

Importance of a budget to a school

[Economics](#), [Budget](#)



A budget can be defined as an itemized listing of the amount of all estimated revenue or income which the school anticipates receiving, along with a listing of the amount of all estimated costs and expenses that will be incurred during a given period of time (Wango Geoffrey, 2009: 211). A school budget can be defined as a document or statement outlining a school's revenue (income) projections against expenditure. A school budget can also be defined as a financial plan of funds that a school expects to receive and the expenditure it will take to achieve its educational objectives.

The headteacher is charged with the prime duty of preparing a school budget. The budget is drawn based on the Board of Governors (BOG), School Management Committee (SMC) and Parents Teachers Association (PTA) resolutions on the school development and operations. A well-prepared budget should consist of three key components namely: revenue plan, expenditure framework and educational strategy which is a long term plan. A budget is important to an educational institution in the following ways: First, Budgeting ensures that actions are carried out according to a budget plan.

Through the use of a budget as a standard, the school ensures that programmes are implemented according to set plans and objectives. The actual performance is measured against budgeted performance. Secondly, a budget facilitates proper administration of financial revenues and other school resources. A budget is the basis for accounting for funds spent to achieve educational objectives. The budget also inspires confidence in the parents, education officials and the school community about the school's leadership and general management.

Fourthly, budgeting facilitates a systematic plan for evaluating the quality and quantity of services needed in a school. Next, a budget helps in the attainment of purposes. The budget states clearly the purposes for which the school was founded. Sixth, a budget confers authority to head teachers to source for funds and expend it on approved expenditures. Finally, it enables teachers to obtain fairly accurate estimates of receipts and expenditures. These estimates help in balancing the budget and thus prevent budgetary deficits.