

# Financial Management 301

2020 Nonprofit Training Series  
Financial Planning during COVID

San Francisco Controller's Office

June 11, 2020



- Introductions
- Review of Financial Management 101 & 201
- Questions
- Stabilizing Assets for Long-Term Planning
- Questions // Wrap-up







CAPITAL & CONSULTING

We promote economic justice and alleviate poverty by increasing the financial resilience and sustainability of nonprofits and enterprises.

Lending  
&  
NMTC

Consulting

Socially  
Responsible  
Investing

Policy





## Nonprofit

### Real Estate & Financial Management Advisory Partnership & Resource Center

Acquisition // Leasing Analyses & Facility Strategic Planning

Real Estate Financing & New Market Tax Credits

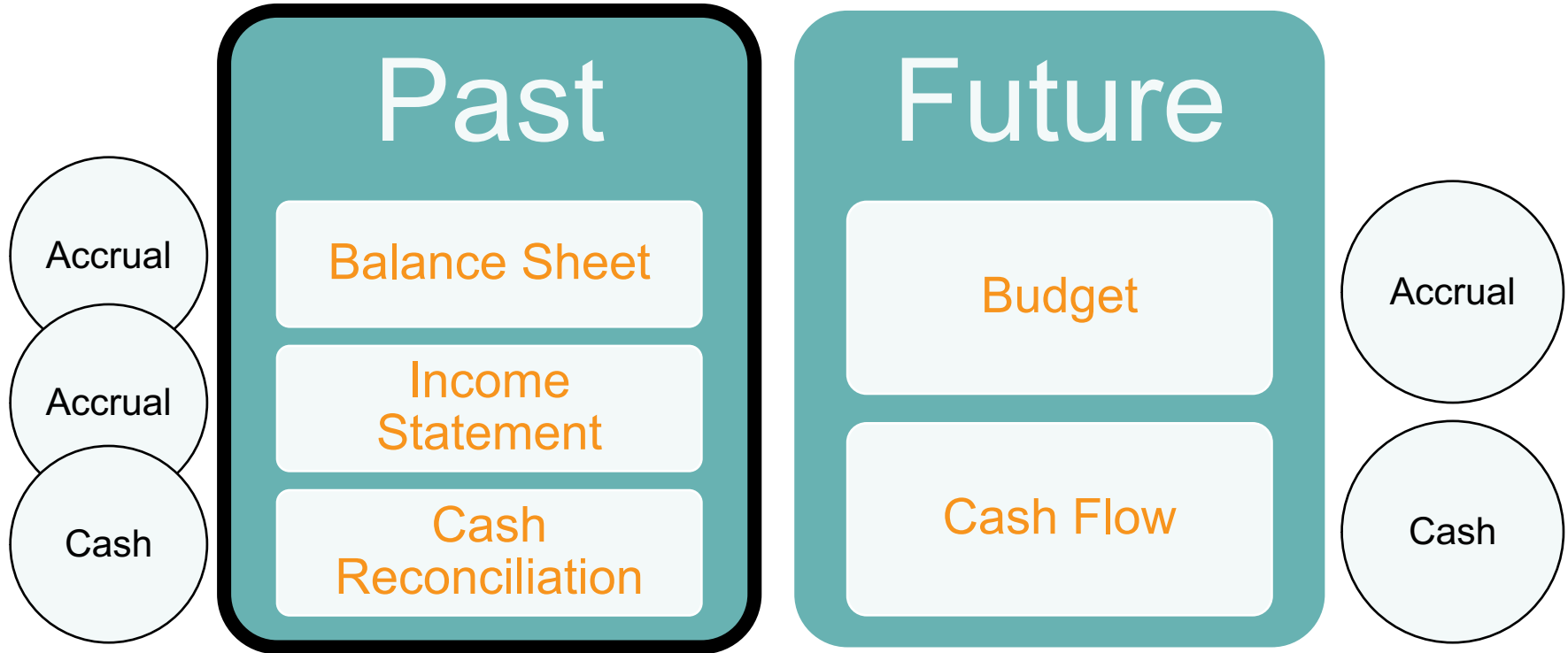
Financial Assessments & Education

Business Model Analysis & Customized Tool Development



- Analyzing the Past
- Projecting the Future
- Financial Capacity
- Financial Decision-Making Roadmap





# ANALYZING THE PAST

## Balance Sheet

Assets	FY 2019
Current Assets	
Cash and Cash Equivalents	6,843
Prepaid Expenses	12,760
Grants Receivable	155,264
Total Current Assets	174,867
Fixed Assets	
Property	964,756
Furniture, Fixture, Equipment	277,331
Less Accumulated Depreciation	(617,001)
Total Fixed Assets (Net)	625,086
<b>Total Assets</b>	<b>799,953</b>
<b>Liabilities and Net Assets</b>	
Current Liabilities	
Accounts Payable	250,855
Current portion of loan	15,405
Total Current Liabilities	266,260
Long Term Liabilities	
Mortgage Loan	331,186
Total Long Term Liabilities	331,186
Net Assets	
Beginning Net Assets	181,471
Change in Net Assets	21,036
Ending Net Assets	202,507
<b>Total Liabilities &amp; Net Assets</b>	<b>799,953</b>

