



Nonprofit Budgeting

City & County of San Francisco

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Financial Resilience in Nonprofit Organizations



Financial Planning

Learn from the *past* in order to predict the *future*



Types of Budgets

Strategic Budget

Capital Budget

Operating Budget

Cash Budget

Program Budget

Grant Budget

Sample Operating Budget

Functional Expenses →		Program A	Program B	M&G	Fundraising	Total
Natural Expenses ↓	Personnel					
	Executive Director	25,900	16,280	18,500	13,320	74,000
	Program Director	34,000	34,000	-	-	68,000
	Teacher A	55,000	-	-	-	55,000
	Teacher B	-	50,000	-	-	50,000
	Bookkeeper	-	-	25,000	-	25,000
	Grantwriter	-	-	-	20,000	20,000
	Fringe	22,980	20,056	8,700	6,664	58,400
	Non-Personnel					
	Classroom supplies	12,200	14,600	-	-	26,800
	Snacks	2,200	3,000	-	-	5,200
	Bus rental	2,000	-	-	-	2,000
	Audit fees	-	-	9,500	-	9,500
	Conference travel	-	-	800	-	800
	Event space rental	-	-	-	1,000	1,000
	Event catering	-	-	-	3,200	3,200
	Rent	13,011	12,097	3,868	3,024	32,000
	Utilities	2,440	2,268	725	567	6,000
	Office supplies	1,952	1,815	580	454	4,800
	Depreciation	6,262	5,822	1,862	1,455	15,400
	Total	177,944	159,937	69,535	49,684	457,100

Expense Categories

1

Specific Program Expenses

2

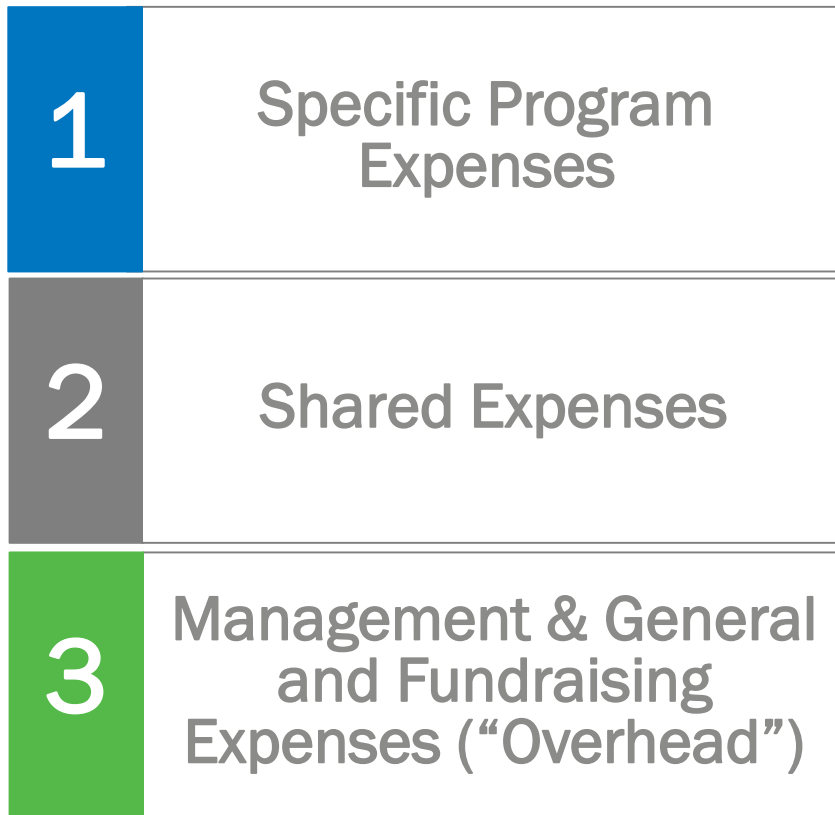
Shared Expenses

3

Management & General and
Fundraising Expenses (“Overhead”)

