Reforming the Budget

Budgeting in Social Work

- The financial process of funding services and spending allocations
- Provide specific information about income and expenses
- Tools for short-term and long-term planning

Basic Structure of Budget

Line Item Budget
- Revenues: sources of income that are adding to the budget
- Expenses: broken down to subcategories, including salaries and wages for staffing
  - Fringe benefits/Employee-related expenses: health benefits, retirement benefits
  - Other operating expenses: equipment, insurance, rent (fixed cost)

Balanced Budget
- Total Revenue = Total Expenses
- Long-term planning is necessary so that revenue will equal expenses during 12-month period

Budgets are Estimates
- Budgets are fluid and are likely to fluctuate based on increased funding or costs
- Unexpected events may require adjustments to the budget (i.e. layoff)

Budget as a Communication Tool

Appeal to Value Systems
- Facts alone will not persuade or inspire people
- Create a narrative to give meaning to numbers