



GOVERNMENT FINANCE OFFICERS ASSOCIATION Of The United States and Canada

Alberta Chapter - Policies

BUDGET POLICY

NUMBER: 010

EFFECTIVE DATE: January 12, 2006

AMENDED DATE: September 30, 2016

REVIEWED DATE: September 30, 2016

GENERAL POLICY

The Alberta GFOA must adopt an operating budget for each calendar year to fund the annual operations.

Objectives

1. **Expenditures** – an operating budget must include the estimated amount of the following expenditures: the amounts needed to provide for Alberta GFOA policies and programs, to pay debt obligations, to meet the costs related to conference, task forces and sub committees, amounts to be transferred to reserves or capital, amounts to cover any prior period deficiency, and any other expenditure the Board deems as necessary.
 2. **Revenue** – an operating budget must include the estimated amount of the following revenues: amounts generated from Alberta membership fees, grants, conferences registrations and sponsorships, investments, any other sources, and transfers from reserves.
 3. **Authority** – Alberta GFOA directors and officers may only make an expenditure that is included in an operating budget or is otherwise authorized by resolution of the Board of Directors. The Board shall establish procedures to authorize and verify expenditures that are not included in a budget. The Board shall not approve an annual operating budget that includes an operating deficit.
 4. **Liability** – Alberta GFOA directors and officers that direct or make an unauthorized expenditure are liable to Alberta GFOA for the particular expenditure or the amount spent.
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Guidelines / Procedures

The Alberta GFOA will adopt the following guidelines/procedures in respect of this policy:

1. **Authority**

The Board of Directors are ultimately responsible and accountable for the budget preparation and financial activities of the Alberta GFOA in accordance with the policy approved by the Association. The Board of Directors may delegate duties related to the preparation of the budget. The Treasurer and President shall be delegated duties as it relates to the Association's budget process.

2. **Responsibilities of the Treasurer**

The Treasurer shall establish appropriate guidelines, procedures and internal controls as it relates to the Association's budget:

- a) to ensure the achievement of the objectives which are identified within the Budget Policy and

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- Procedures;
- b) for authorizing persons to engage in budget preparation, analysis and financial activities.
 - c) for the accounting and reporting of actual expenditures/revenues to budget.
 - d) for the regular preparation and reporting of financial activities on a monthly basis.

The guidelines, procedures and internal controls shall be approved and reviewed on a regular basis (minimum annually) by the Board of Directors.

3. **Responsibilities of the President**

The President shall monitor the guidelines, procedures and internal controls established by the Treasurer to ensure their compliance with the Budget policy and procedures.

4. **Annual Budget Preparation**

The following budget preparation steps shall be performed annually:

- a) The Treasurer shall put before the Board of Directors for their approval a budget for each upcoming fiscal year. A proposed budget shall be presented to the Board at the in-person board meeting in the fall of each year.
- b) The proposed budget shall be deemed approved if the proposed budget receives approval of a simple majority of the Board of Directors present at a regular Board meeting. Approval shall be no later than the 31st of December of the year preceding the budget year.
- c) Once approved, the proposed budget becomes the approved budget for the fiscal year.
- d) Any Board member may, during the fiscal year, present to the Board, for its consideration and approval, amendments to the budget for the then current fiscal year at any regular meeting of the Board.
- e) If the amended budget is approved by the Board of Directors, the amended budget shall apply to the remainder of the current fiscal year.

5. **Forecast Preparation**

A two-year operating forecast document shall be prepared. This document shall outline the Board's expectations of revenues and expenditures for future fiscal years.

- a) The Treasurer shall present a Forecast for the next two fiscal years following the current proposed budget year at the in-person board meeting in the fall of each year.
- b) The Treasurer and/or President shall provide updates to the Board on amendments on the Forecast document throughout the current fiscal year.
- c) Any amendments accepted by the Board will be incorporated into the Forecast by the Treasurer.
- d) The Forecast will form the basis for the preparation of the Annual Budget for the upcoming fiscal year.

6. **Reporting**

The Treasurer shall report on the financial activities undertaken by the Alberta GFOA and present the annual operating budget to membership at the Annual General Meeting. The following information shall be provided to the Board of Directors at its regular meetings.

- a) total revenues and expenditures for the month and year to date.
- b) budget variance analysis (i.e. actual revenues and expenditures relative to the approved/amended budget).
- c) detailed expenditures (i.e. Cheque listing)

7. **Review and Amendment Procedures**

The Alberta GFOA's Budget Policy and Procedures shall be reviewed annually by the Board of Directors who may approve any changes as required.