## Income Statement

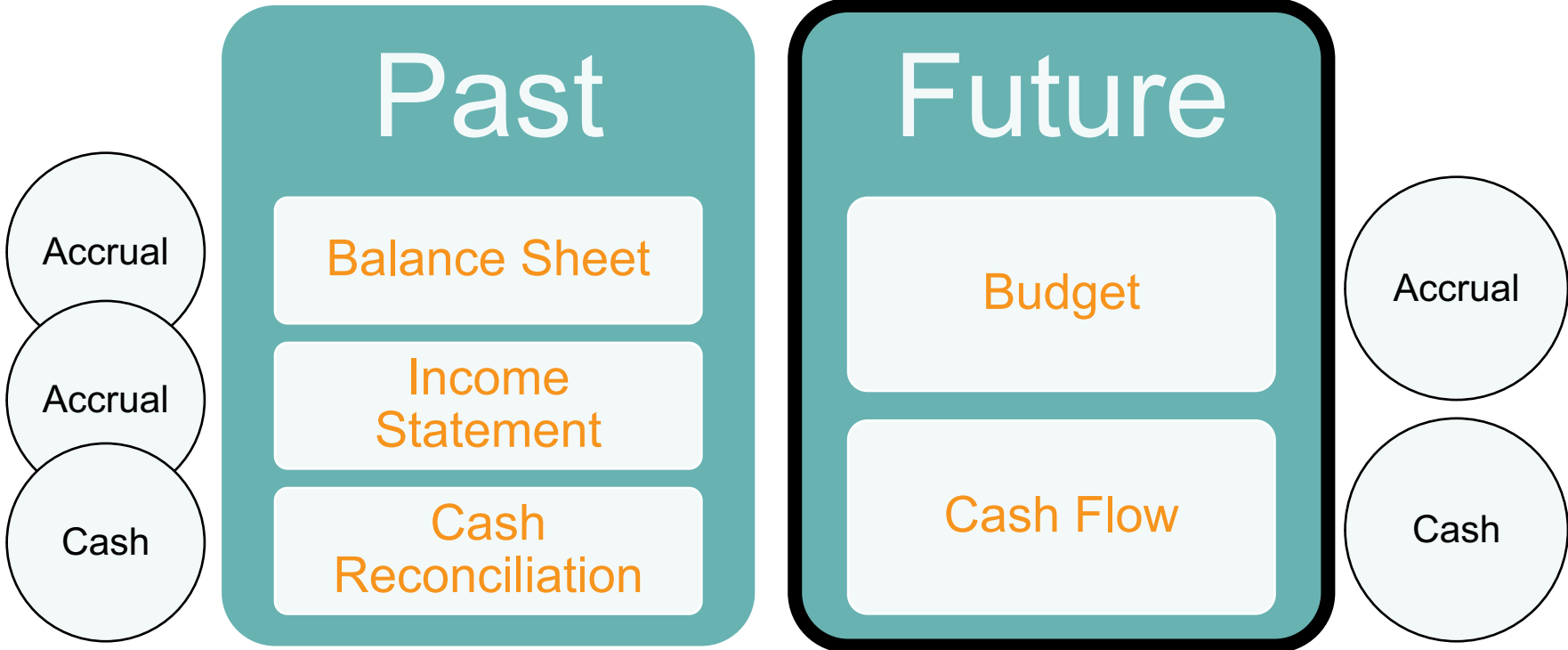
	FY 2019
<b>Income</b>	
Government	477,900
Foundation Grants	415,000
Individual Contributions	62,000
Earned Income & Misc	25,800
<b>Total Income</b>	<b>980,700</b>
<b>Expense</b>	
Accounting & Legal	12,000
Advertising	5,600
Consultant	140,864
Depreciation	7,500
Dues & Subscriptions	1,500
Insurance	4,500
Miscellaneous	4,000
Occupancy	75,600
Repairs & Maintenance	5,000
Salaries	570,000
Special Events	35,000
Supplies	86,700
Telephone	6,000
Training	1,800
Utilities	3,600
<b>Total Expenses</b>	<b>959,664</b>
<b>Net Income</b>	<b>21,036</b>

## Cash Reconciliation

	FY 2019
Total Income	980,700
Total Expenses	959,664
<b>Net Income</b>	<b>21,036</b>
<b>Adjustments reconciling</b>	
<b>Net Income to Net Cash:</b>	
Depreciation	7,500
Receivables Received	57,000
Receivables Promised	(120,000)
Prepaid Deposits	(6,000)
Accounts Payable	46,000
<b>Net Cash Provided By //</b>	
<b>(Used In) Operating</b>	
<b>Activities</b>	<b>5,536</b>
Beginning Cash	1,307
Net Increase (Decrease) in	5,536
<b>Ending Cash</b>	<b>6,843</b>







# ANNUAL PROGRAM-BASED BUDGET

	Program A	Program B	Program C	MG&A	Fundraising	Total
<b>Income</b>						
Government	298,000	150,000	-	22,400	7,500	477,900
Foundation Grants	75,000	115,000	225,000	-	-	415,000
Individual Contributions	-	-	-	-	62,000	62,000
Earned Income	-	-	25,500	-	-	25,500
Miscellaneous	-	-	-	300	-	300
<b>Total Income</b>	<b>373,000</b>	<b>265,000</b>	<b>250,500</b>	<b>22,700</b>	<b>69,500</b>	<b>980,700</b>
<b>Expenses</b>						
Accounting & Legal	1,500	500	-	10,000	-	12,000
Advertising	1,867	1,400	1,167	700	467	5,600
Consultants	18,000	60,000	32,000	30,864	-	140,864
Depreciation	2,500	1,875	1,563	938	625	7,500
Dues & Subscriptions	250	-	500	750	-	1,500
Insurance	1,500	1,500	1,500	-	-	4,500
Miscellaneous	1,333	1,000	833	500	333	4,000
Occupancy	25,200	18,900	15,750	9,450	6,300	75,600
Repairs & Maintenance	1,667	1,250	1,042	625	417	5,000
Salaries	175,000	151,000	82,500	106,500	65,000	580,000
Special Events	-	10,000	-	5,000	-	15,000
Supplies	49,300	17,000	5,100	12,750	2,550	86,700
Telephone	2,000	1,500	1,250	750	500	6,000
Training	600	450	375	225	150	1,800
Utilities	1,200	900	750	450	300	3,600
<b>Total Expenses</b>	<b>281,917</b>	<b>267,275</b>	<b>144,329</b>	<b>179,502</b>	<b>76,642</b>	<b>949,664</b>
<b>Net Income</b>	<b>91,083</b>	<b>(2,275)</b>	<b>106,171</b>	<b>(156,802)</b>	<b>(7,142)</b>	<b>31,036</b>

