**Prepare Proposed Executive Council Budget**

Budgeting is one area of operations in which you will spend a substantial amount of time and energy. This is also an area from which you will gain a great amount of practical knowledge that you will utilize a lot in the years ahead.

To begin with, a budget provides a simple view of the amount of money that you estimate you will be receiving, as compared with the amount of money that you will be paying out.

**Building A Budget:**

**STEP 1**

The first step is to approximately determine how much money you will receive from members during the time period (total receivables) for which you are budgeting.

* Calculate how many dues-paying members are on the chapter roster and multiply that number by the cost of dues per person.
  + Your chapter may utilize some sort of graduated dues structure in which live-out members pay different amounts than those that live in the chapter house, so take those guidelines into consideration here.
* Include all fees that are due to the International Headquarters by your members, including upcoming Pledging Fees, Initiation Fees, Per Capita Dues, and your insurance payment.

**STEP 2**

The next step is to write down every individual item that requires payment (total payables) from the chapter.

* Instruct your Treasurer to review all the accounts payable and his check register and document all expenses during the same period last year.
* Once this list has been assembled you will be ready to start dividing up the total receivables, (which you determined in Step 1) across each area of payments due, always making sure that the total payables do not exceed total receivables.

**STEP 3**

Now comes the part of budgeting when we rely on speculation a bit. You must now anticipate any changes that might occur from last year and make the necessary adjustments.

* For example, prices might rise for food; utilities might be higher this year than last; or you may spend less on officer transition since last year’s officers all bought new binders
* Remember, a budget should be kept as accurate as possible, realizing that you will have to adjust it as the time period passes.
* Remember the main point of a budget – you cannot spend more than you receive!