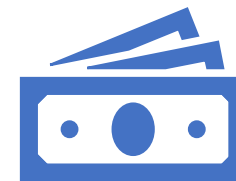
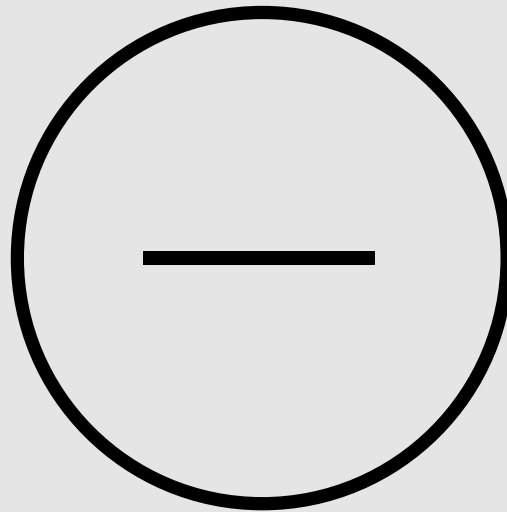
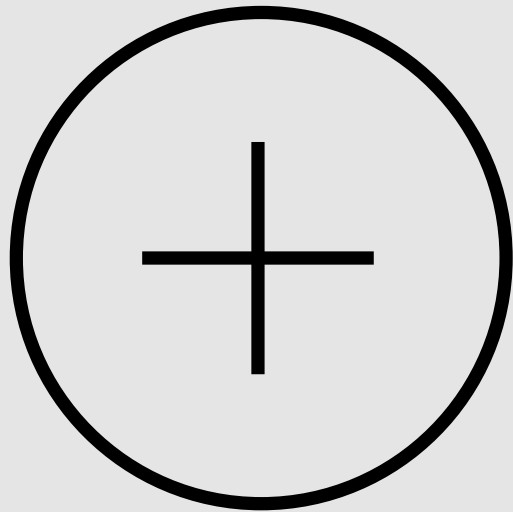


The Council Budget

What is it? How is it developed? Council member and Council staff responsibilities



What is a budget?



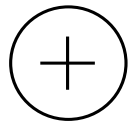
- A budget is a spending plan for a certain length of time.
- DD Councils use budgets to track and plan how they spend their money each year to reach their goals and objectives.
- Budgets track and plan
 - Money in (income)
 - Money out (expenses)

A blue pen with a silver tip is positioned diagonally on the left side of the image. The background is a document with a grid and a bar chart. The bars in the chart are blue and increase in height from left to right. The overall image has a blue tint.

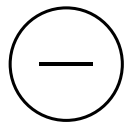
Creating a budget

Words to know, fiscal year, income, expenses, and requirements

Words to know



Income means money coming in.



Expense means money the Council spends to buy services, pay staff, fund projects and activities, pay rent, travel, and other costs.

Allocate means money the Council plans to spend.

Fiscal Year or Calendar Year?



- Calendar year:
 - January 1 through December 31
- Fiscal Year = Budget Year
- State Fiscal Year:
 - July 1 through June 30
- Federal Fiscal Year
 - October 1 – September 30
- Council budgets and reporting are based on the Federal Fiscal Year because the Council receives federal funds.

Income – money coming in

- Each State/Territory DD Council receives federal money from the Department of Health and Human Services, Administration for Community Living through a basic state grant award.

Allotments are based on:

- The total population of the State/Territory
- The need for services for people with developmental disabilities
- Financial need of the State/Territory

Expenses – money the Council spends

- State plan activities
 - Paying for work to accomplish five-year goals and objectives
 - Examples: Staff time on state plan activities, sub-grantees, contractors, services to do state plan work.
- Operating costs (administrative)
 - Things that keep the Council and office going
 - Examples: Council and committee meetings costs, staff time to support Council and committee meetings, staff time to fill out federal reports, track the budget and do paperwork, training for Council members and staff, travel costs for Council members and staff

DD Act

70/30 rule

FOR EACH YEAR

- At least 70% of the Council's federal funds must be used to do State plan activities.
- No more than 30% of the Council's federal funds can be spent on operating or administrative costs.

Creating a budget – who does what?

Council Members

Consider the following:

- What activities or projects will the Council fund for the year?
- Are the activities and projects in line with the State plan?
- Are the activities and projects consistent with the mission of the Council?
- Determine how much money will be spent to fund activities and projects.

Council Staff

- The Executive Director and fiscal staff prepare the budget for Council review and approval.

Approving the annual budget



- The Council members must approve an annual budget.
- The total amount of the state grant award should be budgeted each year.

Council staff responsibilities for the approved budget

- Make sure expenses are in line with the approved budget
- Make sure expenses meet State and Federal rules as allowable costs.
- Develop and report budget information to the Council.

Council member responsibilities for an approved budget

Receive reports about the budget from Council staff.

Questions to consider when receiving budget reports:

Are the expenses in line with the budget?

Are current expenses supported by our budget? If not, why?

Do we have a way for Council staff to tell us about budget concerns?



Responsibilities continued – staff and members

- Know about budget and project periods.
 - Budget period: Amount of time you can promise money to someone.
 - Project period: Amount of time someone can do state plan activity work.
- Know where you stand on making promises to pay for state plan work (this is called obligation).

Additional Resources

- The Financial Information and Financial Operations pages on the www.itacchelp.org website has several financial related resources to further your understanding.
 - The Financial Guide for Council is updated annually and is a key document.
 - Basic Fiscal education will be available through three online courses beginning August 2022.

Information

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