## Budgeting Policy Template

**Effective Date**: [Insert Date]  
**Revision Date**: [Insert Date]  
**Approved By**: Board of Directors

**1. Purpose**

The purpose of this policy is to ensure that [ORGANIZATION NAME] prepares, approves, and monitors an annual budget that aligns with its strategic goals and financial stability.

**2. Scope**

This policy applies to all departments and programs of [ORGANIZATION NAME] involved in budget preparation, review, and management.

**3. Policy Statements**

3.1. **Budget Objectives**:  
The annual budget shall:

* Align with [ORGANIZATION NAME]’s strategic plan and mission.
* Reflect realistic revenue and expense projections.
* Include contingency reserves of at least [INSERT PERCENTAGE, E.G., 10% OF OPERATING EXPENSES].

3.2. **Roles and Responsibilities**:

* **Executive Director**: Provides oversight of the budget preparation process.
* **Department Heads**: Submit detailed expense and revenue forecasts for their respective areas.
* **Finance Committee**: Reviews and recommends the draft budget to the Board of Directors.
* **Board of Directors**: Approves the final budget and monitors implementation.

3.3. **Timeline**:

* Budget preparation begins in [INSERT MONTH] and must be finalized by [INSERT DEADLINE].

3.4. **Revisions**:

* Any deviation from the approved budget exceeding [INSERT THRESHOLD] must be reviewed and approved by the Board of Directors.

**4. Review and Monitoring**

4.1. **Monthly Review**:

* The Finance Team will prepare monthly reports comparing actual income and expenses to the approved budget.

4.2. **Quarterly Updates**:

* Department Heads will provide updates on program performance and budget adherence.

4.3. **Annual Audit**:

* An external audit will verify budget compliance and financial health.

**5. Roles and Responsibilities**

* **Finance Team**: Ensures accurate data consolidation and prepares financial reports.
* **Department Heads**: Monitor their department’s adherence to the approved budget.
* **Board of Directors**: Provides governance and oversight for budget management.

**6. Review and Revision**

This policy will be reviewed annually and updated as needed to reflect changes in organizational strategy or financial conditions.

Approved by: [Insert Name or Position]  
Date: [Insert Date]  
Review Date: [Insert Date]  
Next Review Date: [Insert Date]