedure can be used when preparing a budget.

1. Several months prior to the end of the calendar year (October or November), conduct a meeting with all Principals and department heads to discuss the budgeting process. Areas of responsibility, the types of expenses to be budgeted, and the timetable should all be discussed.
2. Give a **Budgeting Worksheet** to each person responsible for a budget. The budgeting worksheet should list each general ledger account for which the person is responsible, the year to date balance, and perhaps an annualized amount for convenience. It should contain space after each account in which s/he can enter the budget amount.
3. Prepare an electronic spreadsheet which lists all general ledger accounts. Each school within the System should have its own column. The administrative costs of a Central Office are entered in a separate column. It is helpful if the spreadsheet is formatted similarly to the financial statements.
4. As budgets are received, enter the amounts into the spreadsheet.

Alternative Procedure:

Depending on the accounting software used, budget amounts may be able to be entered directly into the accounting package budgeting area.

5. Review the budget in total and make adjustments as required.
6. The budget should be reviewed and approved by the school Principals, the Controller, the President, the Dean, and the Finance Committee. The preliminary budget is due mid-December to the Coordinator of Finance for Catholic Unified School Systems. Refer to the Diocese of La Crosse Catholic Unified School System and Parish School Governance book “President’s Authority”.
7. Final budget submission is due mid-February to the Coordinator of Finance for Catholic Unified School Systems. Upon approval, enter the final budgeted amounts into the accounting system. This allows for comparison financial statements to be run throughout the year.

C. Budget Amendments

Budget amendments are rare and should only be considered if a substantial change in operations has occurred (i.e. school closing). In the case of a substantial change, it is a good idea to update the budget to more accurately reflect expected financial results. If the budget is not amended, errors or trends that

D. School Specific Procedures

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