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[Your Organization's Name]

[Budgeting Policy]

At [Your Organization's Name], we recognize the importance of effective budgeting in achieving our mission and financial sustainability. This policy outlines the process for preparing, reviewing, approving, and modifying the organization's budget. It also establishes the roles and responsibilities of individuals involved in budgetary decisions. By adhering to this policy, we ensure sound financial management, transparency, and accountability in our organization.

**Budget Preparation Process:**

1.1. The budget preparation process will be conducted annually, in advance of the fiscal year or as required by the organization's financial planning cycle.

1.2. The executive director, finance director, and relevant staff members will collaborate to gather and analyze financial data, programmatic needs, and organizational goals to develop a comprehensive budget.

1.3. The budget preparation process may include input from department heads, program managers, and other relevant stakeholders to ensure alignment with program objectives and organizational priorities.

**Budget Review and Approval:**

2.1. The draft budget will be reviewed by the finance committee and/or the board of directors to assess its accuracy, reasonableness, and alignment with strategic goals.

2.2. The board of directors will approve the final budget after considering recommendations from the finance committee and any necessary adjustments or modifications.

2.3. The budget approval process should be documented, including the date of approval, attendees, and any significant discussion points or decisions.

**Budget Monitoring and Reporting:**

3.1. The finance director and relevant staff members will monitor the actual financial performance against the budget on an ongoing basis.

3.2. Regular budget reports will be provided to the executive director and board of directors to review the financial status, variances, and any significant budgetary concerns.

3.3. The organization may establish budget review meetings or periodic financial updates to discuss budget performance, identify potential risks or opportunities, and make necessary adjustments.

**Budget Modifications:**

4.1. If circumstances require significant changes to the approved budget, the executive director may propose modifications for consideration and approval by the finance committee and/or the board of directors.

4.2. Budget modifications should be documented, including the reasons for the changes, anticipated impact, and any necessary adjustments to program plans or financial projections.

4.3. The board of directors or finance committee will review and approve budget modifications based on their materiality and impact on the organization's financial stability and strategic objectives.

**Budgetary Authority:**

5.1. The board of directors holds the ultimate responsibility for overseeing the organization's budget and financial affairs.

5.2. The executive director, in consultation with the finance director and relevant staff members, has the authority to develop, present, and implement the approved budget.

5.3. Budgetary decision-making authority may be delegated to specific individuals or committees within the organization, as approved by the board, to facilitate effective financial management and operational efficiency.

**Policy Review and Updates:**

6.1. This Budgeting Policy will be reviewed periodically to ensure it remains aligned with the organization's strategic goals, financial needs, and best practices.

6.2. Any updates or changes to the policy will be communicated to relevant staff members, the finance committee, and the board of directors, and training will be provided as necessary.

By following this Budgeting Policy, we establish a structured and transparent process for preparing, reviewing, approving, and modifying our organization's budget. This policy ensures alignment with strategic objectives, sound financial management, and accountability in budgetary decisions. If you have any questions or require further guidance regarding budgeting, please contact the designated authority within the organization.

*The templates provided are for general guidance only and not legal advice. Their use is at your own risk, and we are not liable for any damages arising from their use. Consult legal or professional advisors for tailored policies.*