

## PROCEDURE

---

<b>Series:</b>	<b>Fiscal Management</b>	<b>COA: FIN 1, 2, 5</b>
		<b>CFOP:</b>
<b>Procedure Name:</b>	Budget Forecasting	
<b>Procedure Number:</b>	FM201	
<b>Reviewed Date:</b>	2/22/13, 10/22/15, 3/29/2023	
<b>Revision #/Date:</b>	08/11/14, 9/2/14, 08/11/2020, 3/29/2023	
<b>Effective Date:</b>	1/1/09	
<b>Applicable to:</b>	All BFP, CARES and NCFIE Staff	

---

SUBJECT: Budget Forecasting

PURPOSE: To establish a budget forecasting system whereby the agencies program and service delivery will be funded appropriately and viability of such services will be assured throughout the operating fiscal year.

PROCEDURE:

### References

Policies/Procedures: GOV-202, GOV-203, GOV-207, FM202  
OMB Circular A-122  
State of Florida, Department of Children & Families Expenditure Guidelines for Community Based Care Organizations  
Budget Projection Tool  
Budget Reallocation Form

### Scope

Responsibility for the monitoring and daily management of the agencies budget line items may be delegated to various Supervisors, Managers, Directors, and Senior Directors under the direction of the Vice President and Chief Operations Officer and the President and Chief Executive Officer. Each responsible party will be tasked with maintaining their assigned budget line items and reporting deficiencies and subsequent solutions to the President and Chief Executive Officer on a routine basis. Monthly the Leadership Team will review and discuss significant agency budget variances and determine what action needs to be taken and by whom, if any.

### Budget Monitoring and Correction

Monthly, the budget versus actual revenue and expense activity will be reported by the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer to responsible budget parties in the form of a consolidated Financial Statement of Activities and/or monthly Department Expenditure Reports. Under normal operations, this budget presentation will take place during the monthly Board Finance Committee meeting.

Staff will be accountable to manage and operate within their budgets throughout the year. When a monthly deficit is reported in the “MTD Variance” in excess of 10% of the “Monthly Budget” as reported in the Monthly Department Expenditure Report, the responsible budget party will analyze the variance and provide a report to the President and Chief Executive Officer. When the deficit is the result of an external factor, review and discussion between the affected parties and the occurs.

Please Note:

- The Budget Projection Tool may be saved as an individual document to be used by the responsible budget party to formulate various budget projections.
- Any budget revisions that result in the total expenditures to be in excess of the Board approved budget by \$250,000. or more, or if total actual expenditures are more than total revenue will require the President and Chief Executive Officer or designee(s) to draft proposed solutions to be presented to the BFP Governance Board of Directors as outlined in GOV-207, Budget.

### **Mid-Year Budget Forecasting**

[1] After the closure of each of the December’s financial statements, mid-year budget forecasting will be initiated by the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer. The Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer will use the Budget Projection Tool to calculate these projections.

[2] If a deficit is determined for any line item, the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer will notify the senior executive team, including the President and Chief Executive Officer. The responsible budget party will be notified by their respective supervisors that a budget revision must take place. The responsible budget party will prepare their budget line-item revisions as follows:

- The line-item projected deficit must be addressed.
- The potential for changing costs, client service populations and other conditions are researched and are included in the budget revision.
- Each budget line-item revision is reported as outlined in procedure FM202, Budget Revision Instructions.
- Before the Budget Reallocation Form is submitted to the Finance Department, the responsible budget party must have submitted their work to their respective Officer President and Chief Executive Officer, the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer, for review and approval. The Budget Reallocation Form may also be required to be reviewed and approved by the President and Chief Executive Officer, at their discretion.
- Any budget reallocation must take in consideration prior budget corrections submitted prior to mid-year forecasting.

[3] All reviewed and approved Budget Reallocation Forms will be accumulated by the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer for analysis.

The completed and consolidated mid-year analysis will be forwarded by the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer to the President and Chief Executive Officer for final review and approval. Once the mid-year projections are finalized, the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer will make the corresponding line-item budget reallocations. If surplus funds remain, the President and Chief Executive Officer and their designee(s) will draft a spend-down budget as appropriate. If the mid-year projections forecast of total expenditures are in excess of the BFP Governance Board approved budget by \$250,000 or if the actual expenditures are more than the total revenue, the President and Chief Executive Officer and/or their designee(s) will draft proposed solutions to be presented to the BFP Governance Board of Directors as outlined in GOV-207 Budget.

[4] Mid-year budget reallocations will be reported to the BFP Governance Board as soon as possible.

### **Funding Forecast**

In addition to forecasting expenditure line items, funding trends are also forecasted. This is essential to identify any deficits in the various financial resources that fund the budget.

Any projected funding deficits will need to be reconciled with the BFP Governance Board approved budget. BFP Governance Board approval is necessary if total actual expenditures identified in the budget are to exceed the approved annual budget more than \$250,000. Likewise, BFP Governance Board approval will be necessary if total actual expenditures are more than total revenue. When such a revision to the budget is necessary, the President and Chief Executive Office and/or their designee will present to the BFP Governance Board alternative solutions to the deficiencies needing to be corrected.

Any projected funding deficits will need to be reconciled with the BFP Governance Board approved budget.

Any projected funding deficits will need to be addressed with the respective Funder, especially the State of Florida, Department of Children and Families. Corresponding Funder reporting forms will be completed as applicable by the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer.

### **Forecast Monitoring**

Both the budget expenditures and funding mid-year forecasts will be monitored monthly by the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer. The Budget Projection Tool will be used to monitor the prepared forecasts. Any negative trend identified will be brought to the attention of the President and Chief Executive Officer and other applicable Officer(s) by the Chief Financial Officer or designee appointed by the President and Chief Executive Officer in the absence of the Chief Financial Officer as soon as possible.



For budget expenditure line items, further corrective action will be determined by the responsible budget party and reported as outlined in the Mid-Year Budget Forecasting, sections [2] and [3]. For funding items, further corrective action will be determined by the President and Chief Executive Officer and their designee.

BY DIRECTION OF THE PRESIDENT AND  
CHIEF EXECUTIVE OFFICER:

A handwritten signature in blue ink that reads "Philip J. ScarPELLI".

---

PHILIP J. SCARPELLI  
President Chief Executive Officer  
Brevard Family Partnership / Family of Agencies

APPROVAL DATE: 3/31/2023