

## Planning Your Budget – A Guide for Small groups

**A budget is** a detailed breakdown of how much everything will cost. It should include both income and expenditure, with evidence for costs based on quotes where necessary.

<b>Income</b>	money coming in
<b>Expenditure</b>	everything you spend
<b>Capital</b>	costs of large items that have a useful life and could possibly be sold in the future, e.g. computers, equipment.
<b>Revenue</b>	the running costs of a project on a day-to-day basis, e.g. stationery, telephone bills, postage.
<b>In-kind</b>	contributions other than financial towards a project cost, e.g. volunteer time.

It is useful if you have someone on your committee with basic accounting skills but even if you have it is better to work on this as a group, partly because it can be time consuming but also because you can check each others figures and inclusions. Basic accounting skills means anyone who has the skills needed to keep household finances in check.

Whoever is responsible for the budget will need to consider:

- How will money be brought in?
- How much should be saved?
- When is the money needed?

Remember, one person may be responsible for the day to day budget but ultimately all committee members are responsible for the finances.

### **How to start**

1. List everything you need to run your activity/project (be as accurate as possible). If you have more than one project then have a budget for each.
2. If the activity will take longer than 1 year then remember to include inflation (usually 3%) and increased costs
3. List all your expected income and a plan of where you expect to access it.
4. Is there a shortfall? Have you left anything out?
5. Keep a note of how you came up with the figures if you do not have quotes
6. Will there be a cash flow problem? (I.e. if some money will not be paid out until you have completed the project how will you pay for things in the meantime?)
7. It is best to keep the budget information on a spreadsheet but manual systems are acceptable.