

	FMCA POLICIES AND PROCEDURES	INDEX NO. 2007	APPROVAL LEVEL GB
	SUBJECT Annual Budget	EFFECTIVE 8/12	SUPERSEDES 8/10
	SPECIAL DISTRIBUTION Finance Committee		

POLICY

The operations of FMCA and/or its subsidiaries are to be in conformity with an annual budget adopted by vote of the Governing Board and in accordance with its Constitution and Bylaws, and within any guidelines issued by persons authorized to establish such rules.

PROCEDURE

Preparation of the Annual Budget

1. The Chief Executive Officer (CEO) shall prepare a preliminary draft of an annual budget for the ensuing fiscal year, and forward it to the Finance Committee prior to the annual meeting of the Governing Board.
2. The Finance Committee shall consider the proposed annual budget in relation to the income reasonably expected within the coming fiscal year, and shall arrive at a final recommended draft of the annual budget. The Finance Committee shall forward the proposed budget to the Executive Board for review and approval.
3. Thirty days prior to the annual meeting of the Governing Board, the Executive Board shall submit the annual budget report to the Governing Board.
4. The annual budget of FMCA is adopted by majority vote of all the members present at the annual meeting of the Governing Board.
5. Upon adoption by the Governing Board, it is the responsibility of the Finance Committee to monitor the financial operations of FMCA and to report to the Executive Board in accordance with FMCA Policies and Procedures #4005, Finance Committee Responsibilities.

Supplemental Budget

The Executive Board is granted authority to adopt a supplemental budget if the total operating income exceeds the total budgeted operating income by 5% on the last day of the 6th month of the fiscal year or thereafter. The supplemental budget shall be furnished to the Governing Board at the time of submission of the next proposed Annual Budget.

New Budget Requirements

All proposals that require approval of the Executive Board and will result in an increase to an expense budget if enacted are to be accompanied by the following cost projection information.



SUBJECT

Annual Budget

INDEX NO.

2007

1. Give a brief description of the proposal and specifically indicate what aspects of the proposal (labor, equipment, printing, postage, etc) will result in increasing the budget.
2. Indicate which budget and budget line items will be increased.
3. Indicate if the proposal is an increase in an already approved operation or benefit, or is a new proposal.
4. Indicate the year the expense would first impact the budget.
5. Give the cost projections to implement the proposal the first year. Indicate if the proposal will be a one-time cost.
6. Provide a cost estimate for the second, third, and subsequent years.
7. Resources and assistance from the national office staff or committees may be requested to support a proposal.