

The Case of the Kitchen Sink Budget

Janice Doe just got hired as the Executive Director of the North Coboconk Women's Health Clinic and was eager to set a budget for the organization.

She carefully reviewed the agency's prior year's actual results, two years' worth of budget files and interviewed each staff member extensively about their ideas for the budget.

The staff noted that there was a shortage of administrative support, and that the client waiting room needed some dressing up. They also suggested that she build some professional development dollars into the budget as their need for technical skills was beyond their current capabilities. They suggested that they could sell birth control pills for a slight markup as a way to supplement these new budget costs.

Janice listened carefully to her staff team and crafted a draft budget for presentation to the Board. She was very proud of the fact that at the end of the day each staff member's suggestions were able to be implemented. Considering that staff were the front line in relation to the clients, Janice was confident that client needs would now be addressed. She was also very happy to note that the budget showed a small surplus, just in case there were any "unknowns" out there. She based her revenue increases on a very modest 5% increase of government funding and a somewhat ambitious 10% of fundraising revenues. However, she was hired by the Board because of her fundraising skills and wanted to show that she was committed to growth in this area. Included in the budget was also \$10,000 for new computer equipment which the Board had noted was needed when they hired her.

Janice was able to meet with the Treasurer the night before the Board meeting. When she showed her the budget, the Treasurer claimed that none of the Board's priorities were reflected and that this budget could not be presented to the Board.

What went wrong?