Budgeting

**Purpose of the policy**

To establish a process for producing annual operating and capital budgets.

**Definitions**

**Operating budget:**sets out the income and expenses the co-op expects for its operation in the coming year.

**Capital budget:** sets out the cost of purchases or renovations which:

* involve items with a useful life of more than one year, and
* are not paid for entirely from the income of one operating year.

**Policy**

* 1. The finance committee in consultation with the maintenance committee/co-ordinator and the other committeeswill prepare draft annual operating and capital budgets for approval by the membership.
  2. The operating budget will include any proposed housing charge changes.
  3. The members will approve the operating and capital budgets at a general meeting one month prior to the fiscal year end.
  4. The finance committee will report mid-year to each committee and the board on actual costs   
      compared to the budget. (2007-9-18)
  5. Create a subsidy surplus pool of $4000 (from operating surplus) (2008-4-15)

**Procedures needed to carry out this policy**

* 1. Annual finance calendar.
  2. Budget worksheets.
  3. Current replacement reserve plan and budget.
  4. Capital planning tool in Excel
  5. Mid-year report procedure