



Series: Board Governance
COA: GOV 6, 7;
FIN 1, 2, 3, 5; RPM
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CFOP:

Policy Name:
Policy Number: Budget
Revision #/Date: GOV-207
Effective Date: (1)/ 1/23/09
Applicable to: 10/01/04
Board of Directors and All CBCB Staff

SUBJECT: Budget

PURPOSE: To establish and maintain a budget whereby CBCB's financial accountability and viability are achieved through the application of sound financial management practices that accord with legal and regulatory requirements.

POLICY:

References

CBCB Policies/Procedures: GOV-202, GOV-203, FM-201

OMB Circular A-122

State of Florida, Department of Children & Families Expenditure Guidelines for Community Based Care Organizations

Definitions

Roll Forward Funds: State of Florida general revenue remaining at the end of a given fiscal year in excess of expenditures for that operating year. The State of Florida allows these surplus funds to be "rolled forward" to the new operating fiscal year to be used to pay for current expenditures of the community based care organization.

Scope

Responsibility for the preparation and daily management of CBCB's budget is delegated to the Chief Financial Officer (CFO) under the direction of the Chief Executive Officer (CEO) by the Board of Directors (Board). The CFO will establish and maintain written procedures for budgeting activities consistent with this policy. Until further notice, the Board will serve as the Finance Committee for CBCB.

Budget Preparation

The CFO will coordinate the preparation of an annual financial budget for each fiscal year in order to provide the ability to manage financing requirements and resources. The annual budget will provide the basis for performance evaluation and to render the ability to take corrective action in the event actual revenue and/or expense does not match budgeted revenue and/or expense. The following criteria will be considered when drafting the annual budget:

1. The program priorities of CBCB in relation to the Board Mission Statement as well as the obligations of CBCB under the State of Florida, Department of Children & Families contract.
2. Anticipated funding and their corresponding restrictions.
3. Allowability of costs in relation to guidelines set by the State of Florida, Department of Children & Families and OMB Circulars.
4. Direct and indirect costs to operate various programs will be analyzed through prior year actual trends.
5. The potential for changing costs and conditions are researched and are projected in the budget.
6. Trends are reviewed in order to forecast and budget for future contracts, billing and fee changes.

Budget Approval

The annual budget will be prepared and submitted to the full Board for final approval by the CFO. The approval process is completed annually, prior to the beginning of the new fiscal year.

The budget submitted to the Board for approval will be formatted to contain at a minimum a variance analysis of the prior fiscal year budget line items to the newly proposed fiscal year budget line items.

Budget Monitoring & Revision

Once the annual budget is approved, it is to be monitored on a monthly basis by the senior management team of CBCB. Monthly, the budget versus actual revenue and expense activity will be reported to the Board by the CFO in the form of a consolidated financial statement of activities. A statement of financial position will also be available for Board review; at a minimum it will be reported to the Board on an annual basis.

The CFO, under the direction of the CEO, may revise/reallocate budget line items in the Board approved annual budget to further enhance service delivery or meet individual budget line deficits during the fiscal year.

Mid-fiscal year budget projections will be calculated in attempt to forecast whether actual revenues will meet actual expenditures. Any deficiencies will be reported to the Board as soon as possible.

Board approval will be necessary if total actual expenditures identified in the budget are to exceed the approved annual budget by \$50,000 or more. Likewise, Board approval will be necessary if

Community Based Care of Brevard, Inc. Policy and Procedure Manual

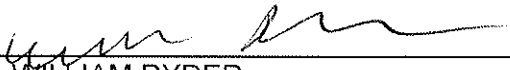
total actual revenues identified in the budget are to be less than the approved annual budget by \$50,000 or more. When such a revision to the budget is necessary, the CEO and/or their designee will present to the Board alternative solutions to the deficiencies needing to be corrected.

Use of Roll Forward Funds

The Board will authorize the CEO to use at their discretion any accrued roll forward funds remaining after the end of any given fiscal year to enhance the system of care, meet any projected budget line item deficits, etc. throughout any given fiscal year. The Board will be kept apprised of the use of such funds by the CEO in the Board Report.

The use of roll forward funds will also have to meet requirements set by the State of Florida, Department of Children and Families.

BY DIRECTION OF THE BOARD OF DIRECTORS:



MR. WILLIAM RYDER
Chair

Signature Date: 3/26/09

AS APPROVED BY THE CHIEF EXECUTIVE OFFICER:



DR. PATRICIA NELLIUS-GUTHRIE
Chief Executive Officer

Signature Date: 3/26/09