

Assignment 3: Operations & Maintenance (O&M) Line Item budget for ONE MONTH. (15 pts)

Deadline: Monday, November 11 by midnight

A. Prepare a line item budget for your municipal recreation center for one month.

Submit the budget on ONE Excel spreadsheet. There are three page tabs at the bottom of the Excel worksheet.

- Use Sheet 1 for the Original Operations and Maintenance (O&M) Budget (33 points);
- Use Sheet 2 for the Alternate O&M Budget (Original budget (33 points) with a 10% budget cut (Expenses). Must include justifications for each expenses line item cut/reduced); and
- Use Sheet 3 for the Capital Budget (33 points), include at least four (4) capital items.

Revenues and expenses must include:

1. Separate line items for 10 activities/classes/programs selected from the **Activity List** or make up your own. Important: Each line item for revenue should include the description (swing dance @ $45/person x 20) and then the total $900.00). You may only have a maximum of ten (10) programs/activities and two (2) auxiliary revenue sources, see sample O&M budget.
2. Separate line items for each employees shown in the organizational chart. If you have multiple employees in the same job title such as Lifeguard, for that line item you must indicate the number of employees by using the job title and then the number of employees such as Lifeguards (8).
3. Separate line items for all payroll taxes and benefits (See **types of benefits**).
4. Separate line items for all sources of income (projected revenue, NO GRANTS OR DONATIONS MAY BE USED).
5. Include all projected expenses.

6. **Budget revenue must meet at least a 40% cost recovery of your overall budget expenses. This means the total revenues must be 40% of the total expenses in the O&M budget. Example: If your Total Expenses are $20,000, then the Total Revenue must be at least $8,000.**
7. Prepare an **alternative budget** that represents a 10% budget cut (reduction in Expense line items) and a **justification**. The alternate budget is the original O&M budget with all the same line items, but you have to select specific expense line items to reduce or cut and include a justification for each. The reductions must be 10% of the original O&M budget total expenses. If the Alternate Budget does not meet the 10% reduction, no points will be given for this section.

Sample O&M and Alternate O&M Line Item Format

B. Develop a separate **Capital Budget** for equipment or items which cost over $1,000 and last more than 3 years. The Capital budget must have at least four line items and extend over a 3 to 5 year period.

Sample Capital Budget

Submit this assignment as an Excel file.