

# 101 Budgeting

## 101 BUDGETING

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The following policy explains the budget preparation and review process for parishes and schools.

### **101.1 Annual Budget Required:**

Parishes/Schools should be administered in a manner so that they plan for and maintain a Net Surplus (i.e. Total Income greater than Total Expenses within each year; Assets less Liabilities). All parishes and schools shall prepare and submit an annual “line-by-line” budget to Fiscal Services.

#### **Procedure:**

- A) The budget should describe in financial terms how the parish or school plans to allocate its resources during the coming fiscal year (July 1 to June 30).
- B) The budget should be submitted to Fiscal Services of the Archdiocese of Baltimore as part of the annual financial report due August 15th of each year.
- C) Both the final accounting for the year ended and the current budget shall be submitted via the Archdiocesan financial reporting website.
- D) In creating the budget, the parish/school should review previous years’ financial records to determine its financial status and to identify income and expense trends.

### **101.2 Collaborative Process:**

The budget should be prepared in a collaborative process.

#### **Procedure:**

- A) The budget should be prepared by some combination of the Pastor/ Administrator, President/Principal (in the case of a school), appropriate staff, and the parish and/or school finance committee.
- B) The individuals in charge of different programs or ministries at a parish/ school should submit a projection of their expenses and a careful estimate of possible revenues to assist in creation of the parish/school budget.

### **101.3 Budget Approval:**

In the case of a parish or parish school, the budget is approved by the Pastor. In the case of an incorporated school, the budget is approved by the Board of Directors (School Board).

**Procedure:**

A) After initial preparation, the Finance Committee should present the budget to the Pastoral Council for review.

B) In the case of a parish or parish school, the parish council should review and, if acceptable, recommend the budget to the Pastor. The budget should then be reviewed and given final approval by the Pastor.

C) In the case of an incorporated school, the School Board should review and, if acceptable, approve the budget.

**101.4 Comparison - Budgeted to Actual:**

On a monthly basis, the budget should be compared to actual results.

**Procedure:**

A) Actual results should be compared to the budget monthly and reviewed with the Corporators, Finance committee, Pastor/Administrator and Principal at least quarterly.

B) Variations between the budget and actual results should be researched, documented and communicated to those responsible for the variations.

C) Quarterly budget reports shall also be made via the Archdiocesan [financial reporting website](#).