

### **EL 3 Financial Planning and Budgeting**

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Adopted: 9/21/06 (unofficially)

Revised: 5/21/08

Monitored: November, February, May, August

Financial planning shall not deviate from the board's Ends priorities, risk financial jeopardy, or fail to include a multi-year plan.

The GM shall not allow budgeting that:

- EL 3.1 Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- EL 3.2 Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
- EL 3.3 Reduces current assets minus inventory below a safety reserve equivalent to the next 30 day's expenses.
- EL 3.4 Provides less for board prerogatives during the year than is set forth in the Cost of Governance policy.
- EL 3.5 Fails to make cash flow projections for a minimum of three fiscal years at a time.