

# Finance Session 2

## Budgeting

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## Introduction – 4 basic questions to be answered in this session

1. What is a budget?
2. Why do you need a budget?
3. How do you create a budget?
4. Good Practice

PS – It's not difficult – All you need is a bit of common sense & attention to detail

# What is a budget ?

1. A financial plan
2. A translation of the club's activity plan for the coming year or longer, from words into numbers
3. A tool to help keep the club financially viable
4. A tool to help identify potential future problems (What if??)

# Why do you need a budget?

1. As mentioned in the last section it is a valuable working tool to help you manage your club
2. You can compare what's actually happened versus your plan in terms of money
3. A budget demonstrates that you have made plans & how you are going to pay for your activities
4. A budget can be reviewed every 3 to 6 months & changed as necessary when plans change substantially

## How do you create a budget?

1. Use common sense
2. Use your knowledge of where Income comes from & what it is spent on and timescales
3. Use a spreadsheet - it's easier to make changes than pen & paper
4. Clearly state your workings – just like a school exam questions

# Good Practice

1. Involve the whole committee & any other relevant people & Do NOT leave it to 1 person to do it all
2. Discuss your plans as a committee
3. Be conservative with Income calculations & generous with expenditure levels
4. Be realistic

Question Time ????



Please just ask