Translating Expense Categories

How nonprofits see costs



How funders see costs



Budgeting Expenses

Type 3 "Overhead"

	Program A	Program B	M&G	Fundraising	Total
<i>Personnel</i>					
Executive Director	25,900	16,280	18,500	13,320	74,000
Program Director	34,000	34,000	-	-	68,000
Teacher A	55,000	-	-	-	55,000
Teacher B	-	50,000	-	-	50,000
Bookkeeper	-	-	25,000	-	25,000
Grantwriter	-	-	-	20,000	20,000
Fringe	22,980	20,056	8,700	6,664	58,400
<i>Non-Personnel</i>					
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Office supplies	1,952	1,815	580	454	4,800
Depreciation	6,262	5,822	1,862	1,455	15,400
Total	177,944	159,937	69,535	49,684	457,100

Type 1: Specific Program Expenses

Type 2: Shared Expenses

Understanding True Costs

	Program A	Program B	M&G	Fundraising	Total
REVENUES					
Foundations					
Foundation A	40,000				40,000
Foundation B		20,500			20,500
Foundation C		35,000			35,000
Satisfaction of Restriction (Foundation Y)	23,450				23,450
Satisfaction of Restriction (Foundation Z)		14,380			14,380
Individual Contributions					
Annual Appeal				30,000	30,000
Board Members				18,000	18,000
Other				2,000	2,000
Government Contracts					
City Dept of Youth		85,000			85,000
State Dept of Education	98,300				98,300
Other					
Special Events				65,000	65,000
Program Fees		10,000			10,000
Investment Income			1,400		1,400
Total Revenue	161,750	164,880	1,400	115,000	443,030
EXPENSES					
Total Personnel	137,880	120,336	52,200	39,984	350,400
Non-Personnel	40,064	39,601	17,335	9,700	106,700
Total Expense	177,944	159,937	69,535	49,684	457,100
Allocated Supporting Services	62,787	56,433	(69,535)	(49,684)	
Total Expense w/ Allocation	240,730	216,370			
Revenues Less Expenses w/ Allocation	(78,980)	(51,490)	1,400	115,000	(14,070)

Portion of Overhead Allocated to Programs

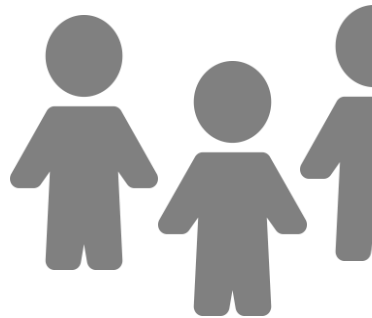
Surplus/Deficit By Program



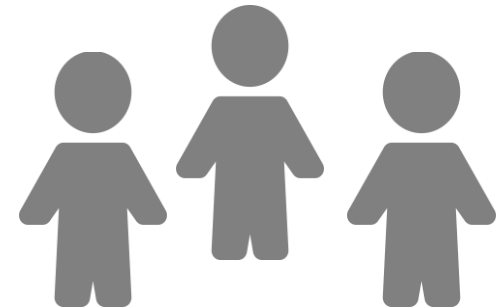
Cost Allocation Methods

By Staff (FTE)