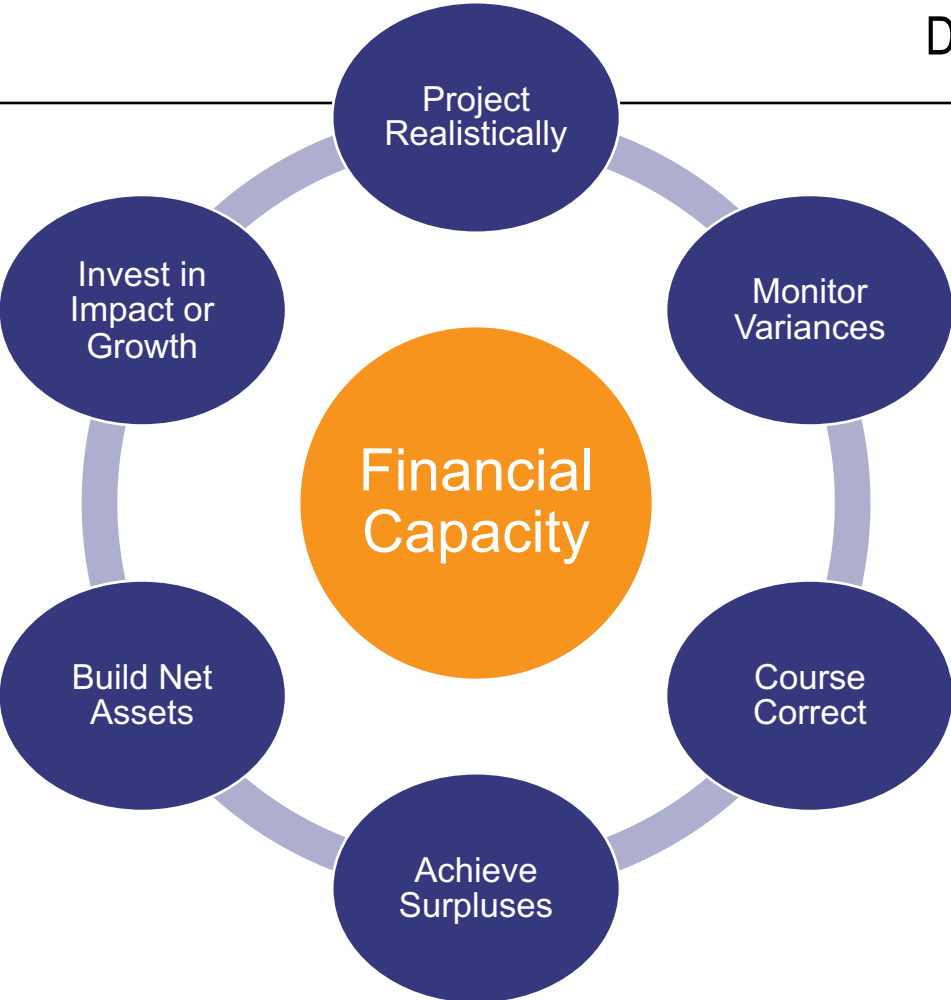


# CASH FLOW PROJECTION

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Cash In</b>												
Government	-	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	70,000
Foundation Grants	-	-	100,000	-	50,000	-	75,000	115,000	25,000	-	45,000	-
Individual Contributions	-	-	-	-	-	50,000	-	-	-	5,000	-	-
Earned Income	2,000	2,000	2,000	2,000	2,000	2,000	-	-	-	5,500	3,000	-
<b>Total Cash In</b>	<b>2,000</b>	<b>37,000</b>	<b>137,000</b>	<b>37,000</b>	<b>87,000</b>	<b>87,000</b>	<b>110,000</b>	<b>150,000</b>	<b>60,000</b>	<b>45,800</b>	<b>83,000</b>	<b>70,000</b>
<b>Cash Out</b>												
Accounting & Legal	-	-	4,000	-	-	-	-	-	-	8,000	-	-
Advertising	1,400	-	-	2,000	-	-	-	-	-	-	1,500	-
Consultants	-	-	-	-	-	-	18,000	60,000	32,000	30,864	-	-
Insurance	-	-	-	-	-	4,500	-	-	-	-	-	-
Occupancy	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
Repairs & Maintenance	-	1,500	-	-	-	2,500	-	-	800	-	-	-
Salaries	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Special Events	-	-	5,000	-	-	-	-	2,000	-	5,000	-	-
Supplies	6,400	4,800	2,550	10,000	4,800	5,000	2,550	2,550	10,000	4,800	6,000	3,900
<b>Total Cash Out</b>	<b>59,100</b>	<b>57,600</b>	<b>62,850</b>	<b>63,300</b>	<b>56,100</b>	<b>63,300</b>	<b>71,850</b>	<b>115,850</b>	<b>94,100</b>	<b>99,964</b>	<b>58,800</b>	<b>55,200</b>
<b>Surplus (Deficit)</b>	<b>(57,100)</b>	<b>(20,600)</b>	<b>74,150</b>	<b>(26,300)</b>	<b>30,900</b>	<b>23,700</b>	<b>38,150</b>	<b>34,150</b>	<b>(34,100)</b>	<b>(54,164)</b>	<b>24,200</b>	<b>14,800</b>
<b>Beginning Cash</b>	6,843	(50,257)	(70,857)	3,293	(23,007)	7,893	31,593	69,743	103,893	69,793	15,629	39,829
<b>Ending Cash</b>	<b>(50,257)</b>	<b>(70,857)</b>	3,293	<b>(23,007)</b>	7,893	31,593	69,743	103,893	69,793	15,629	39,829	54,629



# DEVELOPING FINANCIAL CAPACITY



- Revenue Risk Calculator
- Scenario Planning
- Quarterly Budgets





Committed – 100%

Likely – 75%

Possible – 25%



# 10% REVENUE RISK

	Requested Amount	Committed	Likely	Possible	Total Budgeted Income by Funder
<b>INCOME</b>		100%	75%	25%	
<b>Government</b>					
<i>Arts Council</i>	225,000	225,000	-	-	225,000
<i>Happy Valley USD</i>	250,000	175,000	75,000	-	231,250
<i>Pleasantville County Funding</i>	100,000	60,000	40,000	-	90,000
<b>Total Government</b>	575,000				546,250
<b>Foundation Grants</b>					
<i>Helpful Foundation</i>	75,000	75,000	-	-	75,000
<i>Happy Valley Community Foundation</i>	45,000	-	-	45,000	11,250
<i>Forward Thinking Foundation</i>	35,000	-	-	35,000	8,750
<i>NonprofitWorks Fund</i>	140,000	140,000	-	-	140,000
<i>Generous Bank Community Foundation</i>	130,000	105,000	-	25,000	111,250
<b>Total Foundations</b>	425,000				346,250
<b>Individual Contributions</b>					
<i>Annual Fundraiser</i>	66,133	49,600	16,533	-	62,000
<b>Total Individuals</b>	66,133				62,000
<b>Earned Income</b>					
<i>Class Fees</i>	23,613	21,160	2,453	-	23,000
<i>Merchandise</i>	2,500	2,500	-	-	2,500
<b>Total Earned Income</b>	26,113				25,500
<b>Miscellaneous</b>	700	700	-	-	700
<b>Total Requested</b>	<b>1,092,946</b>				
<b>Total Budgeted Income - Discounted</b>		853,960	100,490	26,250	<b>980,700</b>



# ANNUAL PROGRAM-BASED BUDGET

	Program A	Program B	Program C	MG&A	Fundraising	Total
<b>Income</b>						
Government	298,000	150,000	-	22,400	7,500	477,900
Foundation Grants	75,000	115,000	225,000	-	-	415,000
Individual Contributions	-	-	-	-	62,000	62,000
Earned Income	-	-	25,500	-	-	25,500
Miscellaneous	-	-	-	300	-	300
<b>Total Income</b>	<b>373,000</b>	<b>265,000</b>	<b>250,500</b>	<b>22,700</b>	<b>69,500</b>	<b>980,700</b>
<b>Expenses</b>						
Accounting & Legal	1,500	500	-	10,000	-	12,000
Advertising	1,867	1,400	1,167	700	467	5,600
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<b>Net Income</b>	<b>91,083</b>	<b>(2,275)</b>	<b>106,171</b>	<b>(156,802)</b>	<b>(7,142)</b>	<b>31,036</b>





- Forecasting is complex in the best of times
- Many fluctuating variables
- Three scenarios, different approaches
- Predictability during uncertainty
- Identifies pivot points in advance



