

### What are effective entity budget development practices?

- ◆ Build a diverse “budget team” by choosing a varied set of team members from different areas of your entity such as the Director, a Financial Manager, a Program Manager, and a representative from your Board/Council.
- ◆ Create a written budget timeline with scheduled tasks, including:
  - ◆ Start of the budget process
  - ◆ Completion of a draft budget for review
  - ◆ Request of budget approval from governing body
  - ◆ Monitoring and adjusting
- ◆ Link your budget to your entity’s mission and objectives. The income and expenses support progress in achieving your entity’s goals and vision.
- ◆ Create budget worksheets and reports everyone in your entity can understand and use.

### How is an entity’s budget created?

- ◆ Start by estimating how much income your entity will have from all sources: grants, contracts, leases, fees-for-services, fundraising, etc. Be realistic and estimate on the low side.
- ◆ List all your known expenses such as salaries, payroll taxes, rent/mortgage, and lease/contract payments. Next, estimate (on the high side) fluctuating costs such as utilities, insurance, telephone expenses, your annual audit, etc. Then, list the items you will need to achieve your programmatic and entity goals such as office supplies, client support materials, outreach materials, etc.
- ◆ Total your income and your expenses and compare the two numbers.
  - ◆ If your income is higher than your expenses, you may be able to plan extra activities or purchase additional/special items during the budget year.
  - ◆ If your expenses are more than your income, you will need to plan for additional income-generating activities or reduce flexible expense line items.

### What are effective entity budget monitoring practices?

- ◆ The Fiscal Manager prepares accurate and timely budget-to-actual reports of income and expense by program and provide the reports to Program Managers and the Tribal Administrator on a monthly basis (at least).
- ◆ Program Managers review their budget-to-actual reports and adjust their plans to keep the numbers on track for balancing at the end of the program year on a monthly basis (at least).
  - ◆ The Tribal Administrator reviews budget-to-actual reports for programs and the overall entity and reports any significant differences which might require a budget modification to the Board/Council for review/approval.

## Resources

- ◆ **Community Toolbox from the Center for Community Health and Development at the University of Kansas** <https://ctb.ku.edu/en/table-of-contents/finances/managing-finances/annual-budget/main>
- ◆ **OVC Training and Technical Assistance Center (OVC TTAC)** <https://www.ovcttac.gov/views/TrainingMaterials/NVAA/EMS/dspFinancialMgmt.cfm>



The **OVC Tribal Financial Management Center (OVC TFMC)** provides **training, technical assistance, and resources** to support American Indian and Alaska Native communities as they successfully manage the financial aspects of their federal awards. OVC TFMC also offers support via our Virtual Support Center (VSC) to Office for Victims of Crime (OVC) grantees and those seeking federal funding from OVC for the first time. **Email questions or requests for grant financial management technical assistance to [TFMC@OVCTFMC.org](mailto:TFMC@OVCTFMC.org)** or call **703.462.6900**. Visit [OVCTFMC.org](http://OVCTFMC.org) for additional resources and information.

## Feedback Requested

OVC TFMC will continually work to provide resources to support grantees as they successfully manage their OVC financial awards. Your feedback assists us in creating these resources to meet your needs. To help us provide the most useful resources, we would appreciate your feedback on this guide sheet. Please send any comments or suggestions to [Evaluation@OVCTFMC.org](mailto:Evaluation@OVCTFMC.org).

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