Program A



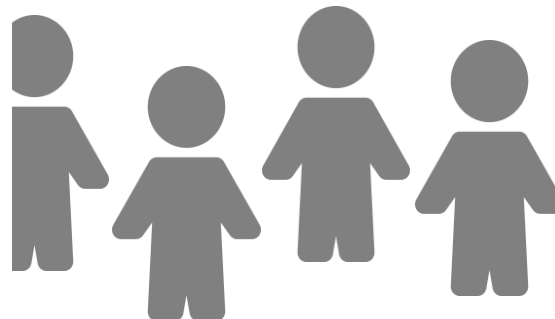
Management & General



Fundraising

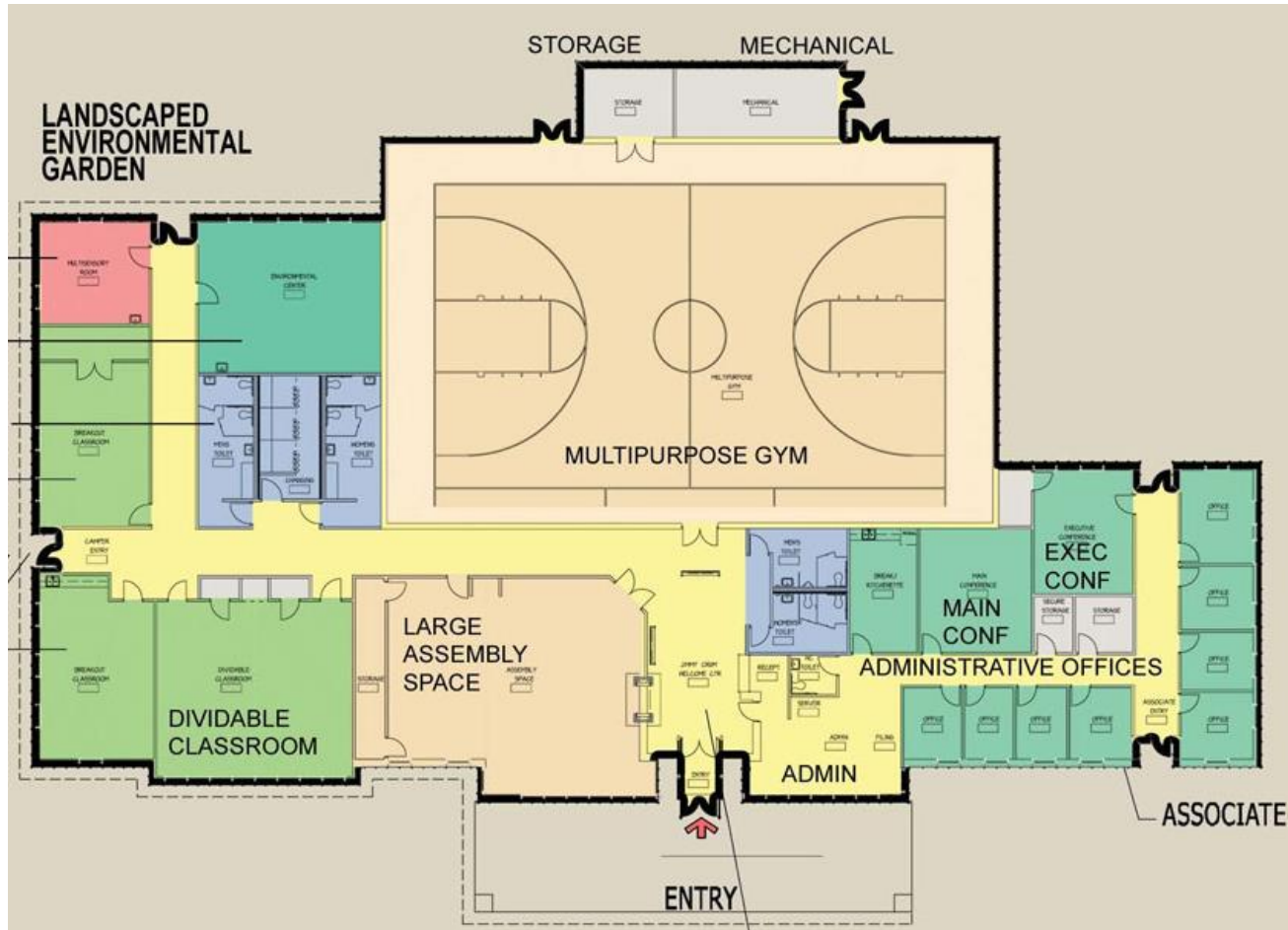


Program B



Cost Allocation Methods

By Space Usage (Sq Ft)

