# 5 Keys to Creating a Balanced Budget

#### A BRIEF GUIDE TO DEVELOPING SOUND BUDGETING TECHNIQUES AND FISCAL SUSTAINABILITY

#### **DEVELOPED BY:**



### It's Not Rocket Science...Just Budgeting

The Road Map to Balanced Budget:

- Accurate Revenue Projections
- Fixed vs. Variable Cost Analysis
- The *Real* Cost of Employees
- Expenditure Allocations
- Thinking Outside the Fiscal Year

Ocene zgodności prętów za j procesu ich produkcji z wymagaja i procesu ich produkcji z wymagaja j procesu indinicj normy produku mi odpowiednicj zwykle wykowataka mi odpowne produka wej (hutniczej) zwykle wykonuje wykonuje tie z systemem  $1 + (w_0)$ zgodnie z systemem 1+ (wg norm)

 Rys. 2| Histogramy przedstawiające z polskich hut w ramach zakład żebrowanych EPSTAL o średnicy a) R<sub>e</sub> – granica plastyczności (mini b) R<sub>m</sub> – wytrzymałość na rozciągan c) A<sub>at</sub> – wydłużenie przy maksymaln

9,5 10,5 11,5

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PN-EN 10080:2005), który wymaga od producenta prowadzenia wewnętrznej kontroli produkcji, wykonywania przez niego usupełniających badań protek podwarzych w sakładzie oraz wstępne badania wyrobów, i cję zakładu, ciągły nadzór or wyróżnia system 1+ od poz – badania sondażowe próbe nych w zakładzie, w obrow

B

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# Key #1 – Accurate Revenue Projections

#### BEFORE DEVELOPING ANY BUDGET IT'S PIVOTAL TO CALCULATE THE REVENUE YOU'LL HAVE TO WORK WITH

## You Can't Spend What You Don't Earn



- Accurate Enrollment Projections
  O Who Will be Attending?
- Your School's True ADAWhat Will You Actually Earn?
- Calculating Supplemental Revenue Sources
  - Special Ed, Lottery, Grants & Donations

## Key #2 – Determining Fixed vs. Variable Costs

IT'S IMPORTANT TO RECOGNIZE WHAT COSTS REMAIN THE SAME AND WHAT COSTS FLUCTUATE WITH ENROLLMENT CHANGES

### When Small, Low Fixed. When Big, Low Variable.

- Fixed Costs costs that remain the same regardless of enrollment
  - Lease Agreements
  - Administrative Staff
  - Vendor Contacts

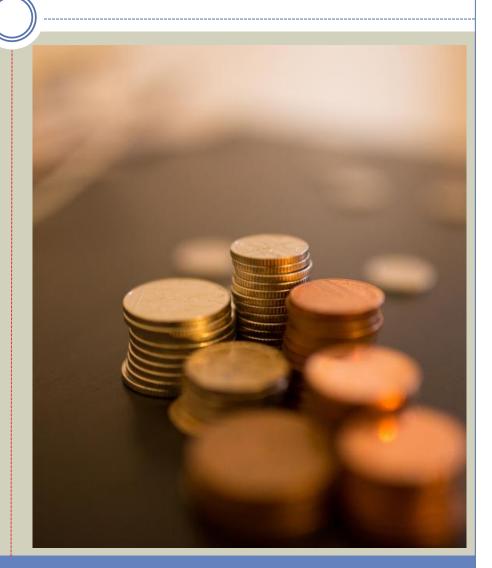
- Variable Costs costs that fluctuate with enrollment changes
  - Textbooks & Curriculum
  - Materials & Supplies
  - Instructional Staff

## Key #3 - The True Cost Of Your Employees

#### HERE'S A HINT: IT'S NOT JUST SALARIES

## **Employee Salaries...A Small Part of the Equation**

- Increasing Medical Premiums, Mandated
  STRS & PERS Rate Hikes and Raises have
  compounding effects on budgets
- Ancillary costs can add 30-40% to an employee's total compensation



# Key #4 – Correctly Allocating Funds

#### MATCHING ALLOWABLE EXPENDITURES WITH RESTRICTED REVENUE SOURCES ENSURES EVERY DOLLAR IS ACCOUNTED FOR

## Don't Lose It, By Not Using It



- Allocate Exact Expenditures To Correspond With Restricted Revenues
  - Are All Special Education Funds Being Spent
  - Were Supplemental & Concentration Grant Funds Allocated Towards Targeted Students

## Key #5 – Think Beyond The Current Year

#### IT'S CRITICAL TO UNDERSTAND HOW EACH FISCAL YEAR CONNECTS TO THE PREVIOUS AND SUBSEQUENT FISCAL YEARS

## Analyze the Fiscal Life Cycle of Your School

- Are Reserves & Cash On Hand from last year sufficient to begin this year?
- Are you deficit spending? If so, can it be avoided?
  - Should raises be delayed?
  - Can new equipment wait until next year?





- Our Experience...
  - Delivered solutions for over 50 charter schools, ranging in size from 30 to 1,800 students
  - Site-Based, Independent Study, Virtual & Blended Programs
- Customized Service Offering to Match Your Needs
  - Just as there is no "one-size fits all" blueprint for educating students, we believe the same holds true for high-quality back office services
  - We want to provide you only what you need, not charge you for what you don't

## **Contact Us Today**

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### Contact Us Today For A Free Budget Analysis Report!

