NEW ENGLAND STATES
GOVERNMENT FINANCE OFFICERS ASSOCIATION

ADMINISTRATIVE POLICY

SUBJECT:	BUDGET POLICY
ADOPTED:	January 8, 2010
AMENDED DATE:	June 7, 2019, June, 2023
REVIEW DATE:	June 5, 2025 no changes

I. **PURPOSE** – The New England States GFOA must adopt an operating budget for each business year to fund the annual expenses of the Association. This policy identifies the responsibilities as well as the steps for creation, submission, approval and review of an annual budget of the NESGFOA.

II. **DEFINITIONS**

a. **Business Year** – The annual business year of the association is September 1 through August 31 in accordance with the by-laws.

b. **Budget Committee** – Members of the Budget Committee include the Association President, 1st Vice President, 2nd Vice President and Treasurer (*formed 9/15/09*). Such committee shall prepare an annual operating budget for submission to the Board of Directors.

III. **OBJECTIVES**

a. **Expenditures** – an operating budget must include the estimated amount of the following expenditures:

   a. the amounts needed to provide for NESGFOA policies and programs;
   b. to pay debt/other pledged obligations if any;
   c. to meet the costs related to the spring seminar and sub committees where applicable;
   d. amounts to be transferred to reserves;
   e. amounts to cover any prior period deficiency;
   f. any other expenditure the Board deems as necessary.

b. **Revenues** – an operating budget must include the estimated amount of the following revenues:

   a. NESGFOA membership fees,
   b. Grants;
   c. seminar registrations and sponsorships;
   d. investments;
   e. any other sources;
   f. transfers from reserves.

c. **Authority** – NESGFOA 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 may approve an annual operating budget that includes the use of fund balance.

d. **Balanced Budget** – The presented budget shall comply with GFOA recommended practices in that a budget for any given business year shall strive toward a commitment of balanced

budgeting under normal circumstances and provide for disclosure when a deviation from a balanced operating budget is planned or occurs.

IV. **ANNUAL BUDGET PREPARATION**

The following budget preparation steps shall be performed annually:

a. The Budget Committee shall put before the Board of Directors for their approval a budget for each upcoming business year. A proposed budget shall be presented to the Board no later than July 1st of year preceding the business 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 August of the year preceding the business year.
c. Once approved, the proposed budget becomes the approved budget for the business year.
d. The Treasurer and/or the President may, during the business year, present to the Board, for its consideration and approval, amendments to the budget for the then current business year at any regular meeting of the Board.

V. **RESPONSIBILTIES**

a. **Board of Directors:** The Board of Directors are ultimately responsible and accountable for the budget preparation and financial activities of the NESGFOA. The Board of Directors may delegate duties related to the preparation of the budget (i.e. Budget Committee).
b. **Treasurer:** The Treasurer shall establish appropriate guidelines, procedures and internal controls as it relates to the Association's budget to ensure the achievement of objectives identified within this policy.
c. **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.

VI**. REPORTING**

The Treasurer shall report on the financial activities undertaken by the NESGFOA. 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 (cash basis).
b. budget variance analysis (i.e. actual revenues and expenditures relative to the approved/amended budget).
c. detailed expenditures (i.e. Check listing)

VII. **ANNUAL REVIEW**

It is the intent of the NESGFOA Board of Directors to review this policy annually and update as necessary.