# SCENARIO PLANNING – APPROACHES

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## Flat Line

- 10%
- 20%
- 30%

## Program Based

- Scaled back
- Sunsetting
- Pivoted

## Targeted

- Wall vs. No Wall
- WFH
- Projects postponed

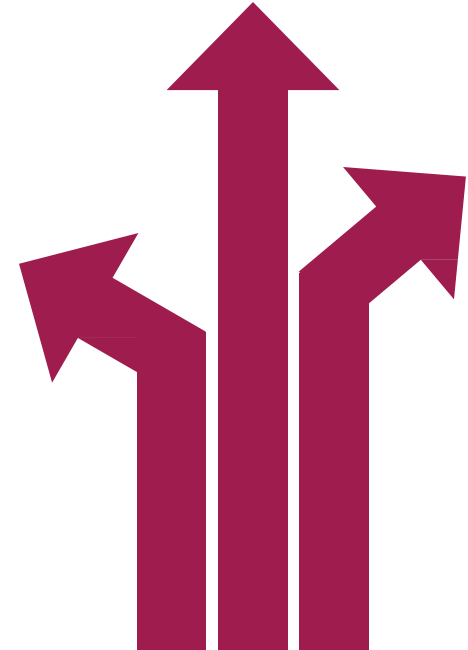
## Revenue Risk

- Confirmed
- Expected
- Likely



# SCENARIO PLANNING

	Scenario 1	Scenario 2	Scenario 3
Income	Optimistic	Moderate	Conservative
Contributed Income			
Government Grants	477,900	477,900	425,000
Foundation Grants	415,000	350,000	300,000
Individual Contributions	62,000	50,000	40,000
Earned Income & Miscellaneous	25,800	15,000	-
<b>Total Income</b>	<b>980,700</b>	<b>892,900</b>	<b>765,000</b>
<b>Expenses</b>			
Accounting & Legal	12,000	10,000	5,000
Advertising	5,600	5,600	7,500
Consultants	140,864	140,864	70,000
Depreciation	7,500	7,500	7,500
Dues & Subscriptions	1,500	1,500	1,500
Insurance	4,500	4,500	4,500
Miscellaneous	4,000	2,000	-
Occupancy	75,600	56,700	56,700
Repairs & Maintenance	5,000	5,000	5,000
Salaries	580,000	545,000	515,000
Special Events	15,000	10,000	25,000
Supplies	86,700	86,700	44,525
Telephone	6,000	6,000	6,000
Training	1,800	1,800	1,800
Utilities	3,600	3,600	3,600
<b>Expenses</b>	<b>949,664</b>	<b>886,764</b>	<b>753,625</b>
<b>Net Income</b>	<b>31,036</b>	<b>6,136</b>	<b>11,375</b>



# GATHERING SUPPORTERS & DECISION-MAKERS

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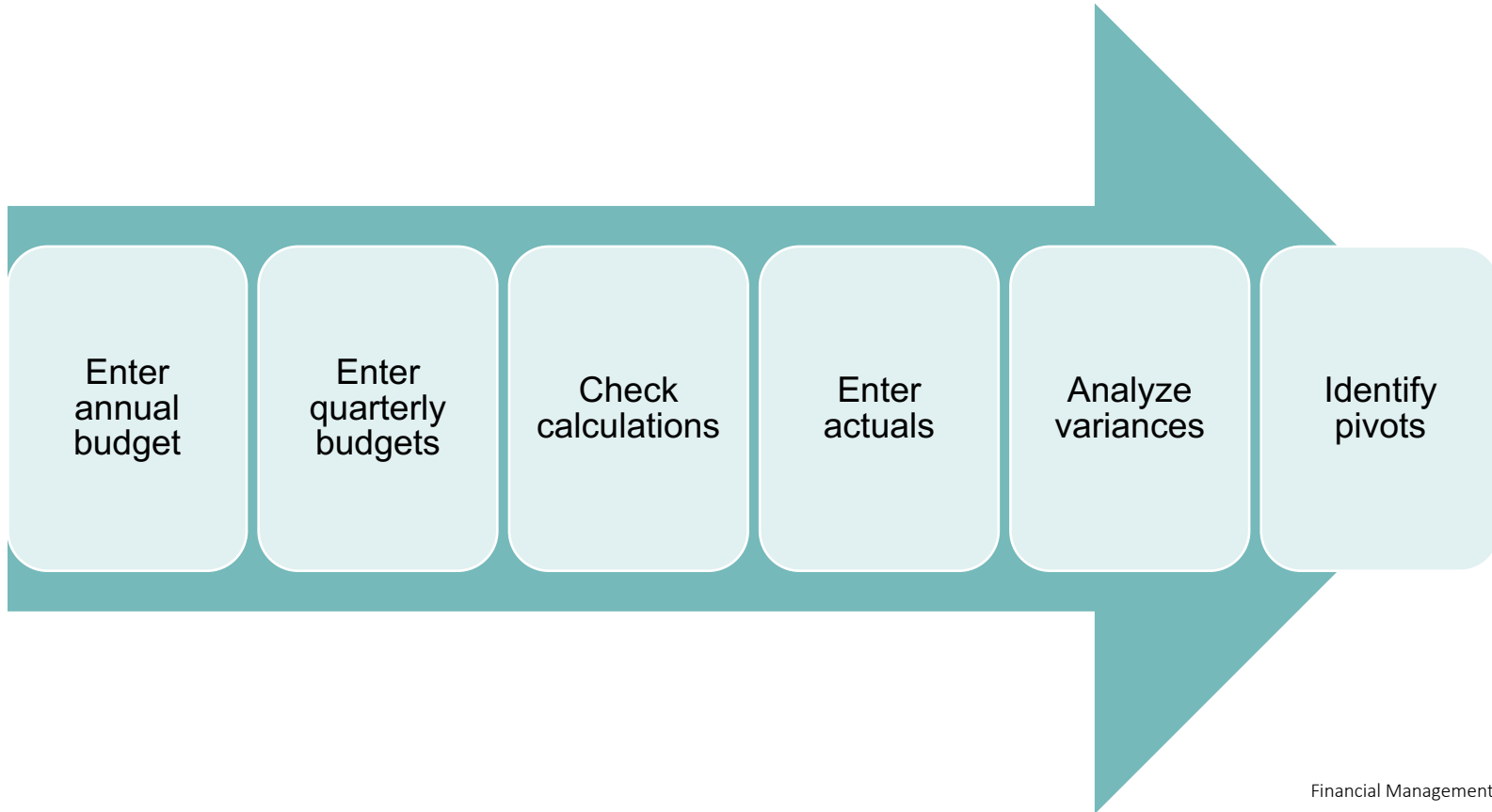


- Monitor progress against budget goals
- Time based strategy to plan during SIP
- Three month intervals (Q1, Q2, Q3, Q4)
- Captures seasonal activities
- YTD budget against YTD actuals



# QUARTERLY BUDGETS

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# Q3 VARIANCES & PIVOTS

	Q1			Q2			Q3		
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals	Variance
<b>Income</b>									
Government	100,000	100,000	0%	150,000	150,000	0%	127,900	127,900	0%
Foundation Grants	45,000	67,500	50%	120,000	120,000	0%	75,000	45,000	-40%
Individual Donations	50,000	50,000	0%	10,000	10,000	0%	2,000	3,000	50%
Earned Income	11,850	11,850	0%	1,800	1,800	0%	11,850	5,925	-50%
Miscellaneous	300	300	0%	-	-	#DIV/0!	-	-	#DIV/0!
<b>Total Income</b>	<b>207,150</b>	<b>229,650</b>	<b>11%</b>	<b>281,800</b>	<b>281,800</b>	<b>0%</b>	<b>216,750</b>	<b>181,825</b>	<b>-16%</b>
<b>Expenses</b>									
Accounting & Legal	-	-	#DIV/0!	12,000	12,000	0%	-	-	#DIV/0!
Advertising	1,400	1,400	0%	1,400	1,400	0%	1,400	1,400	0%
Consultants	35,208	35,208	0%	35,208	35,208	0%	10,000	10,000	0%
Depreciation	1,875	1,875	0%	1,875	1,875	0%	1,875	1,875	0%
Dues & Subscriptions	-	-	#DIV/0!	-	-	#DIV/0!	1,500	1,500	0%
Insurance	4,500	4,500	0%	-	-	#DIV/0!	-	-	#DIV/0!
Miscellaneous	1,000	1,000	0%	1,000	1,000	0%	1,000	1,000	0%
Occupancy	19,000	19,000	0%	19,000	19,000	0%	19,000	19,000	0%
Repairs & Maintenance	-	-	#DIV/0!	-	-	#DIV/0!	5,000	5,000	0%
Salaries	142,500	142,500	0%	142,500	142,500	0%	142,500	142,500	0%
Special Events	5,000	5,000	0%	-	-	#DIV/0!	10,000	10,000	0%
Supplies	21,675	21,675	0%	21,675	21,675	0%	21,675	21,675	0%
Telephone	1,500	1,500	0%	1,500	1,500	0%	1,500	1,500	0%
Training	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!
Utilities	900	900	0%	900	900	0%	900	900	0%
<b>Total Expenses</b>	<b>234,558</b>	<b>234,558</b>	<b>0%</b>	<b>237,058</b>	<b>237,058</b>	<b>0%</b>	<b>216,350</b>	<b>216,350</b>	<b>0%</b>
<b>Surplus (Deficit)</b>	<b>(27,408)</b>	<b>(4,908)</b>		<b>44,742</b>	<b>44,742</b>		<b>400</b>	<b>(34,525)</b>	

