August 12, 2015

To: Board of Directors

From: RASP Committee

Re: RASP Budget Review Process

1. **Background:**

   RASP has traditionally performed a review of the draft budget to both assist the CFO and to provide the Board members with an independent review of the budget to help them with their analysis and response. Since this review is of a draft, and it takes place in a very short time frame, it is generally conducted in an informal manner and not as a public meeting with advance announcement.

2. **Process:**

   RASP will receive electronic copies of the budget in Excel format on or about August 21. At this time, the board members will receive their first informational copies of the budget, but will not be able to comment on questions from RASP. RASP is generally trying to identify the questions that the board should be considering at their formal review.

   Note: Even though this version of the budget will be somewhat summarized, it generally includes a very large amount of information. The use of Excel should greatly facilitate any analytical review and testing.

The budget timeline calls for RASP to complete its review and reports by August 31 with the CFO then delivering a consolidated proposed budget to the Board on September 9. When the budget is delivered to RASP, each RASP member will have 3 or 4 days to independently review and analyze the budget with the objective of identifying any inconsistencies (particularly with the “Enterprise Goals”), anomalies, trends, and testing whether the spending patterns appear to support the budget objectives. Particular attention should be paid to the revenue sources and the underlying assumptions driving the estimated revenue.
The Chair of RASP will arrange a time and place to get together to discuss each RASP member’s findings, concerns, or issues. The CFO may or may not attend this meeting.

It would be very useful to develop some “industry” benchmark marks to use in reviewing the budget.

3. **Report:**

The Chair will appoint a RASP member or members to develop a draft report at the conclusion of the discussion. This report must be completed very quickly. Review and final approval may be by email or the Chair may get the members together one more time. The actual form of the report may or may not be written depending on the significance of the results of the review. The Chair has the option to simply discuss any findings with the CFO or the Board President.