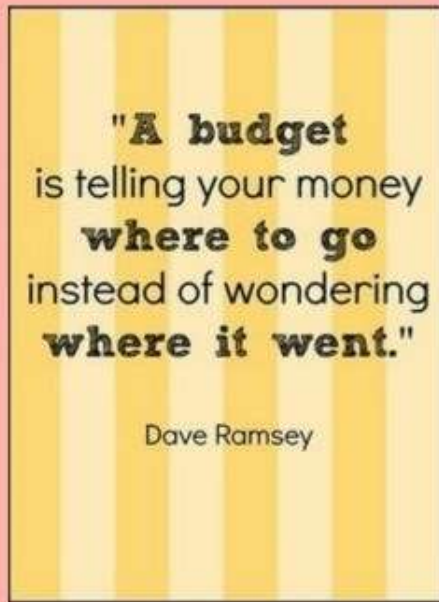




What is a Budget?



Why Do We Budget?

Accountability to
Board

Donors want to
know that you have
one!

Required by
Agencies

Growth
potential -
financing
opportunities

Add as many notes as you need





I am a non-profit board member, and I will tell you: For the most part, I pull my hair out at board meetings when we get to the budget. Usually there is a series of [QuickBooks](#) reports, presented in PDF, in teeny-tiny font. The line items don't always make sense, and it is often very hard to tell if a particular initiative is actually financially healthy for a non-profit. Many non-profit budgets I've looked at left out entire pieces of the organization, or tried to get too detailed or oversimplified things; budgets like that are not very useful as an ongoing tool.

Sabrina Parsons

Sabrina has served as CEO of Palo Alto Software since 2007. She and her husband, Noah, founded a UK software distribution company in 2001 that later was purchased by and became a wholly owned subsidiary of Palo Alto Software. Sabrina is a successful Internet expert, having served as Director of Online Marketing at Commtouch, Senior Producer at Epinions.com, and founder of her own Web consulting company, Lighting Out. She is a graduate of Princeton University.

Sabrina masquerades as MommyCEO (www.mommyceo.org), where she writes a blog about running a business and balancing that with life with her husband and three young sons. When Sabrina is not at work she can be found chasing her kids all over Oregon: biking, hiking, swimming, skiing, and anything outdoors that uses up a lot of little boys' energy.

<http://articles.bplans.com/3-good-reasons-why-non-profits-need-better-budgets/>

When do we budget?

2017

January							February							March							April							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
1	2	3	4	5	6	7				1	2	3	4							1								
8	9	10	11	12	13	14	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
15	16	17	18	19	20	21	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
22	23	24	25	26	27	28	19	20	21	22	23	24	25	26	27	28	29	30	31									
29	30	31					26	27	28					26	27	28	29	30	31									

May							June							July							August							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
	1	2	3	4	5	6					1	2	3							1								
7	8	9	10	11	12	13	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
14	15	16	17	18	19	20	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
21	22	23	24	25	26	27	18	19	20	21	22	23	24	25	26	27	28	29	30	31								
28	29	30	31				25	26	27	28	29	30																

September							October							November							December							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
					1	2						1	2	3	4													
3	4	5	6	7	8	9	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
10	11	12	13	14	15	16	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31					
17	18	19	20	21	22	23	22	23	24	25	26	27	28	29	30	31												
24	25	26	27	28	29	30	29	30	31					26	27	28	29	30										

November							December																					
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S								
					1	2						1	2															
3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31									
19	20	21	22	23	24	25	19	20	21	22	23	24	25	26	27	28	29	30										
26	27	28	29	30			26	27	28	29	30																	

Calendar Templates by Vertex42.com

<https://www.vertex42.com/calendar/2017.html>

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Before the year starts!

What is the difference between budgeting and forecasting?

Budget

- Helps manage and control income and expenses
- "Not-to-exceed" expectation
- Static
- Generally done once per year

Forecast

- Determines financial status
- Predicts where org will be at end of the year
- Dynamic
- Allows leaders to set goals

How should you budget?

How should you budget?