## >10% Variances:

- Foundation grants
- Individual donations
- Earned income

## Pivots:

- Invest in Q4 fundraising
- Think creatively about earned
- Reduce Q4 expenses



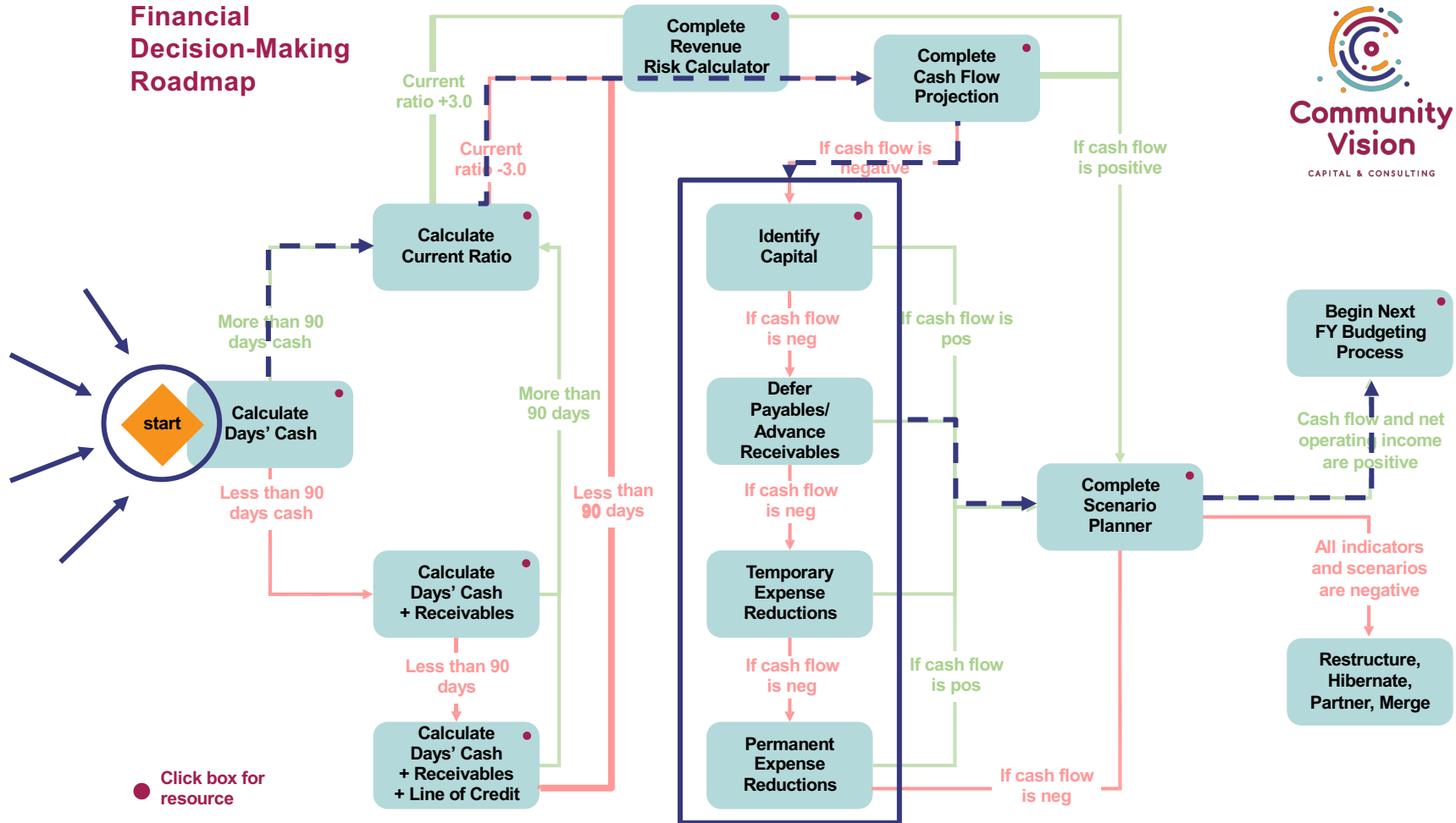
# RESULTS OF PIVOT – ANNUAL NET INCOME ON TRACK