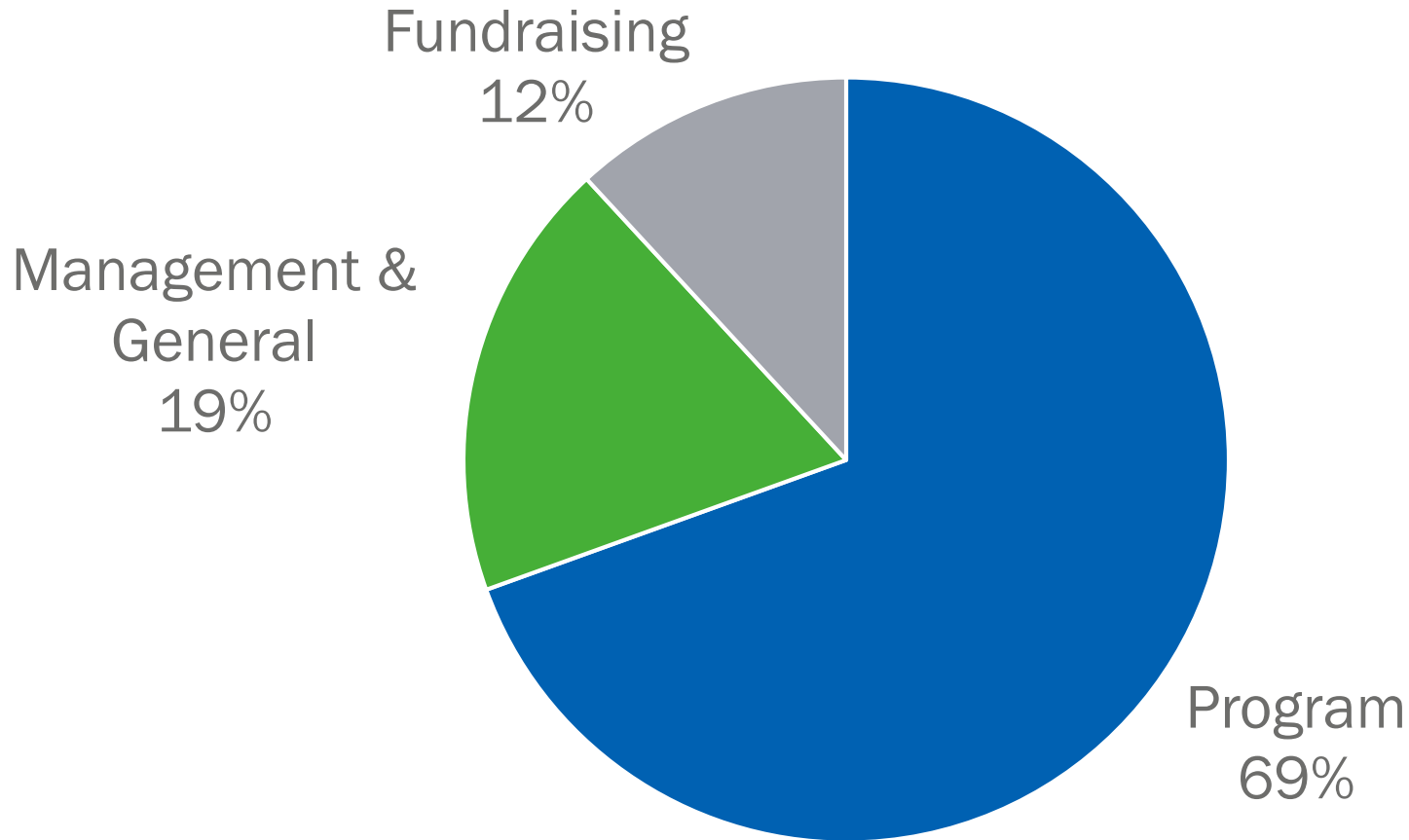


Cost Allocation Methods

By Participants



Understanding True Costs



True Cost The Expanding National Conversation



THE **OVERHEAD** MYTH
MOVING TOWARD AN OVERHEAD SOLUTION



Pay-What-It-Takes Philanthropy

Forefr**o**nt
Real Talk About Real Costs



Philanthropy CA

Resources

Public Website:

