Types of Budgeting and Revenue Streams for Public Organizations

Your Name (First M. Last)

Date

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Response to Question 1

Rational budgeting and incremental budgeting models are the two well-known procedures to formulate the desirable form of budgeting. Rational budgeting model is referred as the prospect in which each item needs to be funded concerning to the idea of present needs. It is worthy to mention that the zero-based budgeting is the major element of the entire structure of the rational budgeting process. On the other hand, the idea of incremental budgeting model connected with the consideration of political compromises. The main advantage of the rational budgeting model is that it ensures the justification of each form of expense. The main disadvantage of this model is that it is recognized as the time taking procedure. When it comes to the incremental budgeting model than the major advantage of this model is that it is one stable process that is mostly not affected by changes. The disadvantage of this model is that it sometimes restricts the option of innovation and necessary growth.

Response to Question 2

Taxes and user fees are recognized as the basic revenue streams used by the government to meet the need of the revenue for public organizations. The prospects are adopted by the government entities to provide funds for the proper functioning of public programs. It is observed that these revenue streams in the form of taxes and user fees are not enough to meet the expenses of different programs initiated by public organizations. Budgetary shortfalls are the main concern for all forms of local, state, and federal governments. There is a need for offering some valuable changes in the revenue streams to increase the portion of funds for the public programs. There is need of some tax reforms to enhance the stream of revenues for the public organizations. Optimization of the collection of funds is one realistic approach that can be helpful for the governments to enhance the perspective of revenue stream with the minimum cost.