	Q1			Q2			Q3			Q4			Annual		
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals	Variance
<b>Income</b>															
Government	100,000	100,000	0%	150,000	150,000	0%	127,900	127,900	0%	100,000	100,000	0%	477,900	477,900	0%
Foundation Grants	45,000	67,500	50%	120,000	120,000	0%	75,000	45,000	-40%	175,000	175,000	0%	415,000	407,500	-2%
Individual Donations	50,000	50,000	0%	10,000	10,000	0%	2,000	3,000	50%	-	-	#DIV/0!	62,000	63,000	2%
Earned Income	11,850	11,850	0%	1,800	1,800	0%	11,850	5,925	-50%	-	-	#DIV/0!	25,500	19,575	-23%
Miscellaneous	300	300	0%	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!	300	300	0%
<b>Total Income</b>	<b>207,150</b>	<b>229,650</b>	<b>11%</b>	<b>281,800</b>	<b>281,800</b>	<b>0%</b>	<b>216,750</b>	<b>181,825</b>	<b>-16%</b>	<b>275,000</b>	<b>275,000</b>	<b>0%</b>	<b>980,700</b>	<b>968,275</b>	<b>-1%</b>
<b>Expenses</b>															
Accounting & Legal	-	-	#DIV/0!	12,000	12,000	0%	-	-	#DIV/0!	-	-	#DIV/0!	12,000	12,000	0%
Advertising	1,400	1,400	0%	1,400	1,400	0%	1,400	1,400	0%	1,400	1,400	0%	5,600	5,600	0%
Consultants	35,208	35,208	0%	35,208	35,208	0%	10,000	10,000	0%	60,447	51,614	-15%	140,864	132,031	-6%
Depreciation	1,875	1,875	0%	1,875	1,875	0%	1,875	1,875	0%	1,875	1,875	0%	7,500	7,500	0%
Dues & Subscriptions	-	-	#DIV/0!	-	-	#DIV/0!	1,500	1,500	0%	-	-	#DIV/0!	1,500	1,500	0%
Insurance	4,500	4,500	0%	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!	4,500	4,500	0%
Miscellaneous	1,000	1,000	0%	1,000	1,000	0%	1,000	1,000	0%	1,000	1,000	0%	4,000	4,000	0%
Occupancy	19,000	19,000	0%	19,000	19,000	0%	19,000	19,000	0%	18,600	18,600	0%	75,600	75,600	0%
Repairs & Maintenance	-	-	#DIV/0!	-	-	#DIV/0!	5,000	5,000	0%	-	-	#DIV/0!	5,000	5,000	0%
Salaries	142,500	142,500	0%	142,500	142,500	0%	142,500	142,500	0%	152,500	152,500	0%	580,000	580,000	0%
Special Events	5,000	5,000	0%	-	-	#DIV/0!	10,000	10,000	0%	-	-	#DIV/0!	15,000	15,000	0%
Supplies	21,675	21,675	0%	21,675	21,675	0%	21,675	21,675	0%	21,675	15,675	-28%	86,700	80,700	-7%
Telephone	1,500	1,500	0%	1,500	1,500	0%	1,500	1,500	0%	1,500	1,500	0%	6,000	6,000	0%
Training	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!	1,800	1,800	0%	1,800	1,800	0%
Utilities	900	900	0%	900	900	0%	900	900	0%	900	900	0%	3,600	3,600	0%
<b>Total Expenses</b>	<b>234,558</b>	<b>234,558</b>	<b>0%</b>	<b>237,058</b>	<b>237,058</b>	<b>0%</b>	<b>216,350</b>	<b>216,350</b>	<b>0%</b>	<b>261,697</b>	<b>246,864</b>	<b>-6%</b>	<b>949,664</b>	<b>934,831</b>	<b>-2%</b>
<b>Surplus (Deficit)</b>	<b>(27,408)</b>	<b>(4,908)</b>		<b>44,742</b>	<b>44,742</b>		<b>400</b>	<b>(34,525)</b>		<b>13,303</b>	<b>28,136</b>		<b>31,037</b>	<b>33,445</b>	





# Financial Decision-Making Roadmap



● Click box for resource

**Questions?**



- Multi-Year Budgets
- Capitalization Budgets

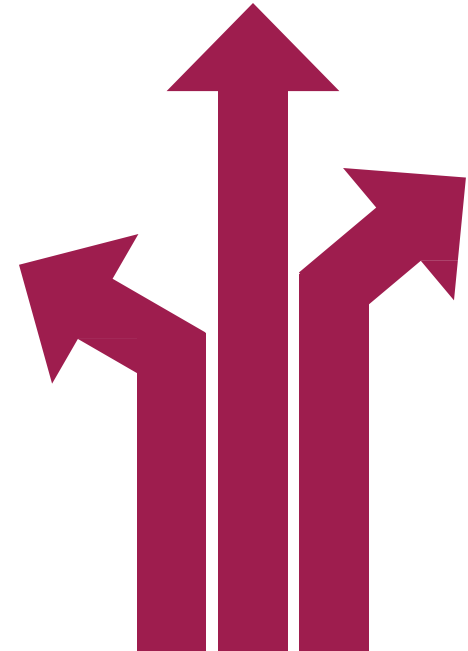


- Start with scenarios, annual & quarterly budgets
- Long(er)-term program planning
- Strategic planning
- Change management
- Slow and steady



# SCENARIO PLANNING

	Scenario 1	Scenario 2	Scenario 3
<b>Income</b>	<b>Optimistic</b>	<b>Moderate</b>	<b>Conservative</b>
Contributed Income			
Government Grants	477,900	477,900	425,000
Foundation Grants	415,000	350,000	300,000
Individual Contributions	62,000	50,000	40,000
Earned Income & Miscellaneous	25,800	15,000	-
<b>Total Income</b>	<b>980,700</b>	<b>892,900</b>	<b>765,000</b>
<b>Expenses</b>			
Accounting & Legal	12,000	10,000	5,000
Advertising	5,600	5,600	7,500
Consultants	140,864	140,864	70,000
Depreciation	7,500	7,500	7,500
Dues & Subscriptions	1,500	1,500	1,500
Insurance	4,500	4,500	4,500
Miscellaneous	4,000	2,000	-
Occupancy	75,600	56,700	56,700
Repairs & Maintenance	5,000	5,000	5,000
Salaries	580,000	545,000	515,000
Special Events	15,000	10,000	25,000
Supplies	86,700	86,700	44,525
Telephone	6,000	6,000	6,000
Training	1,800	1,800	1,800
Utilities	3,600	3,600	3,600
<b>Expenses</b>	<b>949,664</b>	<b>886,764</b>	<b>753,625</b>
<b>Net Income</b>	<b>31,036</b>	<b>6,136</b>	<b>11,375</b>



# ANNUAL PROGRAM-BASED BUDGET

	Program A	Program B	Program C	MG&A	Fundraising	Total
<b>Income</b>						
Government	298,000	150,000	-	22,400	7,500	477,900
Foundation Grants	75,000	115,000	225,000	-	-	415,000
Individual Contributions	-	-	-	-	62,000	62,000
Earned Income	-	-	25,500	-	-	25,500
Miscellaneous	-	-	-	300	-	300
<b>Total Income</b>	<b>373,000</b>	<b>265,000</b>	<b>250,500</b>	<b>22,700</b>	<b>69,500</b>	<b>980,700</b>
<b>Expenses</b>						
Accounting & Legal	1,500	500	-	10,000	-	12,000
Advertising	1,867	1,400	1,167	700	467	5,600
Consultants	18,000	60,000	32,000	30,864	-	140,864
Depreciation	2,500	1,875	1,563	938	625	7,500
Dues & Subscriptions	250	-	500	750	-	1,500
Insurance	1,500	1,500	1,500	-	-	4,500
Miscellaneous	1,333	1,000	833	500	333	4,000
Occupancy	25,200	18,900	15,750	9,450	6,300	75,600
Repairs & Maintenance	1,667	1,250	1,042	625	417	5,000
Salaries	175,000	151,000	82,500	106,500	65,000	580,000
Special Events	-	10,000	-	5,000	-	15,000
Supplies	49,300	17,000	5,100	12,750	2,550	86,700
Telephone	2,000	1,500	1,250	750	500	6,000
Training	600	450	375	225	150	1,800
Utilities	1,200	900	750	450	300	3,600
<b>Total Expenses</b>	<b>281,917</b>	<b>267,275</b>	<b>144,329</b>	<b>179,502</b>	<b>76,642</b>	<b>949,664</b>
<b>Net Income</b>	<b>91,083</b>	<b>(2,275)</b>	<b>106,171</b>	<b>(156,802)</b>	<b>(7,142)</b>	<b>31,036</b>





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# MULTI-YEAR BUDGET

[Organization Name]

[Year 1]

[Year 2]

[Yr1-Yr2]  
Variance

[Year 3]

[Yr2-Yr3]  
Variance

## INCOME

Contributed Income					
Government Grants	-	-	#DIV/0!	-	#DIV/0!
Foundation Grants	-	-	#DIV/0!	-	#DIV/0!
Corporate Grants	-	-	#DIV/0!	-	#DIV/0!
Individual Contributions	-	-	#DIV/0!	-	#DIV/0!
<b>Total Contributed Income</b>	-	-	#DIV/0!	-	#DIV/0!
Earned Income					
Classes	-	-	#DIV/0!	-	#DIV/0!
Workshops	-	-	#DIV/0!	-	#DIV/0!
Fees	-	-	#DIV/0!	-	#DIV/0!
Rentals	-	-	#DIV/0!	-	#DIV/0!
<b>Total Earned Income</b>	-	-	#DIV/0!	-	#DIV/0!
<b>TOTAL INCOME</b>	-	-	#DIV/0!	-	#DIV/0!

