

## How to Create a Budget

1. The first step we recommend in creating a budget for your neighborhood association is to have an annual planning session with your association. This will give the board the opportunity to discuss what the group wants to accomplish for the year, identify what income-earning projects the association might want to pursue and identify what the association may spend money on during the upcoming year. With good planning, a simple budget can be created for the entire year.
  2. Gather every financial statement you can. This includes bank statements, investment accounts, recent utility bills and any other information regarding a source of income or expense. The more information you can dig up the better.
  3. Record all of your sources of income. This includes any fundraisers you do throughout the year and the communications funds your association receives from SE Uplift. Breakdown this total income into a monthly amount.
  4. Write down a list of all the expected expenses you plan on incurring over the course of the year. Create a list of monthly expenses.
  5. Total the association's monthly income and monthly expenses. If your end result shows more income than expenses you are off to a good start. This means you can prioritize this excess to areas of your budget such as association retreats or other events. If you are showing a higher expense column than income it means some changes will have to be made.
  6. Make adjustments to expenses. If you have accurately identified and listed all of your expenses the ultimate goal is to have your income and expense columns be equal. This means all of your income is accounted and budgeted for a specific expense.
  7. Review your budget monthly. It is important to review your budget on a regular basis to make sure you are staying on track. After the first month, take a minute to sit down and compare the actual expenses versus allotted expenses in the budget. This will show you where you did well and where you may need to improve.
-