

Downtown Whitby BIA Budgets, Forecasting and Reporting Policy

Name	Budgets, Forecasting and Reporting Policy
Reference	BoM Resolution #19-17
Date Approved	July 14th, 2017
Date Revised	N/A
Approval	Board of Management
Point of Contact	Treasurer

1. Purpose

- a. The purpose of this policy is to set out the requirements for the annual budget and related forecasts.

2. Scope

- a. This policy applies to the Board of Management, The Executive Director and the Finance Committee.

3. Policy Statements

- a. The annual budget shall be prepared before the start of each fiscal year and presented to:
 - i. The BIA membership at a General Meeting for discussion; with comments from the membership sent to:
 - ii. The Board of Management for consideration; which will then recommend the budget to:
 - iii. The Council of the Town of Whitby for approval.

4. Procedures

- a. Budget Guidelines
 - i. At the beginning of the third quarter of each fiscal year, the Executive Director will confer with the Finance Committee on the general financial guidelines for the preparation of the following year's budget based on the organization's strategic and business plans. Guidelines should include assumptions about:
 1. Prices paid for supplies and suppliers.
 2. Wages and benefits.
 3. Projects planned to be undertaken

4. Sales of products and services, if any.
 5. BIA Membership and levy impacts.
 6. Anticipated revenues from fundraising and campaigns and events.
 7. Other donations
 8. Grants and Contributions
 9. Any other operational effect expected from strategic or business plans.
- ii. Guidelines will be documented and kept on file with original budget documents for future reference.
- b. Budget Process
- i. Expenses and revenues will be budgeted separately for:
 1. Each segregated fund;
 2. Each department, if any.
 3. Each major funded project.
 - ii. The Executive Director will create and maintain input forms or spreadsheet templates for both revenue/expense and capital budget. Forms will incorporate assumptions, if applicable, no later than the end of the third quarter.
 - iii. All budgets will be completed by the first month of the fourth quarter, including centrally-controlled expenses such as:
 1. Rents,
 2. Pension and benefits
 3. Utilities not covered by operations
 4. Executive salaries and pensions
 5. Board expenses
 6. AGM expenses
 7. Interest and investments
 8. Insurance
 9. GST
 10. Payroll based taxes and levies
 11. Realty taxes, if any.
 12. Bad-debt expense, if any.
 13. Amortization expense.
 - iv. In the second month of the fourth quarter, the ED will review both the revenue/expense budget and the capital budget and make any changes necessary to achieve financial and operational targets.
 - v. When the proposed budget is completed, the ED will present the budget to the Treasurer and Finance Committee for its review and recommendation to the Board of Management.
 - vi. The Board of Management may choose to approve the budgets at this time or request clarifications or changes. It may also approve budgets contingent on requested changes being made.
 - vii. In the last month of the fourth quarter of each year, the ED will arrange for necessary changes requested by the Board and submit

- the budgets to the board along with the recommendation of the Treasurer and Finance Committee.
- viii. The board will vote to approve the budget. The total budget is now final.
- c. Forecasts
 - i. When the budget has been finalized, the Executive Director will prepare a cash forecast and take the necessary steps to make cash available to accommodate planned expenses.
 - ii. Quarterly, or more frequently, the Executive Director will undertake forecasts to year-end for both the capital budget and the revenue/expense budget taking current year-to-date results into account.
 - iii. Such action as is deemed necessary as a result of the forecasts will be taken by the ED, keeping the Board informed of any significant developments or decisions.
 - d. Monthly Process
 - i. The ED is responsible for bringing capital expenditures and segregated funds in on budget.
 - ii. Monthly, actual financial results will be compared to budgeted results both for the current month and for the year-to-date for that month.
 - iii. Variances will be investigated by the Executive Director. Significant trends will be isolated and discussed by the Finance Committee which will determine any action that may need to be taken to stay on track.
 - iv. Other reports from the accounting system as are identified as useful for control, evaluation and other management purposes will be produced and provided to the Finance Committee for review.

This Policy is hereby approved by DWBIA BoM on _____