

*Council on Member Affairs*

## **Vice President's Budget Guide**

*Prepared by the Resource Allocation Committee of CMA*

*Draft Copy*

### **Purpose of the Guide**

To provide the Vice Presidents of CMA with the necessary guidance in the preparation of the budget, the Resource Allocation Committee has developed this guide. The Resource Allocation Committee has the responsibility of determining the budget distribution for the Council in accordance with the programmatic needs and financial ability of both the Council on Member Affairs and the Society as a whole. To provide the Vice Presidents of the Council with the greatest flexibility in the operation of their duties, the Resource Allocation Committee has worked to remove most of the restrictions that govern how money is spent. This has been done to provide the Vice President with the greatest flexibility in the performance of duties, thereby allowing the VP to provide for the best services and most efficient operation of the board or region over which they govern.

This guide is meant to be a tool for the VP. It is meant to be a document that will help the understanding of the major changes that have occurred in the budget process and clarify the increased responsibility of the Vice President. This guide is given out each year and contains any changes that are necessary from year to year.

### **The Vice President's Responsibility**

With the recent changes to the policies governing the spending of the Vice Presidents and the changes in the budget process, there are significant increased responsibilities on the part of the Vice Presidents of the Council on Member Affairs. There are certain programs that must be held and funded in each region and certain items that must be funded on each board, there is a significantly greater freedom on the part of each Vice President to operate in a manner which is necessary to promote growth and activity in the Society. With this greater freedom comes a greater responsibility and a greater role in the budget process. It is the responsibility of the Vice President to perform necessary budgeting activities on time and in accordance with the needs of the Resource Allocation Committee. Not performing these duties as called out in this document will mean that the budget of the Vice President will be determined by the Resource Allocation Committee, in accordance with the perceived needs of the particular Board or Region. Once the Vice President submits a budget request, the Resource Allocation Committee will review all requests at its fall meeting and determine the allowable and necessary distribution that will occur.

Each VP is responsible for informing every element or group under the VP's direction what the allowed reimbursement will be for particular events and how that reimbursement will be made (for example, how many cars for travel to the Regional Student Conference for which a student section will be allowed to receive reimbursement). The maximum travel expense contribution must be in accordance with Society Policy P-4.5, of which every VP should be intimately familiar. The VP must make this determination and inform all the parties involved (ie., student section, senior sections, board members, etc.) what the funding actions will be. *This plan must be submitted along with the budget request. If this is not submitted, the rules governing reimbursement as listed in the CMA Operation [Operating]Guide will be used.*

One of the most important facets of the budget process is on-time, clear and concise communication between the

Regional Office Director and the Vice President. For the BPPE , BSA and the BMID, it is the communication between the staff representative designated by the [Manager of] Managing Director, Member Affairs and the Vice President of that particular board. The Regional Directors and the designated Staff Support will assist the VPs in making financial determinations for the budget and should be consulted as necessary. Since the Regional Office is involved in the expense reporting from the region, it is absolutely necessary that this occur. If it does not, there is little hope that the financial reimbursements to the senior and student members of the region will be rapid and within budget. *Maintaining the accounting for a region or board is no small responsibility and it is expected that each vice president will take this duty seriously. With the freedom to operate a region or board in a manner that is most beneficial to the society as a whole comes the responsibility to assure proper financial conditions are maintained.*

## The Budget Process

The fiscal year of the Society runs from July 1 through June 30. The naming of the fiscal year is by the year of the second half of the fiscal year. For example, if the date at this time was September 5th, 199[5] 7, we would be in fiscal year '9[6] 8.

One of the major events in the budget cycle is the joint meeting of the Committee on Finance and Investment [the Committee on Program Review]. This meeting takes place in the end of February. Each Council of the Society assembles a formal presentation that covers the Council's activities in both the program and financial areas of the Council. For the CMA, this is done by the Resource Allocation Committee and the Strategic Planning Committee. The presentation is done in [two] one part[s, first] which encompasses both the program [review, then] and the financial reviews. In the program review portion, programs, results, metrics, and alignment with Society goals is presented. In the financial review portion of the presentation, the financial directions of the Council are presented, along with financial successes, failures, future plans, and the justification for the actual budget request. During this week, the [Committee on Program Review and the] Committee on Finance and Investment make determinations on what the actual Council budgets will be for the next fiscal year. These are submitted to the BOG in March for approval. At this point, the bottom line budget numbers for the next fiscal year are fixed.

