

1. Purpose

- 1.1 The purpose of this Budget Policy is to clarify and standardize the procedures to be followed in developing the annual operating budget of the North Central Texas Trauma Regional Advisory Council (NCTTRAC) for the coming fiscal year.
- 1.2 An operating budget is a financial document of intended expenditures that provides a detailed operating plan expressing purpose, programs and activities and an estimate of the cost of implementing them related to available revenue.
- 1.3 Some of the more tangible values of a properly prepared budget are as follows:
 - 1.3.1 The Board of Directors (Board) has the opportunity to evaluate the adequacy of each contractual program and to establish the priorities and level of service to be rendered.
 - 1.3.2 The budget gives staff an opportunity to explain its management program in carrying out the policies of the Board.
 - 1.3.3 During the preparation of the budget, the Comptroller has an opportunity to review organizational methods and procedures, to recommend improvements, and to become aware of problems requiring further study.
 - 1.3.4 The budget provides an opportunity to justify program operations, or propose changes in service, and to recommend revisions in organization and methods.
 - 1.3.5 The budget is a plan that requires annual review and reflects improvements in operating procedures.

2. Operating Budget Policy

- 2.1 All contractual programs contained in the NCTTRAC Annual Operating Budget are required to balance. As such, total anticipated contract revenue must equal the sum of budgeted expenditures for each contract in order for the budget to be considered balanced.
- 2.2 Revenues from sources other than contractual programs (i.e., membership dues, fees and interest) will be included in the unrestricted organizational budget and will not be included in contractual program budgets.
- 2.3 Program income is defined as gross income directly generated through a project or activity under a specific contract or as a result of a specific contract. If program income is earned, it will be reported according to guidance specific to the contract under which it was earned.
- 2.4 Expenditures will be approved on the basis of specific, measurable activities developed by each Committee. Committees shall present detailed information on each planned activity, including, but not limited to how that activity meets NCTTRAC organizational priorities and the estimated costs associated with the activity.
- 2.5 Financial priority will be given to programs which meet the organizational priorities set by the Board in the most cost effective manner, with consideration given to all costs, including economic, fiscal and social.
- 2.6 The NCTTRAC Annual Operating Budget shall be adopted at the regularly scheduled Board Meeting in August of each year.

3. Fiscal Management

- 3.1 NCTTRAC recognizes the fiduciary responsibility to effectively manage and use its financial resources and is committed to effective resource management and accountability. Ongoing budget oversight is provided to ensure that resources and expenditures are occurring in general conformity with the approved budget.

- 3.2 Throughout the fiscal year, the Comptroller, Executive Director and Program Managers shall monitor and oversee operating funds ensuring that:
 - 3.2.1 Year-to-date resources and expenditures are occurring in a manner consistent with the budget plan;
 - 3.2.2 Resource shortfalls and expenditure overruns are identified and resolved quickly; and
 - 3.2.3 Deficit spending at the program level does not occur.
- 3.3 The Comptroller, Executive Director and Program Managers shall provide regular reports of financial position and activities at all scheduled Board and General Membership Meetings.