# 2001: Purpose & Principles



**Section:** Budgeting
**Subject:** Purpose & Principles
**Approved by:** Harvey L. Massey
**Effective Date:** 1 January 1999
**Last Reviewed Date:** 1 January 1999
**Policy Owner:**

## Policy

Purpose

The budgeting process is one of the more important Management functions in our Company. It is the policy of our Company that we budget every Service Center and Corporate Department each trimester.

Budgets are prepared as follows:

| | | |
|---|---|---|
| In November | First Trimester | January through April |
| In March | Second Trimester | May through August |
| In July | Third Trimerster | September through December |

At the end of each year, Corporate Management revise and publish Minimum Performance Standards to assist Operational Management in this planning and goal-setting exercise.

In order to gain the maximum benefit, it is important that all levels of Management understand the basic purpose and principles of the budgeting concept. They are as follows:

- Planning Discipline / Function

    - Projecting revenue, expenses, staffing, equipment needs and profit for the future.

- Educational / Teaching Tool
    - The process should include teaching Managers how, where, when and why budgets are designed and achieved.

- Control Tool
    - The budget worksheets are designed to assist Regions/Divisions and Corporate Departments in controlling personnel, vehicles, salary increases, evaluations, etc.

- Evaluation Tool
    - Managers can be evaluated on their ability to create a good plan and particularly on their ability to achieve the plan.

- Motivational Tool
    - Budgets can be used to recognize Managers and personnel on outstanding achievements and "WALKING THE TALK".

- Coordination Tool
    - Budgets can be used to update various Corporate departments on strategic and marketing plans and seasonal financial requirements.

# Downloads

Embedded media: https://milo.masseyservices.com/wp-content/uploads/2025/09/2001-Budgeting.pdf

2001 BudgetingDownload