



Council Budgets & Spending Approval

ESTABLISH A COUNCIL BUDGET

To begin the budget process, review the actual revenues and expenses for each program and activity and compare those figures with the budgeted figures from the past year. Questions to consider:

- Were the revenues skewed by one large donation?
- Were items that were donated in the past now being charged for, thus increasing expenses?
- Was participation in a particular activity up or down?
- Did it depend on the weather or a scheduling conflict? This could impact both revenues and expenses.
- Did the council charge too little or too much for the event?

Keep the budgeted figures realistic and attainable. The figures should reflect an approximation of the actual results from the prior year, adjusted as needed for either an extraordinary event or something that will be considered normal going forward. A good rule of thumb would be to increase revenue and expenses for the cost of inflation (approximately 1- 2 percent).

Setting a budget is also an opportunity to evaluate each program and determine which ones the council will continue. The budget for a new activity will either take the revenue and expenses from a discontinued activity or new dollars will need to be allocated.

Once the budget is finalized, present it at a regular council meeting for an approval vote of the membership. Schedule this during one of the last few meetings of the fraternal year to set a budget for the coming year. This process ensures that future meetings are not taken up with voting on each project's expense. At the close of the fraternal year, transfer excess funds from the council's general account to a savings account, as appropriate. The preferred method of the Knights of Columbus Supreme office is to utilize the Member Management software and is currently available. This software is not available to the Treasurer, but you must be aware of the new system.

Please use the [Council Budget Template](#) as a place to start (if you don't already have a budget):

Columns – Have a column for each of the past 1-2 years “actuals”, a column for the current year “budget”, current year “Actual-to-date” and a column showing the variance (current year budget vs. actual).

Income – List each of the major income categories on a separate row. Have a miscellaneous row for very small income items.

Expenses – List each major expense category on a separate row. It's best to group them by Faith-in-action areas so you know how much you are spending to support each program. List council expenses separate.



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STEP 2 = SPENDING OF COUNCIL FUNDS

No money in excess of \$500.00 shall be paid or transferred from the treasury, of any council (except such moneys as the council is called upon to regularly pay for its current expenses and as provided by the laws of the Order, or for purposes approved by the Supreme Council, or Board of Directors) unless by a two-thirds vote of the members present and voting at a regular business meeting held subsequent to a regular business meeting at which notice in writing of a resolution of intention to pay or transfer such money and the purposes and amount to be paid or transferred shall have been given and regularly read. Provided, however, that any council may, by by-law, properly approved, provide and maintain a fund for rendering mutual aid and assistance to its sick, disabled and needy members and their families and families of deceased members. Said by-laws to state the manner in which, and by whom, the said fund is to be expended.

In plain English, this means spending council funds may occur by the following 4 methods:

1. Expenses less than \$500.00 need the approval of the Grand Knight. These should however be reviewed at a General Council meeting as soon as possible.
2. Expenses in accordance with the Council budget have been previously approved by the council so no additional approvals are required. The Trustees verify each expense is pre-approved as part of the council budget (and also read reviewed at a General Council meeting).
3. Expenses associated with a fund for rendering mutual aid and assistance to its sick, disabled and needy members and their families and families of deceased members (only if written in the council by-laws).
Note: If it's written in the bylaws, it should also be in the budget.
4. All other expenses need to be to be approved by the council membership in two steps:
 - a. At the first business meeting, a notice in writing of a resolution of intention to pay (purpose and amount) shall have been given and read.
 - b. At the next business meeting, a two-thirds vote of the members present are required.

It's very important to have very few items fall into category 4. All major (over \$500) purchases should be budgeted. It's very lengthy and time consuming. Let's take an example.

- Let's say your Pastor approaches you and asks the Knights to donate (buy) a big tent which holds 100 people so he can hold Mass outside during the Covid-19 pandemic. The tent costs \$1000. Let's assume you don't have an item in the budget to donate money to your Parish (which, by the way, is something you definitely should have). Let's say he wants the tent for next weekend's Masses.
- It doesn't fit in category 1 – It's not under \$500.
- It doesn't fit in category 2 – It's not in the budget.
- It doesn't fit in category 3 – It's not documented in your bylaws.
- You can't buy the tent and spend the money until you've covered this expense in 2 consecutive council meetings which will take 4-8 weeks.

Now, if you had a budgeted item for ... say \$2000 for Parish-related expenses. Then, you could pay for the tent out of the money budgeted for your Parish.