

TOP 5

Red Flags to Budget Approval



By Raghavan Rajaji (Courtesy of Sports Turf Managers Association)

As a sports turf manager, a portion of your time is spent on budgets --- whether you are managing your monthly numbers on expenditures, forecasting for the future or going through the annual preparation process. With so much time and energy focused on your budget, make certain that that when it is time to present your budget for approval you have a defensible plan.

Following are five areas that can send up red flags if they are overlooked.

1. Half the story. There are few things more distressing to your employer than being told up front about only part of the costs involved in a proposed project. The surprise ending comes later, when more money is suddenly needed to keep things going. You lose credibility, and set yourself up for more scrutiny in the future.

2. Far from average. Asking for a budget increase by some percentage that is dramatically different from the rate at which the overall business/revenue is growing. For example, if the organization is growing at roughly 10 percent a year and you request a 200 percent budget increase, it sends up a 'red flag.' And it works the other way, too. A request for just an inflation adjustment when the rest of the organization is growing rapidly also causes questions. Not that these necessarily mean that there is a problem, but they will cause a closer review of your

proposed budget and may lead your employer to believe you are unaware of the current environment.

3. Out of alignment. With all the emphasis on business alignment these days, you'd think there would be nary an unaligned project proposed, but it still happens. Be cautious about proposing a project that focuses on a low-priority issue. The fact that you are not aware that it is a low priority for the institution suggests that you are out of touch.

4. Not all there. In addition to providing incomplete information about costs, budgets may fail to specify in enough detail considerations such as, which organizational goals the proposed project will support and how, exactly, it will support them.

5. Vague plans. Watch the use of obscure statistics as a rationale for a budget increase. For example, you may have read somewhere that sports turf managers are increasing their operational budgets by 10 percent in the next year, so you request that same increase without knowing what you'll spend it on. Again, this can cause your employer to question your business judgment.

Other articles authored by Raghavan Rajaji can be found at www.cio.com; Sports Turf Managers Association (STMA), Lawrence, KS

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