



**Series:** Fiscal Management      **COA:** FIN 1, 2, 5  
**CFOP:**

**Procedure Name:** Annual Budget Preparation  
**Procedure Number:** FM-202  
**Revision #/Date:** (4) 1/1/09  
**Effective Date:** 4/11/06 (Starting from Accounting Informational Memo #15)  
**Applicable to:** All CBCB Staff

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**SUBJECT:** Preparation of the Annual Operating Budget

**PURPOSE:** To establish a procedure to prepare and submit the CBCB fiscal year operating budget to the Board of Directors.

**PROCEDURE:**

**References**

CBCB Policies/Procedures: GOV-202, GOV-203, GOV-207

Approved Cost Allocation Plan

OMB Circular A-122

State of Florida, Department of Children & Families Expenditure Guidelines for Community Based Care Organizations

**Definitions**

**Cost Allocation Plan:** A cost allocation plan is a summary of the methods and procedures that an organization will use to allocate costs to various programs, grants, contracts and agreements in accordance with the requirements of OMB Circular A-122, "Cost Principles for Non-Profit Organizations" as well as expenditures guidelines mandated by the State of Florida.

**Scope**

Responsibility for the preparation of the CBCB fiscal year operating budget is delegated to various Supervisors, Managers, Directors, and Officers at CBCB, under the direction of Chief Financial Officer (CFO). Each responsible party will be tasked with completing their assigned budget and reporting the results as instructed by the CFO.

## Annual Budget Format

The CFO and/or their designee will prepare budget templates designed to correspond to the approved Cost Allocation Plan as well as to maximize the detail of planned expenditures for the next fiscal year. The budget templates will be linked to form the consolidated CBCB budget for the fiscal year being planned. These templates will be located on the shared drive at: G:\shared documents\Finance Folders\Budget\Fiscal Year Listed).

## Budget Template Instructions

- Entry can only be made in Yellow colored fields.
- The Budget Item column is to list the individual transaction or vendor.
- The Description column should be used to list pertinent information about the transaction/vendor, especially the payment methodology.
- The Monthly columns should contain the monthly payment for the identified transaction or service. A formula can be entered. Please put the payment in the month it will be "received and paid" by CBCB, not when the service was actually rendered. This should be done so that the "monthly" budget more accurately resembles the CBCB actual payment activity. In turn, this will serve in reducing unnecessary actual to budget variances.
- If a budget item does not apply to your assigned budget responsibility, leave it blank.
- Employee compensation will be completed by the CFO or their designee for each Department.
- **No budget forms should be saved outside the following location: G:\shared documents\Finance Folders\Budget\Fiscal Year Listed).** If this occurs, please report it to the CFO or their designee immediately for formula links will have to be restored.
- Any further instructions necessary for the completion of the budget template for any given fiscal year will be issued by the CFO or their designee via an Accounting Informational Memo.

## Budget Formulation

An Historical Data Report or the General Ledger Report containing the expenditure data for each budget template over the past fiscal year to the current date, at a minimum six full operating months, will be prepared prior to budget preparation. The CFO or designee will forward a copy of each report to their respective responsible budget party. These reports will also be located on the shared drive at: G:\shared\documents\Finance\Folders\Budget\Fiscal Year Listed).

This data is to be used by the responsible budget party to identify trends for changing costs and conditions to forecast and budget for the new fiscal year contract fee, billing rates and other expenditures. It should be noted that this should not be the exclusive source of expense trend identification. Current factors and conditions should also be considered when formulating budget

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expenditures for the future. Such information should include various cost analysis performed during sub-contract monitoring, procurement, etc.

Each responsible budget party will be partnered with a member of the Accounting Department to assist with the construction of the budget template. The Accounting staff will contact their respective budget party to schedule a meeting time to build each budget template. Assignments of Accounting staff and their respective budget party will be made by the CFO.

For Administrative budget templates, the CFO will set the inflationary threshold limit that will not be allowed to be exceeded without permission. Permission for any increase above this threshold will need to be issued in writing from the CFO.

## Budget Review

Once the individual budget templates are completed, "write" access to the forms will be restricted for use only by the CFO and/or their designee. The CFO will then analyze the consolidated CBCB budget for accuracy and feasibility. The CFO and/or their designee will review proposed corrections with the respective budget party and then make the entries to the applicable budget template. Once the CFO's review of the consolidated CBCB budget is complete, the CFO will schedule a meeting with the Chief Executive Officer (CEO) to perform a budget scrub down. Once the CEO's review is complete and their updates made, the Board Budget template is ready to be prepared.

The budget submitted to the Board for approval will be formatted to contain at a minimum a variance analysis of the prior fiscal year budget line items to the newly proposed fiscal year budget line items. The CFO and/or their designee will prepare the Board Budget template to be ready for presentation to the full Board no later than June of a closing fiscal year.

AS APPROVED BY THE CHIEF EXECUTIVE  
OFFICER:



DR. PATRICIA NELLIUS-GUTHRIE  
Chief Executive Officer

Signature Date: 2/13/09