

Budgeting 101

Board focus:

Revenue stability

Expense stability

Growth opportunities / timing

Operations - following strategic plan?

3-5 Years out

- Budget is the key control over spending the organization has at its disposal
- Bookkeeper / director of finance prepare budget with ED and Treasurer – board approves budget and monitors
- Budgets set for a year
- Budgets are “estimates” – results may differ but budget itself is not “restated” during the year
- Projections of anticipated actual results are helpful – no need to prepare more often than quarterly
- Budget should not be a chart of accounts list with numbers added...summarize key types of revenue and expenses
 - Grant Revenue vs. individual grantors
 - Office expense vs. photocopy, paper etc.
 - Salaries & benefits vs. Job title

Remember budget is an overview of the organization – not a list of accounts

Too much information results in poor decision making

KEY – summarize information; focus on KEY points / initiatives

Supporting reports may include:

- analysis of staffing costs to revenues year over year
- analysis of grants applied for vs. received year over year
- analysis of fundraising costs as % revenues
- event history year over year