

Other people's money

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No one working on a budget ever comes in under-budget.

To clarify, no one working with a budget supplied by someone else's money ever comes in under-budget.

If it's your money that is paying for a project, that's a whole different story. You will be keeping a very close eye on what is being spent.

If you're building an addition to your home, no doubt you will ask for receipts, monitor how much work is being done, and supervise the situation.

You don't want an unscrupulous contractor billing you for a load of lumber if he takes half of that load and ships it off to another build site and pockets the difference for himself.

If you have an honest contractor with a solid crew, there's a chance you could save a few bucks in the end.

Producing a big-budget movie costs a lot of money. If you're the person financing it there is a production schedule. If you have hired a director for a salary and points on the final project, he too, is involved in the financial success of the final print.

If you have a film shoot that is scheduled for a week at a location, but your director works quickly and wraps it up in three days, everyone financing the film comes out ahead. Clint Eastwood is notorious for a quick turn--around and saving big bucks on a movie set.

But that only happens when it's your money that's on the line.

Most people in business, publicly funded institutions, or even organizations that run on a mix of public money and donations, know what happens to budgets.

If a department is allotted, just for example, \$80,000 for a year, and closing in on the end of the fiscal year they have spent only \$70,000, do they happily report they have \$10,000 left over?

No. The usual thing is to spend that final \$10,000 on something ? anything ? to make sure you've spent the entire budget.

The common thinking is, if you come in under budget, the following year you will be given the lesser amount because the bigwigs and bean counters who control the purse will think that is all you need.

Running anything on a budget takes some thought. It takes thought from the people allocating the money and it takes some thought from the people spending it.

It's not too often those two groups have a genuine meeting of the minds.

What I don't understand is when people always seem to complain when a government announces budget cuts. It doesn't even matter which political party is in power or how they are trying to reduce spending.

For some people, reducing a budget always means a disruption or elimination of some service.

Elected government officials are in office to serve the people. That means you, and me, and your family, and neighbors, and every citizen of this country.

Part of that responsibility is spending tax money wisely.

At the municipal level, spending is quite transparent, and for the most part, municipal governments do a good job of keeping tabs on where the money goes.

As a taxpayer, you can easily show up at a city or town hall and find out where every dollar is spent.

However, at the provincial and federal levels, most people really have no idea how the entire financial system works other than reading the headlines that the government will spend an allotted amount of money on a certain project.

Spending other people's money ? as in ours, the taxpayers' ? is easy. Being fiscally responsible is the duty of every elected official. This isn't some Third World banana republic where tax dollars and bribes fill the bank accounts of government officials.

So, you are building that new addition to your home and looking at the invoices. Your labour costs seem higher than expected while the amount of work being completed doesn't seem to match your expectations.

You call in another independent contractor to examine why your budget is quickly disappearing.

After examining the job site, the new contractor tells you, ?He's got three supervisors on site, all his brothers-in-law, and he's charging you \$40 per hour for each supervisor to watch three workers doing the framing and electrical. No wonder it's costing you so much. You're spending \$960 per day to keep three guys employed while doing absolutely nothing.?

Most likely you will have an immediate discussion with your contractor.

Budget cuts don't always mean less service, they can mean working smarter.