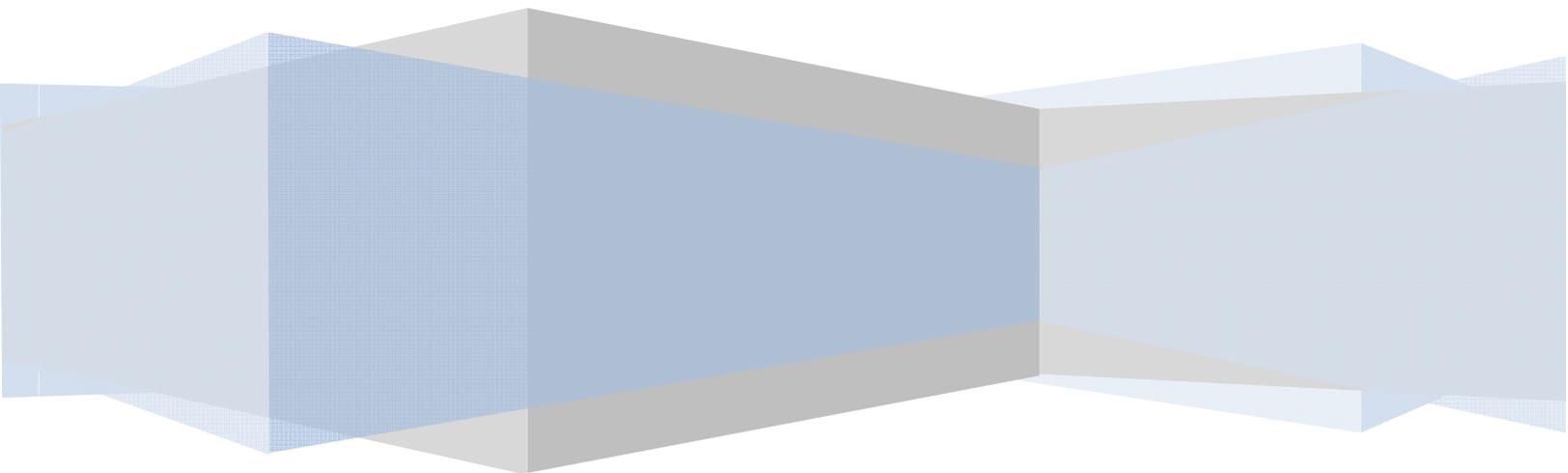




**San Juan County Board of REALTORS®  
Budget Policy**



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## **1 Purpose**

**This document describes the San Juan County Board of REALTORS® Budget creation process and procedures.**

The Budget Committee is responsible for the preparation of the Association's annual budget, using the Strategic Plan as a guideline, and submission of the budget to the Executive Committee and Board of Directors for approval.

The planning & budgeting process is conducted on a one year cycle. Budgets are developed at the program level by the Budget Committee and the Executive Officer to define the revenue, direct expense, and labor components for each proposed program within all of the Association. Budget Committee recommendations are submitted to the Board of Directors for final approval.

Each year the Board of Directors approves the Association's proposed annual budget for the following fiscal year. Subsequent to this approval, circumstances may arise in the course of that operating budget year, or even prior to its start, which necessitate adjustment of funding to accomplish enhanced, new, or changed priorities within the Association's budgetary plan. When these events occur, it is the responsibility of the Budget committee members to work with the Executive Officer to identify the financial impact to the Association, as well as review options of what could be reprogrammed in other areas to cover funding for the request. Any resulting recommendations detailing the proposal for funding, along with rationale to support the request, are presented for review and approval to the Board of Directors before inclusion in the Association's approved operating budget can occur.

At their regularly scheduled meetings and as otherwise deemed appropriate, the Budget Committee will review the underlying assumptions that were used to develop budgeted funding levels for the Association. Among the areas inclusive in this review are membership levels, interest income, taxes, and interest expense. The Budget Committee may recommend to the Board of Directors that certain funding adjustments are made to the current year and/or next fiscal year operating budget as a result of these reviews.

From time to time, it may be deemed prudent and advisable for the operating budget to reflect a net loss, or budgeted expenditures in excess of budgeted revenues. Should the Association's current year operating budget bring about a net loss position as a result of additional funding adjustments approved by the Budget Committee and Board of Directors outside of the normal budget review process, the projected loss position will be used to compare against the actual financial results. The Budget Committee will closely monitor the financial results on a monthly basis, coupled with review of program forecasts, to determine the extent of the projected year-end loss and conclude whether adequate reserve levels exist to absorb the loss. Should it be determined that the loss may bring the reserve levels below the core reserve requirement, the Budget Committee will develop

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recommendations to reduce the core reserve requirement or for reducing programming costs. These recommendations will be presented to the Board of Directors for review and approval.

## **2 General Guidelines**

The current Financials are reviewed monthly and the Budget Committee determines if the association is on target with its income and expenses.

The Budget Committee will begin working on the next fiscal year budget beginning in April and have a completed Budget to the Board of Director's for approval at the May Board of Director's meeting.

The San Juan County Board of REALTORS® Fiscal Year Begins June 1<sup>st</sup> and ends May 31<sup>st</sup>.