

# BUDGET BASICS

Don Savard, CSFM, CGM

A budget is nothing more than a plan described in financial terms. Every year schools, park departments and other organizations that operate Facility Management Departments create operating budgets for their next fiscal year. Budget conscious sports field and grounds managers who know their costs can provide invaluable information for creating an operating budget.

For simplicity, there are three kinds of budgets you might plan for:

- Capital Budgets are used for planning the purchase of big ticket items such as a new field or new equipment such as trucks or tractors and are usually separate from an Operating Budget. You may not necessarily have one every year.
- Program Budgets are detailed budgets for special projects (such as field renovation).
- Operating Budgets are used for planning the everyday routine tasks like mowing, line painting, and turf management and may include the above mentioned Program Budget could be expressed as a line item of the Operating Budget.

Annual Task Schedule (SAMPLE)		J	F	M	A	M	J	J	A	S	O	N	D
Setup and take down baseball													
Setup and take down lacrosse													
Setup and takedown football													
Setup and takedown soccer													
Game prep													
Fertilize													
Herbicide													
Insecticide													
Field repair													
Aeration													
DeepTine aeration													
Overseed													
Irrigation													
Mow													
Litter removal													

We are now in the first quarter of this fiscal year 2010-2011. It is now time to think about your budget for next fiscal year 2011-2012. A good place to begin is to look back at the last fiscal year 2009-2010. Did you have enough resources to do what you wanted? Did you plan adequately for this current fiscal year?

There are a couple of ways to begin when creating a budget. A traditional way is to take last year's budget and inflate it by a percentage, adjust each line item until it balances and be done. This is called an Incremental Budget. Another way is to list all of your projected activities and find the costs and justify the request for funding. This is called a Zero Budget. Both methods have advantages and disadvantages.

Many budget administrators use the Incremental Budget approach because it is simple and easy to understand. The budget remains stable from year to year and change is gradual. Managers can continue to operate their departments as they have before. But if there were problems, such as waste, or underfunding, they will likely remain.

The Zero Base Budget method is a reverse of the Incremental Budget method. Rather than building from the previous year's budget, every projected activity and expense is listed from scratch, and every line item must be justified. This approach requires more time and effort but if done correctly results in a right sized and more accurate budget. Zero-Based Budgeting is useful for grounds and facilities departments to show to the Administration or Management what the costs really are, especially where the output is difficult to identify and all expenditures are looked at as overhead.

Regardless of which budget method you use, there is certain necessary information you must gather to build a budget that works:

- An evaluation of the current maintenance program to make appropriate changes if any.
- Area measurements to help you determine how much product to buy as well as predict the time needed to complete tasks.
- The amount of use, type of use, time of year the use occurs, and under what conditions to plan your work schedule.
- Complete chemical and physical soil testing results for accurate plant nutrition and soil management.
- Identification of the grass types for fertilizer requirements, seed and sod selection and cultural task management.
- Identification of weed, insect and disease pressures for control product selection and timing.
- Set thresholds for when to treat problems or initiate repairs.
- Clear understanding of the owner and users expectations?

Next, conduct an inventory of your resources. This includes the people who will do the work, as well as the equipment, materials, and time to get the work done. You will also need to find out how much money was spent in the past and whether it was adequate. All of this information will be used to create a program that satisfies both needs and wants.

To graphically illustrate your program, create a calendar showing when the activities will occur. This visual aid is helpful for scheduling resources and time around scheduled events. It will help you paint a realistic picture of what tasks your organization can do in-house, or whether you should outsource or eliminate.

Be sure to include any overhead expenses that your operation is charged, such as rent, utilities, or other line items. A spreadsheet program on your computer will help you organize your data. Remember that you will have to present this to the financial people, so keep it simple but complete; and above all, neat and easy to read. Check your figures carefully and submit your budget.

Don Savard is a Certified Sports Field Manager (CSFM) and Certified Grounds Manager (CGM); Director, Athletic Facilities and Grounds, Salesianum School; and President, SFMANJ.