

Budgeting Policy- New England Swimming

Background

Prudent financial planning and management is critical to the strategic advancement and operational effectiveness of New England Swimming. New England Swimming's resources must be used with a great sense of stewardship and a high level of care, in a means that will advance the mission, vision, and objectives of the organization.

Mission: *Provide opportunities for all to achieve their highest potential in competitive swimming.*

Vision: *INSPIRED. UNITED. FAST*

Objectives: *The objectives and primary purpose of NESI shall be the education, instruction, and training of individuals to develop and improve their capabilities in the sport of swimming. NESI shall promote swimming for the benefit of swimmers of all ages and abilities, in accordance with the standards, rules, regulations, policies and procedures of the Federation Internationale de Natation Amateur (FINA), United States Swimming, Inc. and NESI.*

Additionally, it is important to act in light of the legal duties carried by all members of the Board of Directors, as interpreted in the New England Swimming Policies and Procedures:

Duty of Care: *Reasonably informed, participate in collective decisions, good faith and care of ordinary person*

Duty of Loyalty: *Exercise power in the interest of the organization- you represent the whole of New England Swimming, not just your club*

Duty of Obedience: *Ensure organization functions within the law, support Board decisions (even if in the minority)*

Role of the Finance Committee

The New England Swimming Bylaws state that the Finance Committee is

To develop, establish where so authorized, or recommend to the Board of Directors, and supervise the execution of policy regarding the investment of NESI's working capital, funded reserves and endowment funds, within the guidelines, if any, established by the Board of Directors or the House of Delegates

To this end, the Finance Committee is charged to

Prepare an annual budget for New England Swimming's operations and present the budget for approval to the Board of Directors and the House of Delegates

and in order to do so is

To consult with the officers, committee chairs and coordinators and prepare and present a proposed budget for consideration and approval by the Board of Directors and the House of Delegates. The officers, committee chairs and coordinators shall provide promptly such financial information (current and projected) and budget proposals as the Finance Committee may request. The proposed budget may contain alternatives.

As such, it is the duty and obligation of the Finance Committee to review all individual proposals, as well as the budget as a whole, with a great sense of prudence and care.

Budget Submission, Review, and Approval Process

The Finance Committee will set a deadline for the submission of annual budget requests, which will be communicated to all Vice Chairs, Committee Chairs, and Coordinators with a minimum of 30 days' notice. Budget requests are to be submitted in writing, and should contain sufficient detail as outlined below.

Budget requests shall be a reflection of the funding required to accomplish the projects/responsibilities planned for the coming year. Budgets will include, and should differentiate,

- "Fixed" expenses - those costs that are associated with standard operations (e.g., medals and awards for NES championship meets)
- Discretionary expenses - initiatives above and beyond the LSC's day-to-day operations

The submitted budget request must include narrative as to how the expenses/projects fit/comply with the Committee's goals; as well as the New England Swimming mission statement, vision statement, and objectives; as well as any relevant current strategic planning initiative(s). Additionally, each line item requested shall include notations as to how the amounts were derived – i.e., estimate, forecast, etc.

Any revenue offsets to expense proposals, or revenue-generating events or programs shall also be submitted, including a detail of the item, estimated revenue, and estimated timing of the revenue. Revenue-generating items shall also be presented in light of the Organization's mission, vision, objectives, and strategic planning initiative(s).

The Finance Committee will set a date to review the request of each Vice Chair/Committee/Coordinator. The Vice Chair/Committee/Coordinator will be invited to this review meeting and will be invited to present the request and answer any questions offered by the Finance Committee.

The Finance Committee will review all budget proposals in good faith and will evaluate:

- How the budget requests, inclusive of any and all discretionary expenses, fall in line with stated goals and whether those fall in line with New England Swimming the mission, vision, objectives, and strategic plans,
- Whether the methodology for expenses and/or revenues is reasonable,
- Whether the estimated costs fall within the financial capabilities of the organization as a whole, in light of available financial resources, projected revenue, and long-range financial needs.

In addition to looking forward to the proposed budget, previous year's budget and spending will be reviewed and may provide important context for the budget review process. Unspent budget amounts may be indicative of overbudgeting in the past or issues regarding actual implementation of initiatives.

As part of the Finance Committee, the Finance Committee may request that a Vice Chair/Committee/Coordinator revise the submitted budget request. The Vice Chair/Committee/Coordinator is not required to revise the request if they determine the expenses to be necessary and justifiable. If a requested revision is not provided, the Finance Committee will include the submitted request, as well as the Finance Committee's recommendation for adjustment, in the budget submitted to the Board of Directors for review.

The Finance Committee will prepare and present the requested budget, along with its recommendations, to the Board of Directors for its initial review and discussion. At this point, the Board of Directors may either recommend that the submitted budget be submitted to the House of Delegates for approval, amend the proposed budget as desired, or request that the Finance Committee revise the budget prior to submission to the House of Delegates.

At the House of Delegates, the Finance Vice Chair will present the submitted budget for discussion and adoption. The House of Delegates may approve, amend, or reject the submitted budget. In case of rejection, the House of Delegates will need to determine when and how a new budget will be approved.

Changes to Usage of Funding

Throughout the course of the year, a Vice Chair/Committee/Coordinator may wish to utilize funding granted for budget item(s) in a manner different than the original item(s) approved. In these cases,

- Changes to usages of funding that are of the same nature as the original request (i.e., officiating radios vs. officiating bells) may be approved by the Finance Vice Chair. The Finance Vice Chair may elevate these requests to the Finance Committee and/or Board of Directors if deemed necessary.
- Changes to the usages of funding that are of a different nature as the original request (i.e., officiating training clinics vs. officiating shirts) must be approved by the Board of Directors, and should first be considered by the Finance Committee.

Requests for Additional Funding

Any requests for additional funding outside of the Committee's approved budget must be approved by the Board of Directors, and should first be considered by the Finance Committee.