

Development Suggestions for Financial Management/Managing Budgets

Tips

1. Allocate funds for innovation and change.
2. Allow for some flexibility in your budget.
3. Attend open budget hearings whenever possible.
4. Decide whether to use bottom-up or top-down budgeting.
5. Develop a relationship with a financial expert within your organization. Ask for help when you have questions.
6. Learn how to budget project activities and to prepare a project plan and associated budget.
7. Learn how to project annual, 2-year, and 3-year budgets from expert insiders in your organization and by reviewing budget documents from other departments.
8. Meet with all managers in your unit who have resource needs in order to understand their budget requests.
9. Refer to your budget on a monthly basis; don't set it aside for a year.
10. Think about the budget as a link to planning and control.
11. Use computer software for budget preparation and analysis.
12. Use the development of the budget as an opportunity for constructive communication, debate, and coordination with others in your organization.
13. Analyze whether the financial resources for which you are responsible are being spent appropriately, effectively, and efficiently.
14. Apply procedures to enhance cost-effectiveness to any areas over budget.
15. Ask others in your organization how they monitor expenses and budgets.
16. Benchmark your financial tracking process against those in government agencies, other companies, and private organizations to identify best practices and opportunities for improvement.
17. Break your budgets down into monthly amounts and year-to-date totals. Compare expenditures and revenues with amounts budgeted.

Development Suggestions for Financial Management/Managing Budgets, continued

18. Develop a systematic and timely tracking system to follow project and departmental budgets.
19. If this is a large part of your work, consider an assignment in an organizational budgeting or finance department to develop knowledge of best practices.
20. Meet with your subordinates as a group to discuss how expenses can be better controlled.
21. Track all expenses and transfers against project and departmental budgets to identify any discrepancies and deviations from plans.
22. Build lead time into project plans to accommodate for the procurement process.
23. Delegate to an employee within your work unit the responsibility for understanding and managing procurement issues.
24. Establish a partnership relationship with suppliers.
25. Form teams to address issues such as quality, service, and price when dealing with outside suppliers. Have teams report to you on a regular basis.
26. Identify a specialist in the procurement department for the particular kind of equipment, facilities, supplies, or services in question, and draw on the individual for information and assistance.