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| ***REPLACE WITH YOUR MASTHEAD*** |
| **VFIS logo black JPG** | **SOG Title:** |
| **SOG Number:** |
| **Original Date:** | **Revision Date:** |
| **ABC Fire Department General Operating Guideline** |

**Budget Policy**

***This is a sample of a standard operating guideline (SOG) on this topic. You should review the content, modify as appropriate for your organization, have it reviewed by your leadership team and if appropriate your legal counsel. Once adopted, make sure the SOG is communicated to members, implemented and performance monitored for effective implementation.***

**Policy:**

This policy insures the organization remains financially stable maintaining appropriate reserves (recommended of at least 20% of the annual budget) which position the organization to effectively plan for cash needs, as well as unplanned needs caused by significant economic downturns, manage the consequences of outside agency actions that may result in revenue reductions, and address unexpected emergencies, such as natural disasters, catastrophic events caused by human activity, or excessive liabilities or legal judgments against the organization

**Procedure:**

The budget shall be based on a fiscal year beginning \_\_\_\_\_\_\_\_\_\_ through \_\_\_\_\_\_\_\_\_\_ and revenue and expenditures for all funds shall be adopted annually.

The Chief or President shall annually prepare a balanced budget showing all planned expenses and identifying all revenues to fund the planned expenses.

The annual budget shall be adopted by the \_\_\_\_\_\_\_\_\_\_ on or before \_\_\_\_\_\_\_\_\_\_ of each year.

Budgetary control shall be at the chief level. The organization cannot spend more than the budget appropriated. However, the Chief has the authority to move funds between line items as long as the overall annual appropriation is not exceeded.

***This is a sample guideline furnished to you by VFIS. Your organization should review this guideline and make the necessary modifications to meet your organization’s needs. The intent of this guideline is to assist you in reducing exposure to the risk of injury, harm or damage to personnel, property and the general public. For additional information on this topic, contact your VFIS Risk Control representative.***

**References:**