FSL FLASH Guide: How to Design a Budget

Designing a budget for your council is essential for maintaining financial stability, ensuring resources are allocated effectively, and planning for both short-term and long-term goals. A well-organized budget provides transparency, helps prioritize spending, and fosters accountability among members. Your constitution may have certain parameters as to what is needed to be shared with general members and chapters, what is voted on, etc. so be sure to check on that!

1. Set Financial Goals

- **Short-Term Goals**: Focus on current needs such as event planning, dues collection, and operational costs.
- **Long-Term Goals**: Consider long-term initiatives like building a reserve fund, improving or creating scholarships, or funding philanthropy efforts.

2. Identify Sources of Income

- **Chapter Dues**: The most common source of income. Establish a reasonable amount that members will pay per quarter. In our FSL councils, this has traditionally been between $5-$7.
- **Fundraising**: Plan events or campaigns to raise additional funds, such as charity events, auctions, or donation drives. Be sure to check out the OSI Directives and University policies to ensure there are no violations with these events.
- **Alumni Contributions**: Seek donations or pledges from alumni, which could be used for specific projects or long-term initiatives.
- **Sponsorships/Partnerships**: If applicable, collaborate with local businesses or organizations for sponsorships.

3. List and Categorize Expenses

Organize expenses into broad categories, ensuring all possible costs are covered:

- **Fixed Costs**: Expenses that occur regularly and do not fluctuate (e.g., national dues, insurance).
- **Variable Costs**: Costs that may change depending on the season, event, or activities (e.g., social events, retreats, recruitment costs).
- **Event Expenses**: Budget for specific events such as philanthropy activities, social gatherings, and formal events.
- **Leadership Development**: Costs associated with training, workshops, or attending conferences.
- **Philanthropy and Community Service**: Allocate funds for charity events, community service projects, or donations.
- **Miscellaneous**: Any unforeseen or irregular costs (e.g., fines, emergency repairs).

4. Estimate and Allocate Funds

- **Estimate Expenses**: Calculate the expected costs for each category. Use historical data or previous budgets as a guide.

- **Allocate Funds**: Determine how much of your income will go toward each category. Ensure essential expenses like dues, programs, and philanthropy are prioritized.
- **Create an Emergency Fund**: Set aside a small percentage of the budget for unexpected costs, like repairs or additional event expenses.

5. Track and Monitor Spending

- **Use Budgeting Tools**: Utilize spreadsheets, financial software, or online budgeting tools to track income and expenses.
- **Set Spending Limits**: Establish spending thresholds for each category and stick to them to avoid overspending.
- **Regular Review**: Conduct monthly or quarterly budget reviews to ensure spending is on track. Adjust allocations if needed. Should be led by the Council Treasurer and reported out to the Executive Board and or General members.

6. Create Transparency and Accountability

- **Involve Council/Chapter Leadership**: Include officers or committee members in the budgeting process for input and approval.
- **Share the Budget**: Make the budget accessible to all council members or chapter leadership to promote transparency and foster accountability.