

The Unit Budget

The unit budget is a financial representation of the activities and operations that the PTA expects to conduct during a specific time period. The budget estimates income and expenses for the fiscal year and must be presented to the association for approval and recorded in the association minutes. The budget should coincide with the association's fiscal year.

The budget committee, which is appointed by the president or president-elect, has the responsibility for developing the annual budget. The treasurer is designated as the committee chairman. The budget committee may include the financial officers, the principal or other designated representative, the president (ex officio) and others.

The committee should:

- Invite board members to submit suggestions.
- Survey the association's needs and probable costs of those needs.
- Review the programs proposed by the program committee, including detailed expense projections.
- Meet soon after the election to prepare the budget.
- Review past budgets, income, and expenditures.
- Estimate probable income from all sources.
- Balance probable income with probable expenses.
- Allow a reserve fund to cover unbudgeted items, emergencies, and carryover.

It is impossible to overstate the importance of properly preparing and following a budget.

1. A PTA needs a budget approved by the membership to conduct its financial business in a professional manner. Correct accounting procedures followed during the course of the school year will ensure smooth functioning of the PTA.
2. Proper accounting procedures result in an accurate Annual Financial Report.
3. The Annual Financial Report is a critical document required by the auditor.
4. The audited records are necessary for an accountant to prepare the annual 990 or 990-EZ IRS Informational Tax Returns.