	2016	2017	2018 ?
Revenue	\$ 400,000	\$ 440,000	+ 10%? - 10%? +100,000?

How should you budget?

	2016	2017	2018 ?
Revenue	\$ 400,000	\$ 440,000	+ 10%? - 10%? +100,000?
Expenses			
Direct Expenses			
Grants/Scholarships/Etc. (Specific to your org)	312,566	345,633	?
Indirect Expenses			
Salaries and related	73,212	81,934	?
Occupancy	12,000	12,000	?
Technology	-	1,625	?
Telephone	499	414	?
Total Expenses	398,277	441,606	?

How should you budget?

Expenses			
Direct Expenses			
Grants/Scholarships/Etc. (Specific to your org)	312,566	345,633	?
Indirect Expenses			
Salaries and related	73,212	81,934	?
Occupancy	12,000	12,000	?
Technology	-	1,625	
Telephone	499	414	?
Total Expenses	398,277	441,606	?

How should you budget?

ABC Nonprofit
Budget Tool
For the Years Ending December 31, 2016-2018

	2016 Actual	2017 Actual	2018 Budget
Revenue	\$ 400,000	\$ 440,000	540,000
Expenses			
Direct Expenses			
Grants/Scholarships/Etc. (Specific to your org)	312,566	345,633	420,000
Indirect Expenses			
Salaries and related	73,212	81,934	85,000
Occupancy	12,000	12,000	12,600
Technology	-	1,625	2,000
Telephone	499	414	500
Total Expenses	<u>398,277</u>	<u>441,606</u>	<u>520,100</u>
Excess of Revenue over Expenses	<u>1,723</u>	<u>(1,606)</u>	<u>19,900</u>

**ABC Nonprofit
Budget Tool
For the Years Ending December 31, 2016-2018**

	2016 Actual	2017 Actual	2018 Budget
Revenue	\$ 400,000	\$ 440,000	540,000
Expenses			
Direct Expenses			
Grants/Scholarships/Etc. (Specific to your org)	312,566	345,633	420,000
Indirect Expenses			
Salaries and related	73,212	81,934	85,000
Occupancy	12,000	12,000	12,600
Technology	-	1,625	2,000
Telephone	499	414	500
Total Expenses	<u>398,277</u>	<u>441,606</u>	<u>520,100</u>
Excess of Revenue over Expenses	<u>1,723</u>	<u>(1,606)</u>	<u>19,900</u>

How are we doing?

**ABC Nonprofit
Statement of Activities
For the Seven Months Ending July 31, 2018**

	2018 YTD Actual	2018 Full Year Budget	2018 % of Budget
Revenue	\$ 354,000	540,000	66%
Expenses			
Direct Expenses			
Grants/Scholarships/Etc. (Specific to your org)	185,000	420,000	44%
Indirect Expenses			
Salaries and related	62,585	85,000	74%
Occupancy	7,350	12,600	58%
Technology	415	2,000	21%
Telephone	254	500	51%
Total Expenses	255,604	520,100	49%
Excess of Revenue over Expenses	98,396	19,900	494%

Forecast versus Budget

ABC Nonprofit
Forecast Statement of Activities
For the Year Ending December 31, 2018

	2018 Actual Through 7.31.17	2018 Forecast 8.1.17 - 12.31.17	2018 Forecast	2018 Full Year Budget	2018 Forecast versus Budget
Revenue	\$ 354,000	\$ 250,000	\$ 604,000	540,000	11%
Expenses					
Direct Expenses					
Grants/Scholarships/Etc. (Specific to your org)	185,000	200,000	385,000	420,000	-8%
Indirect Expenses					
Salaries and related	62,585	26,077	88,662	85,000	4%
Occupancy	7,350	5,250	12,600	12,600	0%
Technology	415	2,500	2,915	2,000	46%
Telephone	254	320	574	500	15%
Total Expenses	255,604	234,147	489,751	520,100	49%

Budget and Forecast Exercise (if time)



**I'M
BRINGING
BUDGETS
BACK.**

