Budgeting 101
Society Finance Committee
Table of Contents

Treasurer Required Paperwork
Budgets, Banking, and Financial Policy
Finance Resources
SWE Budgets, Banking, and Financial Policy
Yes to all!

Even collegiate sections where their university/college holds the funds. They need to be aware of how much they have in the account so all reimbursement requests are filled.
Budgets and Ledgers

Importance of a budget
- Keep track of your funds to reduce over- or under-spending
- Solicit specific event sponsorships instead of generic donations
- Easier to evaluate ability to support events, scholarship, etc.

Types of SWE budgets
- Yearly Section/Region/MAL budget (expected)
- Event Budgets
  - Required for Program Development Grants (PDGs)
  - Recommended for any large event, e.g. conference

Not having a plan is a plan to fail
Budget vs. Ledger

Ledger
- Like a check book
- Recording of all debits and credits
- Shows actual balance of an account

Budget
- What you plan on spending
- Summary of all proposed income and expenses.
- Groups transactions into categories
- Typically made early (before the fiscal year begins)

Ledgers help you manage your budget
- Ledgers (or records/journals) track your income and expenses
- Should be used to create the “actual Year-To-Date” column of your budget
Budgets: Income and Expense Examples

Income Sources
- Dues Rebates
- Fundraising (T-Shirt Sales, Baked Goods, etc)
- Restaurant Sponsored Fundraising Dinner Nights (You can typically get a certain percentage of their sales for a night, i.e. Chipotle)
- Program Development Grants (PPGs)
- Corporate Sponsorship and Donations
- Event Registration Fees
- Interest or annual payout on any accounts you have

Expenses
- Admin. costs: storage, postage, website fees, financial service fees
- Event costs: room locations, speaker fees, etc.
- Event supplies, food, paper products
- Scholarships/Awards
- Travel costs

Visit: https://swe.org/support-swe/program-development-grants/
We’ll discuss more about reserves/overages on slide 10.
Building Your (Better) Budget

Each year should be an improvement from the year before

Try to budget categories that parallel Section Finance Report Requirements

Analyze last year’s spending
  • What do you expect to cost more? Less?
    - Be sure to take into account inflation or annual increases for items
  • Will any events be started or ended?
  • Is your membership growing or shrinking?
  • Can you use the same funding sources, or will you be looking for new ones?

Update your existing budget as appropriate
Having some money in reserves means it is ok to spend more than you make in a given year. Be careful of keeping a bit reserve though -- SWE is a nonprofit, so sections are encouraged to spend large reserves to meet Society goals. There are many women, young and experiences alike, in need of encouragement toward the study and pursuit of careers in Science, Engineering, Math and Technology!
NEW: SWE Budget Template

SWE had created an excel budget template that can be modified and used for your SWE section/affiliate/MALs

Important to Consider

• You will still need to modify to fit your group
• Minimize overhead expenditures (Administrative)
• Excel formulas can be easily deleted, so be careful!

A budget is only as good as your ledger or record of expenses

• Will need to reconcile your income and expenses in a timely manner by comparing to your bank statements and reimbursements
Treasurer Required Paperwork
The first sheet available in the template should be used to “build” your budget based off of the previous fiscal year’s (PFY) actual spending. Comparing budgeted amounts to actuals from receipts allows you to have a better financial understanding for your SWE group and to plan for the Current Fiscal Year (CFY).

https://swe.org/about-swe/governance/committees/finance-committee/
Finance Committee > Finance Templates and Forms > Sample Budget and Account Ledger
While a budget is important, understanding current spending is even more important. "Actuals" are the amount received or spent year-to-date that can be compared with the budgeted amount.

If your actuals and budget are not similar at the end of year, update the budget for next year.

This template can be found under "Finance Templates" on the Finance Committee web page at swc.org.

