

Digital Design
Haskin
FBLA Lesson:
BAA Activity 11: Creating a Budget?

Creating a budget is a 2 step process. For this activity, we will focus on step one. For step one, use the numbers from the board considering estimated income and then calculate estimated expenditures. You may add in possible fundraisers or donations to help create the budget. Please use MS Word to complete your proposed budget. If you are an officer, please include your title with your name. ***Additional information has been provided below to remind you of the importance of budgets and our treasurer.***

A budget is necessary in the operation of an FBLA chapter. It is prepared by the Treasurer at the beginning of the year and adopted by the officer team (who should assist in the preparation process). A budget is a plan by which the chapter will earn and spend its money throughout the year. This is necessary to avoid impulse spending. With a budget, everything is planned in advance. Also, when you present an up-to-date budget showing the amount spent or received to date, the team can decide in which areas they should cut spending, increase spending, increase revenue, etc. All in all, a chapter NEEDS a budget.

There are two different areas on a budget, the income and the expenses (see Appendix A for a sample budget). In the income area, there are three columns: the "Budgeted" column, the "Received to Date" column, and the "Account Balance" column. Then, in the expense area, there are three columns as well. There's the "Budgeted" column, the "Spent to Date" column, and the "Account Balance" column.

The budgeted column of income addresses the amount of money that your chapter expects to take in during the year. As an example, let's take dues. You might expect to take in \$440.00 for 40 members at \$11.00 each. If you're considering the budgeted column of the expenses for the dues for the example just given, you will put in \$440.00 (40 members @ \$6.00 each for national dues and \$5.00 each for state dues).

"Received to Date" is the amount of money that you have taken in up to the point that you created the report. For example, if you expect to receive \$440.00 for dues during the year and on November 24 you have taken in \$264.00 of that money, then that would be the amount that you have "Received to Date". In the "Spend to Date" column for the dues example, you will have \$264.00 that was sent in (\$6.00 each for national dues and \$5.00 each for state dues).

The final column is the account balance column. For this, the amount in the "Received to Date" or "Spent to Date" column is subtracted from the "Budgeted" column to tell you how much more you need to receive or have available to spend. For example, on November 24, you have received \$264.00 of the \$440.00 you expected to take in for dues. This means that the account balance will be \$176.00 ($\$440.00 - \$264.00 = \176.00).



BRYCE BARWICK (PRESIDENT)
DIGITAL DESIGN
THOMAS COUNTY CENTRAL HS
FUTURE BUSINESS LEADERS OF AMERICA
PROSPECTIVE BUDGET ASSIGNMENT

Bryce Barwick

100/100

Great job of completing the proposed budget. So good that we are considering implementing some of your ideas! Remember that all of your FBLA activities will be averaged together for one project grade this 9 weeks.

Estimated Income:

- NLC Stipend: 7 competitors @ \$150 = \$1050
- Membership Dues and Fees: 80 members @ \$25 each = \$2000
- Fundraising Projects (Krispy Kreme) = \$2000
- Contributions from members and businesses = \$10,000
- NLC Board Donation (if members qualify) = \$1,000 per competitor

Total Estimated Receipts: \$15,050

Estimated Expenditures: (itemized expenses attached)

Membership: 80 members @ \$11 = \$880.00

National Dues: 80 @ \$6 = \$480.00

State Dues: 80 @ \$5 = \$400.00

Executive Committee

- State Fall Leadership Conference: 5 officers @ \$70 = \$350
- District/Regional Conference: 60 members @ \$20 = \$1,200
- State Leadership Conference: 40 members @ \$200 (hotel/registration) = \$8,000
- National Leadership Conference: \$1,000 per competitor

Total Estimated Expenditures: \$9,550

Balance at Beginning of Year: \$15,050

Total Receipts: \$10,000

Less Total Expenditures: \$10,000

Estimated Balance at End of Year: \$5,000 to be used towards nationals expenditures