<http://www.sfgov.org/controller/nonprofits>

- Training Materials
- Monitoring Form
- Resources for Nonprofits

Internal Website *(login needed)*:

<https://elibrary.controller.sfgov.org/csa/performance/nonprofitmonitoring/SitePages/Home.aspx>

- Monitoring Workflow
- Contractor Libraries
- Monitoring Resources

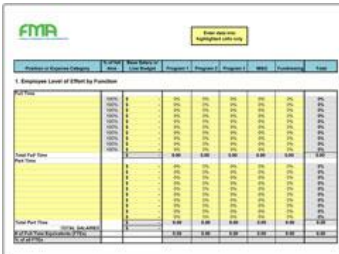
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Tools from Strongnonprofits.org



The screenshot shows a spreadsheet interface for budgeting. It has columns for 'Category', 'Program 1', 'Program 2', 'Program 3', 'Program 4', 'Program 5', 'Program 6', 'Program 7', 'Program 8', 'Program 9', 'Program 10', 'Total', and 'Notes'. The rows are organized into sections for 'Personnel', 'Travel', 'Equipment', 'Supplies', 'Contractual', 'Other', and 'Total'. A yellow box at the top right says 'Enter data into highlighted cells only'.

Program-Based Budget Builder

<http://www.wallacefoundation.org/knowledge-center/Resources-for-Financial-Management/Pages/Program-Based-Budget-Template.aspx>



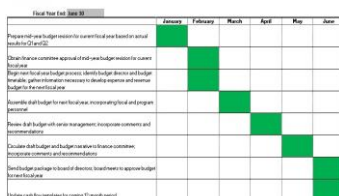
Funding Opportunity Assessment Tool

<http://www.wallacefoundation.org/knowledge-center/Resources-for-Financial-Management/Pages/Funding-Opportunity-Assessment-Tool.aspx>



Cash Flow Projections Template

<http://www.wallacefoundation.org/knowledge-center/Resources-for-Financial-Management/Pages/Cash-Flow-Projections-Template.aspx>



The screenshot shows a calendar grid for the fiscal year ending 2009. The columns are labeled 'January', 'February', 'March', 'April', 'May', and 'June'. The rows list various activities with green squares indicating when they occur:

Activity	January	February	March	April	May	June
Prepare and submit budget request to sponsor (see budget and actual results) (2) (1) (2)						
Obtain board committee approval of final budget (see the current budget)						
Begin work on the budget process (develop budget items and budget strategy, gather information necessary to develop expenses and revenue budget) (see notes for more)						
Complete and submit budget to sponsor (see notes for more)						
Review and approve budget with sponsor (see notes for more)						
Finalize budget and submit to sponsor (see notes for more)						
Obtain board committee approval of final budget (see the current budget)						
Begin work on the budget process (develop budget items and budget strategy, gather information necessary to develop expenses and revenue budget) (see notes for more)						
Complete and submit budget to sponsor (see notes for more)						
Review and approve budget with sponsor (see notes for more)						
Finalize budget and submit to sponsor (see notes for more)						

Fiscal Management Activities Calendar

<http://www.wallacefoundation.org/knowledge-center/Resources-for-Financial-Management/Pages/Fiscal-Management-Activities-Calendar.aspx>

Up Next

Assessing Your Grantee's Financial Health

- Thursday, November 29, 2018 | 2-5PM, City Hall Room 305

Fiscal Management Associates (FMA)

- Established in 1999 to serve not-for-profit organizations around the country
- Provides customized financial management, accounting, software, organizational development, human resources, and other consulting services
- Works directly with organizations or through funder-supported management and technical assistance programs

FMA's mission is to empower not-for-profit organizations with the knowledge and skills to successfully serve their constituents and fulfill their missions

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