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## WHAT IS A BUDGET?

1. An *estimate*, often itemized, of expected income and expenses for a given future time period
2. A *plan* of activities based on such an estimate
3. An *itemized* allocation of funds for a *specific period*

## WHY DOES OUR SISTERHOOD NEED A BUDGET?

"If you don't know where you're going, it doesn't matter which way you go." The Cheshire Cat, *Alice in Wonderland*, Lewis Carroll

1. A budget is a roadmap for your sisterhood activities
2. Budgeting enables you to:
  - Set and realize goals
  - Understand & control the activities of sisterhood
    - How your funds are allocated
    - How your money is working for your membership
    - What the plans are for using your sisterhood money
    - How far along you are toward reaching your goals
  - Enable good communication among membership
    - The budget is a communication tool to discuss the priorities for where and how sisterhood money should be spent and, hopefully, enables membership to give input to the process
  - Be transparent
    - Be accountable to all interested parties – members and congregational leadership



## **BEFORE YOU BEGIN THE BUDGETING PROCESS...**

- ✓ Be realistic. If you are not realistic about your projections you will be setting the group up for disappointment and failure.
- ✓ Be flexible. A budget is a plan – if circumstances change, your plan may have to change as well.
- ✓ Make revisions when necessary. If or when goals and/or priorities change, you may need to revise your budget.
- ✓ Work in a committee. Buy-in from your membership is essential if your goals are to be achieved. Follow your by-laws as to budget, finance, or executive committee for this process.
- ✓ Budget enough time! The budget process should be thoughtful, and allow appropriate time for all voices to be heard.
- ✓ Don't work with pennies. Round off dollars to the nearest 0 or 5.
- ✓ A budget is a planning tool. Don't expect that it will generate more money or cut your spending; it will help you manage your money more effectively.



## GETTING STARTED

### I. BUDGET CATEGORIES

#### A. Income

1. Dues
2. Interest
3. Uniongrams
4. Oneg Shabbats (B’Nai Mitzvah)
5. Fundraising
6. Judaica Shop

#### B. Expenses

1. Dues to WRJ
2. Dues to District
3. Temple contributions
4. Biennial Expenses – district
5. Biennial Expenses – WRJ
6. Leadership Conference
7. YES Fund
8. WUPJ
9. JBI
10. New Member programs
11. Onegs Shabbat
12. Youth Programs
13. Administration

C. Your budget should balance commitment to the sisterhood, temple, and WRJ projects and programs

D. Your budget is a guideline for the operation of your sisterhood

E. Check your by-laws for the approval process of your budget

F. Footnote your budget so that all line items are clarified and understandable by anyone who reads the budget



## II. KEEPING THE BOOKS & RECORDS

- A. Keep your books simple. You need to know where your money is coming from and where your money is going.
- B. A system of checks and balances should be in place. The person – treasurer – who writes the checks should not be the person who balances the monthly bank statement.
- C. A monthly or quarterly report showing actual vs. budgeted income and expenses will help show you if you are operating as expected. Keep in mind that certain cash in-flows and out-flows may be timed to certain times of the year.
- D. If you are a new sisterhood, it might be helpful to solicit the help of an accountant or bookkeeper to help you set up your record-keeping system

## III. BANK ACCOUNTS

- A. Checking account – it is recommended that your check require two signatures (treasurer and president, or treasurer and another officer).
- B. You will likely be using the federal tax id# of your congregation. It is extremely difficult for a sisterhood to file and get it's own tax id # from the federal government.
- C. Savings accounts – all money not needed for operating funds should be placed in an interest bearing savings account. You should always keep at least 3 months operating funds in your checking account.
- D. Special accounts – Sometimes a donor will make a gift to a sisterhood – and endowment – earmarking the interest on the principal of a gift to be used for a special purpose while the principal remains intact.



#### IV. ROLE OF THE TREASURER

- A. Receives all money – either directly or from the temple bookkeeper
- B. Keeps an itemized accounts of all receipts and disbursements
- C. Submits a monthly statement and an annual report to the board
- D. Keeps all funds in the bank; turns over monthly bank records to designated person for reconciliation
- E. Ascertain that all obligations to WRJ, temple, and vendors are paid in a timely manner
- F. Prepares year end financial statements showing all income and expenditure for the year
- G. Prepares comparison of actual to budget for year-end
- H. Prepares statement of all assets held in bank, investments, etc. at year end, as well as a statement of all liabilities (debts) if any
- I. Treasurers should be bonded; this may be covered under the temple insurance policy

#### V. TRANSFER OF FINANCIAL RECORDS

- A. At the end of her term, all records and bank accounts should be transferred to the new treasure.
- B. Bank signature cards should be signed and recorded at the bank.
- C. The new treasurer should verify in writing that she has received all bank statements and financial records as the final fiscal report indicates.



- D. The outgoing treasurer should explain in detail the bookkeeping system used the particular sisterhood
  
- E. The new bookkeeper is free to maintain a bookkeeping system that is most comfortable for her as long as she maintains the integrity of the accounting process



## **BEGIN THE ACTUAL BUDGET PREPARATION**

1. Since you will likely begin the budget process before the current fiscal year is over, you will have to use both prior year's end of year numbers, and current year's mid-year numbers to help you budget. In both cases, you should have actual vs. budgeted numbers for comparison.
2. Begin with income. Use the income worksheet to help you arrive at your estimated income.
3. Once you have determined your estimated income, determine your fixed expenses. See worksheet.
4. Move on to estimating your variable expenses. See worksheet.
5. Add your fixed and variable expenses together.
6. Subtract your expenses from your income.
7. If there is a surplus (more income than expenses), determine if there are other programs or projects you would like to initiate, or save in a reserve account for a future project that will require additional funding.
8. If your expenses exceed your income and there is a deficit, you must either reduce your expenses or develop a plan to increase income.
9. In either case, your budget should have a zero balance – your income and your expenses should always balance out.

<b><i>INCOME WORKSHEET</i></b>					Budget	Actual	Budget
					Prior	Prior	Current
<i>MEMBERSHIP DUES</i>	\$	X	# MEMBERS	=	\$	\$	\$
			DUES INCOME				
<i>FUNDRAISING</i>							
Walkathon							
Israel Fair							
Cookbook							
Tag Sale							
			FUNDRAISING INCOME				
<i>INTEREST INCOME</i>							
CD							
Savings AC							
Endowments							
			INTEREST INCOME				
<i>OTHER INCOME</i>							
Donations							
			OTHER INCOME				
<b>TOTAL INCOME</b>							

<b><i>EXPENSE WORKSHEET</i></b>					Budget	Actual	Budget
					Prior	Prior	Current
<b>FIXED EXPENSES</b>							
Dues to WRJ \$		X	# MEMS.	=	\$	\$	\$
Dues to District \$		X	# MEMS.	=	\$	\$	\$
Other							
			FIXED EXPS.				
<b>VARIABLE EXPENSES</b>							
Paid-up member dinner							
Pre-school Rosh Hashanah							
College bags							
Oneg Shabbat							
Copying							
Postage							
Office staff gifts							
Social action - shelter							
			VARIABLE EXPENSES				
<b>TOTAL EXPENSES</b>							
<b>TOTAL INCOME</b>							
<b>TOTAL EXPENSES</b>							