

### Creating Your Budget for Next Year:

The primary focus of a non-profit business is to carry-out its purpose or mission, not to make money or create wealth. Therefore, the goal for setting a budget is to plan to spend what you make each year in support of that purpose. The focus should be first to decide what you want to accomplish, and then on how to fund those goals.

Here are some tips when creating your proposed budget:

#### Start on the Expense Side:

1. Get input from your current officers and committee chairs whose positions included a budget on their budget recommendations/requests for next year.
2. Determine if there are any new programs being added that will require funding
3. Speak with your principal to see what the school's needs will be for the upcoming year
4. Make a list of these programs/line items, with the amounts requested/recommended
5. Be sure to include a line item for liability insurance for your PTA. You can find information on Tx PTA's preferred insurance provider here: [www.txpta.org/pta-insurance](http://www.txpta.org/pta-insurance)
6. Discuss each individual line item and amount with your budget committee, using the information you have received from your committee chairs, etc. to decide whether to include these items in the budget for next year, and at what amount. \*\*\*The Budget Committee must discuss every item individually. If there is any disagreement on an individual line item, you can vote to decide. Edit your list of expenses accordingly.
7. Look at the past 2-3 years to see about how much you normally spend before you start receiving income via fundraising, membership drives, etc. This is what you want to put in your carry forward for the following year to start with. (This will be your '22-23 carry forward for now). Add this to the bottom of your list of expenses and total.
8. This Total Expenses line is now your income goal.

#### Move to the Income Side:

9. Using your current budget vs. actuals, and what expenses or income you may still have before year's end, estimate how much you will have to carry forward to next year. List this as your estimated Beginning Balance.
10. Look at the difference between your estimated beginning balance, and the amount of Total Expenses you just calculated. This will be your fundraising goal. From here, you can fill in your Income list with fundraising line items.
11. You can use previous fundraising numbers to estimate income for each fundraiser, keeping in mind any expected changes in your student/family population, or changes in how you'll be conducting your fundraisers. For example, if you are doing a membership drive and donation drive via email only, instead of sending out paper flyers, your numbers may vary.
12. After listing all fundraising line items and their estimated income, total these amounts, and add to your beginning balance.
13. If this total is less than your Total Expenses, you can either add more fundraisers to match, or you can discuss altering the expenses to match the income. Its always better to budget conservatively, meaning to plan for less income than you think you'll have.
14. If your projected income is more than your total expenses, you can discuss a need to increase budget in any existing line items, or you can add any extra funds to the '22-23 Carry Forward for now until your Executive Board has other plans for them.
15. Once your Beginning Balance + Total Income matches your Total Expenses (including your '22-23 Carry Forward), your budget is balanced and you are done, Congratulations!