

Departmental Budget 12-7.01-P

SUBMIT a departmental budget, as presented in the E-PME Study Guide.

Departmental Budget

The Coast Guard employs Zero Based Budgeting. With this financial approach, managers develop their budgets from the ground up, building a case for spending as if no baseline existed. In essence, they start at zero.

The advantages for using this method of budgeting are:

- Eliminates a sense of “entitlement” to cost increases
- Fosters improved cost containment
- Promotes increased discipline in developing budgets
- Encourages more meaningful budget discussions during planning and review sessions

The traditional budget process allows managers to start with last year’s expenditures. They then add a percentage for inflation to determine next year’s budget.

Developing a Departmental Budget

For this requirement:

- Develop a departmental budget

Present it to your supervisor.

To begin, break down your department’s fixed and variable expenses.

- **Utilities.** Expenses to include in this group are gas, water, electricity, sewage, waste removal (trash), phones (both local and long distance), cell phones, pagers, etc.
- **Maintenance.** Expenses to include in this group are service maintenance agreements (e.g., copiers, fax machines, grounds maintenance, snow removal, pest removal, etc.).

*Developing a
Departmental
Budget (continued)*

- **Projects.** If you want to improve the work environment or processes, include those expenses in this group (e.g., new software, new computers, new desks, new tools, etc.).
- **Office Supplies.** Expenses to include in this group are all consumable supplies needed to keep your office running (e.g., pens, paper, staples, etc.).

After compiling the data to determine the numbers for your budget request, justify in writing the need for funding. Be sure to include the impact of denial statement. Explain in detail and/or justify your funding needs.

Upon completion of your budget, submit it to your supervisor.

If, as the fiscal year rolls out, the manager discovers that he or she either needed more funding or requested too much, the manager needs to:

- Go back to the Comptroller/Supply Officer and request additional needed funds (be sure to give justification)

– OR –

- Return excess funds so that another division may use them.
-