<table>
<thead>
<tr>
<th></th>
<th>FY12 Budget</th>
<th>FY12 Actuals</th>
<th>Budget: Actual Diff</th>
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</thead>
<tbody>
<tr>
<td>SEQUENCE NUMBERS (2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INCOME (2)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Patent Fees</td>
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<td>$0</td>
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</tr>
<tr>
<td>Corporate Donations</td>
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<td>$600</td>
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<tr>
<td>External Consultancy Services</td>
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<tr>
<td>Other Income/Expenses</td>
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<tr>
<td>Legal &amp; Professional Services</td>
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<td>$600</td>
</tr>
<tr>
<td>Meetings</td>
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</tr>
<tr>
<td>Audit</td>
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<td>$600</td>
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<tr>
<td>Other Expenses</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total Expenses</td>
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<td>$600</td>
</tr>
<tr>
<td>Net Income</td>
<td>$0</td>
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<tr>
<td>Net Income (2)</td>
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<td>$0</td>
</tr>
<tr>
<td>Actual % of Budgeted</td>
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<td></td>
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</tr>
<tr>
<td>TOTAL EXPENSE (2)</td>
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</tr>
<tr>
<td>G&amp;A budget</td>
<td>$0</td>
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<td>$600</td>
</tr>
<tr>
<td>TOTAL EXPENSE</td>
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<td>$600</td>
<td>$600</td>
</tr>
<tr>
<td>Actual % of Budgeted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENSE</td>
<td>$0</td>
<td>$600</td>
<td>$600</td>
</tr>
<tr>
<td>Actual % of Budgeted</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>TOTAL EXPENSE</td>
<td>$0</td>
<td>$600</td>
<td>$600</td>
</tr>
<tr>
<td>Actual % of Budgeted</td>
<td></td>
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</tbody>
</table>
https://swe.org/about-swe/governance/committees/finance-committee/
Finance Committee > Finance Templates and Forms > Sample Budget and Account Ledger
## Report Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Total FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>Last month's payroll and government holiday pay.</td>
<td>$1,576</td>
</tr>
<tr>
<td>Benefits</td>
<td>Benefits added to the payroll, taxes, and health insurance deductions.</td>
<td>$3,957</td>
</tr>
<tr>
<td>Contributions to Benefits</td>
<td>Total contributions received from membership, subscriptions, and donations.</td>
<td>$3,825</td>
</tr>
<tr>
<td>Donations</td>
<td>Total amount donated to other organizations, such as educational programs.</td>
<td>$1,000</td>
</tr>
<tr>
<td>Other Income</td>
<td>Total amount received from other sources, including investments and donations.</td>
<td>$2,000</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>Total amount received from all sources.</td>
<td>$10,550</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>Total amount spent on all expenses.</td>
<td>$8,525</td>
</tr>
<tr>
<td>Total Profit</td>
<td>Total revenue minus total expenses.</td>
<td>$2,025</td>
</tr>
</tbody>
</table>

Using the ledger and categories from the CFY Journal (Ledger), the Journal report summary will tabulate that values needed to fill out the SWE annual Finance report.

https://swe.org/about-swe/governance/committees/finance-committee/
Finance Committee > Finance Templates and Forms > Sample Budget and Account Ledger
Finance Resources
Section Financial Policy

Section leadership should review their financial policy and set expectations at the beginning of every year.

This can include:
- A set reimbursement process
- How event fees will be collected
- A limit on spending above the budget amount (example 10% before approval needed)
- Approval of ‘Special Event’ budgets before contracts can be signed or other commitments made
- For more tips, reference page 3 of the SWE Financial Manual

You can utilize online forms to send reimbursement requests directly to a spreadsheet for easy tracking and record keeping.

The screenshots in this example are from the Chicago Regional section. You can create something similar for your section using Google Forms or Air Table.
For Excess Fund Management Training: https://swe.org/about-swe/governance/committees/finance-committee/Training > Recorded Training > Excess Cash and Fund management
Example of an invoice from the Chicago Section. These are most often used when soliciting corporate donations.