

Budget and Expenditure Approval Process

Annual Budget Planning

Department budgets prepared in Q4 for following fiscal year. Department heads submit budget proposals including headcount, operations, and capital expenses.

Finance reviews proposals with department heads. Final budget approved by executive team and board in December.

Budget Categories

Personnel: Salaries, benefits, bonuses, contractors. Operations: Software, supplies, travel, training. Capital: Equipment, furniture, major purchases over \$5000.

Marketing: Campaigns, events, advertising. R&D: Research, prototypes, testing. Facilities: Rent, utilities, maintenance.

Approval Thresholds

Under \$1000: Manager approval. \$1000-\$5000: Department head approval. \$5000-\$25000: VP approval. Over \$25000: CFO approval.

Unbudgeted expenses over \$10000 require executive approval regardless of amount.

Purchase Requisition Process

Submit purchase requisition through finance portal with vendor, amount, budget code, and business justification.

Attach quotes from at least 2 vendors for purchases over \$5000. Approval routing based on amount and budget availability.

Budget Tracking

Managers receive monthly budget reports showing spend vs budget. Review reports for accuracy and address variances.

Finance portal provides real-time budget visibility. Monitor spending throughout year to avoid overruns.

Budget Transfers

Transfer budget between categories within department with department head approval. Transfers between departments require VP approval.

Submit transfer request with justification. Transfers processed within 3 business days.

Unbudgeted Expenses

Unbudgeted expenses require special approval and justification. Identify funding source (budget surplus, contingency, or budget increase).

Emergency expenses can be approved quickly with executive approval. Document business need and impact of not approving.

Capital Expenditures

Capital expenses (over \$5000, useful life over 1 year) require capital approval process. Submit capital request with ROI analysis and alternatives considered.

Capital budget reviewed quarterly. Approved capital projects tracked separately from operational budget.

Budget Amendments

Budget amendments for significant changes require executive approval. Submit amendment request with revised forecast and explanation of changes.

Amendments typically processed quarterly. Mid-year amendments for urgent needs can be expedited.

Vendor Selection

Competitive bidding required for purchases over \$10000. Obtain at least 3 quotes. Select vendor based on price, quality, and service.

Existing vendor relationships and strategic partnerships may justify sole-source procurement with approval.

Contract Approval

Contracts require legal review before signing. Finance reviews contracts for budget impact and payment terms.

Signature authority based on contract value: Under \$25000: Department head. \$25000-\$100000: VP. Over \$100000: CFO or CEO.

Budget Variance Analysis

Significant variances (over 10% or \$5000) require explanation. Submit variance analysis with corrective actions.

Favorable variances may allow budget reallocation. Unfavorable variances may require spending freeze or budget cut.