

LOVEJOY PTO BUDGET COMMITTEE GUIDELINES

The Budget Committee consists of the President, Treasurer, Ways & Means VP, and any other additional board member considered necessary. If adding board members, approval must be made by the board prior to any meetings.



The Budget Committee should meet at least twice a year or any time determined necessary.

Meaningful budget amendments are presented to the board and voted upon at Membership meetings and are intended to true up to actuals, add or remove budget lines, or move any funds between budget lines.

Budgets for the next fiscal year should be developed and approved by the last Membership meeting of the previous fiscal year (April/May). The Budget Committee should have plenty of time to meet and discuss the proposed budget before the final Membership meeting. As they discuss and develop the proposed yearly budget, the Budget Committee should:

- Look at prior years actuals (~ 2-3 years) for trends.
- Consider unusual items or activities that happened in prior years. (Those may not need to be considered for the new budget.)
- Be aware of any rate increases or decreases for recurring items (Ex: Membership Toolkit, insurance, MoneyMinder).
- Review Plan of Works to confirm that general details related to individual budget lines are included and correct. (The POW budget line does not need to be reported to the detailed level of the treasurer's report. For example, one budget line is acceptable for Programs. There does not need to be a budget line for each program.)
- New for 2026-2027 Remove donated credit card fees as an income line item. MTK credit card processing is a fee for doing "business" without having to accept checks or cash which are cumbersome and dated. All PTOs should be budgeting properly for the expense of 2.79% per membership as an expense item. (Standing Rules Section 12.F E-Commerce)
- Ensure that expenses are allocated appropriately. **The majority of a campus PTO's spend should be STUDENT ENRICHMENT: Programs and Student Activities.**

Additional items to consider:

- Income and Expense should be gross and balance (net zero budget). Do not net expenses against income on one budget line.
- Sales tax escrow can be net as those are not PTO funds. This is a liability and not income or expense and reported as a separate escrow/liability line. This is budgeted as zero since sales tax collections are submitted to the State of Texas.
- Income “**FUNDS THE BUDGET.**” The PTO only raises enough funds to cover the budgeted expenses and should not fundraise beyond that. (Ex: Turn off Leopard Drive once fundraising goals are met; Discuss parking auction limits if necessary, sell additional spiritwear options at cost.)
- If income goals are not met, consideration should be made to reduce expenses.
- For the ease of your treasurer and filing tax returns it is advised that your net budget be at or less than 50K.