**EXERCISE: Planning Your Budgeting Process**

|  | Priority Level | | | 1 = must have 2 = nice to have 3 = maybe later |
| --- | --- | --- | --- | --- |
| Task | 1 | 2 | 3 | Notes |
| Design the Process | | | | |
| Determine roles  and decision making |  |  |  |  |
| Develop a timeline |  |  |  |  |
| Clarify Context and Articulate Goals | | | | |
| Assess alignment of organizational values |  |  |  |  |
| Reflect on successes  and failures |  |  |  |  |
| Identify opportunities, threats, emerging trends |  |  |  |  |
| Evaluate organizational financial health |  |  |  |  |
| Name values, goals  and priorities the budget should reflect |  |  |  |  |
| Identify primary areas of focus for this year’s process |  |  |  |  |
| Decide on the Budget Structure | | | | |
| Articulate your budgeting process’ primary purpose |  |  |  |  |
| Develop the structure to support that purpose |  |  |  |  |
| Design cost allocation process if needed |  |  |  |  |
| Estimate Costs | | | | |
| Review staff time and compensation structure |  |  |  |  |
| Calculate known and/or steady expenses |  |  |  |  |
| Conduct research and analysis on areas of risk |  |  |  |  |
| Develop support schedules where needed |  |  |  |  |
| Forecast Income | | | | |
| Calculate known and/or steady income |  |  |  |  |
| Conduct research and analysis on areas of risk |  |  |  |  |
| Develop support schedules where needed |  |  |  |  |
| Draft Budget and Document Decision Points | | | | |
| Discuss potential risk areas and determine level of risk tolerance |  |  |  |  |
| Create consolidated budget spreadsheet |  |  |  |  |
| Develop initial draft of budget; align with values, goals, priorities |  |  |  |  |
| Share draft with staff and board; collect feedback |  |  |  |  |
| Adjust the draft as needed |  |  |  |  |
| Document assumptions and decision points |  |  |  |  |
| Adopt and Implement | | | | |
| Present budget to board for approval |  |  |  |  |
| Clarify roles and decision making processes for budget monitoring |  |  |  |  |
| Design reports for budget-to-actual monitoring |  |  |  |  |
| Maintain rolling projections |  |  |  |  |
| Monitor budget-to-actual reports regularly |  |  |  |  |

**NOTES:**