Because the budget and program review process occurs in February for the next fiscal year (beginning on the following July 1), the Resource Allocation Committee meets prior to the February meeting (usually in the end of September) for several days to prepare the proposed budget. This budget is presented to the CMA at the Congress for review, and with any changes, becomes the budget presented in February to the Committee on Finance and Investment. Often, the Committee on Finance and Investment determines before the February meeting but after the Congress that some changes in the overall Society budget are necessary, and Councils are warned of impending budget cuts or changes. The Resource Allocation Committee and the Strategic Planning Committee then have the responsibility of adjusting the budget to meet the Society and the Council needs and present this to the Committee on Finance and Investment [the Committee on Program Review] in February.

Since the Resource Allocation Committee meets in September, the Vice Presidents on CMA must send their proposed budget to the Resource Allocation Committee prior to this meeting. In addition to the proposed budget, the means/rules for reimbursement must be furnished at this time. If they are not, the rules as presented in the CMA [Operating] Operation Guide will be used. This means that the Vice President must prepare a budget request for the *next fiscal year* between the SAM in June and the Resource Allocation Committee meeting in September. This budget request will be evaluated along with all the VP requests and the Council financial needs and the *preliminary* actual allowed VP budget will be returned to the VP at the Congress. The reason this is to be considered *preliminary and subject to change* is that until the actions of the Committee on Finance and Investment and the BOG in February and March, these numbers may change. The *final* budgets for the next fiscal year will be distributed to the VP's following the spring BOG meeting.

## **SUMMARY OF THE BUDGET CMA BUDGET PROCESS**

### **TIME FRAME**

### **ACTION**

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| 1. Between SAM and the September Resource Allocation Committee Meeting   | VP Prepares next FY budget request  |
| 2. At the Congress   | VP's are presented with the proposed Council budget and their individual budgets                                  |
| 3. Between Congress and Feb. meeting of the Committee on Finance and <u>Investment</u> [the Committee on Program Review] | Resource Allocation Committee and the Strategic Planning Committee finalize and assemble the proposed budget      |
| 4. At Feb. meeting of the the Committee on Finance and Investment [the Committee on Program Review]                      | Program and budget review is presented to COFI[and CPR] and the Council is informed of the allowable total budget |
| 5. BOG approves COFI [and CPR] recommendations in March  | Once approved, the Resource Allocation Committee prepares final VP budgets for the FY starting July 1             |

## Types of Accounts and Limitations

There are several types of accounts in the CMA budget. There are over 2200 line items. It is the responsibility of the Resource Allocation Committee to monitor these individual line items for correctness and proper fiscal responsibility. As far as the Vice President of CMA is concerned, there are both administrative costs, travel costs, and special projects. The Vice President will be given a *total travel allowance* dollar amount. This *total travel allowance* cannot be exceeded, as required by Society Policy P-2.3. Monies may be moved from the travel account to the administrative account. Monies may also be moved back into the travel account as long as the *total travel allowance* is not exceeded. *There are two programs that must be held and financed, according to the Society By-Laws B.5.9.11 and B.5.10.3. These programs are the Regional Administrative Conference and the Regional Student Conference, respectively.*

Other possible accounts in the CMA budget that could be available to the VPs would be special project accounts. These are items that have a lump sum of money available to be split amongst the VPs on the Council. One example of this would be the Industry Breakfast account. Each VP will be allowed a portion of this account, but the funds *must be used* for the the intended purpose, in this case, industry breakfasts / programs. If some VPs are not going to hold a special project that is chargeable to this account, the funds will be redistributed throughout the year to the other VPs. Accounts of this type assure that funds are being spent in a certain area, strategic to the goals of the Council. The VP can spend any other money from his budget in the area of any of these special projects, if desired.

## Suggestions on Determining Your Budget

The budget history will be provided to each VP at the SAM. It is important to look first at the programs that must be held, like the RSC and the RAC, and determine what the travel and administrative costs will be. The rules governing reimbursement must be determined and all parties involved informed. If this is not done, the rules of reimbursement as presented in the CMA [Operating] Operation Guide will be used. If expenses that are not ordinary/usual for a particular board or region expect to be expended, a description of the expense and calling special attention to it in the budget request is necessary. In this way, the Resource Allocation Committee will be sure to evaluate the additional expense properly.

If there are any questions on the budget process itself or on exactly what may or may not be done, please do not hesitate to ask the Resource Allocation Committee. It is the goal of the Committee to make this process as painless as possible and yet provide the VP with the maximum flexibility in determining how funds are spent.

## **Special Considerations for FY9[7]9**

This will change each year. The intent is to provide the VP's with a copy of this document each year, updated to the year involved. [ Since this is the initial draft document, this section is incomplete. ]

## **Budget Worksheet**

To help the VP and the Resource Allocation Committee arrive at the necessary budget, a worksheet will be distributed with this document to each VP. Since this process will be used in it's complete form starting at the next SAM, the attached form is subject to revision and change, but will remain consistent across all regions. Obviously, the worksheet for the BMID, BSA and the BPPE will be slightly different.