## EXPENSES

Accounting & Legal	-	-	#DIV/0!	-	#DIV/0!
Advertising	-	-	#DIV/0!	-	#DIV/0!
Consultants	-	-	#DIV/0!	-	#DIV/0!
Depreciation	-	-	#DIV/0!	-	#DIV/0!
Dues & Subscriptions	-	-	#DIV/0!	-	#DIV/0!
Insurance	-	-	#DIV/0!	-	#DIV/0!
Miscellaneous	-	-	#DIV/0!	-	#DIV/0!
Occupancy	-	-	#DIV/0!	-	#DIV/0!
Repairs & Maintenance	-	-	#DIV/0!	-	#DIV/0!
Salaries	-	-	#DIV/0!	-	#DIV/0!
Special Events	-	-	#DIV/0!	-	#DIV/0!
Supplies	-	-	#DIV/0!	-	#DIV/0!
Telephone	-	-	#DIV/0!	-	#DIV/0!
Training	-	-	#DIV/0!	-	#DIV/0!
Utilities	-	-	#DIV/0!	-	#DIV/0!
<b>TOTAL EXPENSES</b>	-	-	#DIV/0!	-	#DIV/0!
			#DIV/0!		#DIV/0!
<b>NET INCOME</b>	-	-	#DIV/0!	-	#DIV/0!

**CUMULATIVE 3-YR NET INCOME (NET ASSETS GROWTH)**

- - -

## Free, On-Demand Template

- 3 Years
- Variance
- Net Income
- Cumulative Net Income





# MULTI-YEAR BUDGET

[Organization Name]	[Year 1]	[Year 2]	[Yr1-Yr2] Variance	[Year 3]	[Yr2-Yr3] Variance
<b>INCOME</b>					
Contributed Income					
Government Grants	-	-	#DIV/0!	-	#DIV/0!
Foundation Grants	-	-	#DIV/0!	-	#DIV/0!
Corporate Grants	-	-	#DIV/0!	-	#DIV/0!
Individual Contributions	-	-	#DIV/0!	-	#DIV/0!
<b>Total Contributed Income</b>	-	-	#DIV/0!	-	#DIV/0!
Earned Income					
Classes	-	-	#DIV/0!	-	#DIV/0!
Workshops	-	-	#DIV/0!	-	#DIV/0!
Fees	-	-	#DIV/0!	-	#DIV/0!
Rentals	-	-	#DIV/0!	-	#DIV/0!
<b>Total Earned Income</b>	-	-	#DIV/0!	-	#DIV/0!
<b>TOTAL INCOME</b>	-	-	#DIV/0!	-	#DIV/0!
<b>EXPENSES</b>					
Accounting & Legal	-	-	#DIV/0!	-	#DIV/0!
Advertising	-	-	#DIV/0!	-	#DIV/0!
Consultants	-	-	#DIV/0!	-	#DIV/0!
Depreciation	-	-	#DIV/0!	-	#DIV/0!
Dues & Subscriptions	-	-	#DIV/0!	-	#DIV/0!
Insurance	-	-	#DIV/0!	-	#DIV/0!
Miscellaneous	-	-	#DIV/0!	-	#DIV/0!
Occupancy	-	-	#DIV/0!	-	#DIV/0!
Repairs & Maintenance	-	-	#DIV/0!	-	#DIV/0!
Salaries	-	-	#DIV/0!	-	#DIV/0!
Special Events	-	-	#DIV/0!	-	#DIV/0!
Supplies	-	-	#DIV/0!	-	#DIV/0!
Telephone	-	-	#DIV/0!	-	#DIV/0!
Training	-	-	#DIV/0!	-	#DIV/0!
Utilities	-	-	#DIV/0!	-	#DIV/0!
<b>TOTAL EXPENSES</b>	-	-	#DIV/0!	-	#DIV/0!
<b>NET INCOME</b>	-	-	#DIV/0!	-	#DIV/0!
<b>CUMULATIVE 3-YR NET INCOME (NET ASSETS GROWTH)</b>	-	-		-	

## Variance Calculations

- $(Yr2 - Yr1) / Yr1$
- $(Yr3 - Yr2) / Yr2$
- Pos variance = growth
- Neg variance = decline
- Year-over-year trends
- Material significance



- Variance analysis is an ART not a science
- High variance, low significance
- Low variance, high significance
- Year-to-year variance vs. 3-yr variance
- Variance in variance: growth vs. growth rate



[Organization Name]

[Year 1]

Assumptions

INCOME	Program A	Program B	Program C	Fundraising	MG&A	Total	
Contributed Income							
Government Grants	298,000	150,000	-	7,500	22,400	477,900	10% revenue risk overall revenue
Foundation Grants	75,000	115,000	225,000	-	-	415,000	
Corporate Grants	-	-	-	-	-	-	
Individual Contributions	-	-	-	62,000	-	62,000	
<b>Total Contributed Income</b>	<b>373,000</b>	<b>265,000</b>	<b>225,000</b>	<b>69,500</b>	<b>22,400</b>	<b>954,900</b>	
Earned Income							
Classes	-	-	-	-	-	-	
Workshops	-	-	25,500	-	-	25,500	
Fees	-	-	-	-	300	300	
Rentals	-	-	-	-	-	-	
<b>Total Earned Income</b>	<b>-</b>	<b>-</b>	<b>25,500</b>	<b>-</b>	<b>300</b>	<b>25,800</b>	
<b>TOTAL INCOME</b>	<b>373,000</b>	<b>265,000</b>	<b>250,500</b>	<b>69,500</b>	<b>22,700</b>	<b>980,700</b>	
EXPENSES							
Accounting & Legal	1,500	500	-	-	10,000	12,000	new software implementation
Advertising	1,867	1,400	1,166	467	700	5,600	
Consultants	18,000	60,000	32,000	-	30,864	140,864	3-yr strategic plan
Depreciation	2,500	1,875	1,561	625	938	7,500	
Dues & Subscriptions	250	-	500	-	750	1,500	rent reduction
Insurance	1,500	1,500	1,500	-	-	4,500	
Miscellaneous	1,333	1,000	833	333	500	4,000	
Occupancy	25,200	18,900	15,750	6,300	9,450	75,600	
Repairs & Maintenance	1,667	1,250	1,042	417	625	5,000	
Salaries	175,000	151,000	82,500	65,000	106,500	580,000	
Special Events	-	10,000	-	-	5,000	15,000	
Supplies	49,300	17,000	5,100	2,550	12,750	86,700	
Telephone	2,000	1,500	1,250	500	750	6,000	
Training	600	450	375	150	225	1,800	
Utilities	1,200	900	750	300	450	3,600	
<b>EXPENSES</b>	<b>281,917</b>	<b>267,275</b>	<b>144,327</b>	<b>76,642</b>	<b>179,503</b>	<b>949,664</b>	
<b>NET INCOME</b>	<b>91,083</b>	<b>(2,275)</b>	<b>106,173</b>	<b>(7,142)</b>	<b>(156,803)</b>	<b>31,036</b>	



[Organization Name]

[Year 2]

Assumptions

INCOME	Program A	Program B	Program C	Fundraising	MG&A	Total	
Contributed Income							
Government Grants	298,000	25,000	-	-	22,400	345,400	Program A stable Program B scale back Program C pivot Individual donors down
Foundation Grants	75,000	10,000	325,000	-	-	410,000	
Corporate Grants	-	-	-	-	-	-	
Individual Contributions	-	-	-	25,000	-	25,000	
<b>Total Contributed Income</b>	<b>373,000</b>	<b>35,000</b>	<b>325,000</b>	<b>25,000</b>	<b>22,400</b>	<b>780,400</b>	
Earned Income							
Classes	-	-	-	-	-	-	No earned income
Workshops	-	-	-	-	-	-	
Fees	-	-	-	-	-	-	
Rentals	-	-	-	-	-	-	
<b>Total Earned Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL INCOME</b>	<b>373,000</b>	<b>35,000</b>	<b>325,000</b>	<b>25,000</b>	<b>22,400</b>	<b>780,400</b>	
EXPENSES							
Accounting & Legal	-	-	-	-	3,000	3,000	institutional racism internal training
Advertising	1,867	1,400	1,166	467	700	5,600	
Consultants	5,000	5,000	5,000	-	-	15,000	
Depreciation	2,500	1,875	1,561	625	938	7,500	
Dues & Subscriptions	250	-	500	-	750	1,500	
Insurance	1,500	1,500	1,500	-	-	4,500	
Miscellaneous	1,333	1,000	833	333	500	4,000	
Occupancy	25,200	20,000	20,000	15,000	15,000	95,200	
Repairs & Maintenance	1,667	1,250	1,042	417	625	5,000	
Salaries	175,000	75,000	125,000	65,000	106,500	546,500	
Special Events	-	10,000	-	-	5,000	15,000	Program pivot - B reduced, C enhanced
Supplies	20,000	10,000	5,100	2,550	5,000	42,650	
Telephone	2,000	1,500	1,250	500	750	6,000	
Training	600	450	375	150	225	1,800	
Utilities	1,200	900	750	300	450	3,600	
<b>EXPENSES</b>	<b>238,117</b>	<b>129,875</b>	<b>164,077</b>	<b>85,342</b>	<b>139,439</b>	<b>756,850</b>	
<b>NET INCOME</b>	<b>134,883</b>	<b>(94,875)</b>	<b>160,923</b>	<b>(60,342)</b>	<b>(117,039)</b>	<b>23,550</b>	



[Organization Name]

[Year 3]

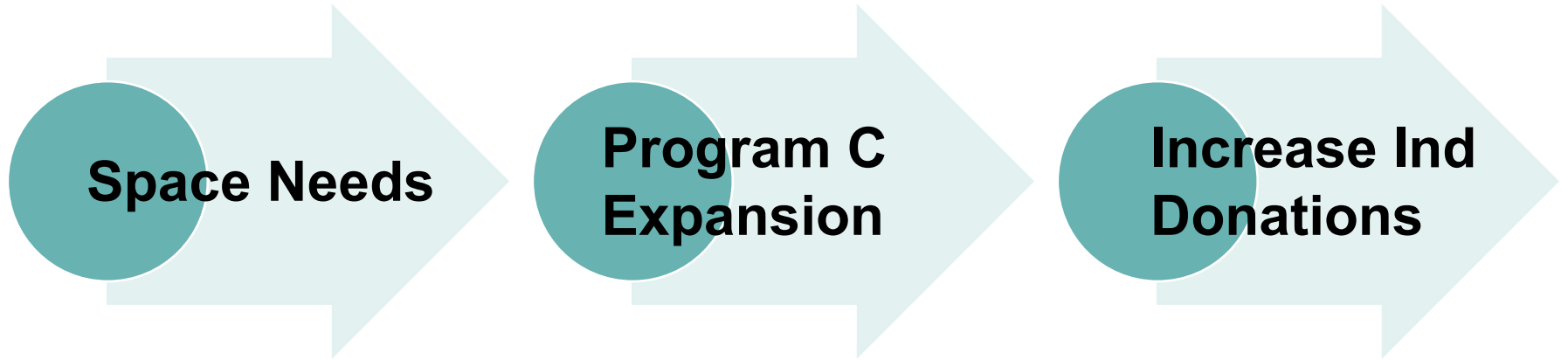
Assumptions

INCOME	Program A	Program B	Program C	Fundraising	MG&A	Total	
Contributed Income							
Government Grants	298,000	-	-	-	22,400	320,400	Program A stable Program B sunsetted Program C growing Individual donors steady
Foundation Grants	25,000	-	350,000	-	-	375,000	
Corporate Grants	-	-	-	-	-	-	
Individual Contributions	-	-	-	25,000	-	25,000	
<b>Total Contributed Income</b>	<b>323,000</b>	<b>-</b>	<b>350,000</b>	<b>25,000</b>	<b>22,400</b>	<b>720,400</b>	
Earned Income							
Classes	-	-	-	-	-	-	No earned income
Workshops	-	-	-	-	-	-	
Fees	-	-	-	-	-	-	
Rentals	-	-	-	-	-	-	
<b>Total Earned Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL INCOME</b>	<b>323,000</b>	<b>-</b>	<b>350,000</b>	<b>25,000</b>	<b>22,400</b>	<b>720,400</b>	
<b>EXPENSES</b>							
Accounting & Legal	-	-	-	-	3,000	3,000	Program pivot - B sunsetted, C growing
Advertising	1,867	-	1,166	467	700	4,200	
Consultants	-	-	-	-	-	-	
Depreciation	2,500	-	1,561	2,500	938	7,500	
Dues & Subscriptions	250	-	500	-	750	1,500	
Insurance	1,500	-	3,000	-	-	4,500	
Miscellaneous	1,333	-	833	333	500	3,000	
Occupancy	25,200	-	40,000	10,000	10,000	85,200	
Repairs & Maintenance	1,667	-	1,042	417	1,875	5,000	
Salaries	200,000	-	150,000	65,000	106,500	521,500	
Special Events	-	-	-	-	5,000	5,000	
Supplies	20,000	-	5,100	2,550	5,000	32,650	
Telephone	2,000	-	1,250	2,000	750	6,000	
Training	600	-	375	150	225	1,350	
Utilities	1,200	-	1,650	300	450	3,600	
<b>EXPENSES</b>	<b>258,117</b>	<b>-</b>	<b>206,477</b>	<b>83,717</b>	<b>135,689</b>	<b>684,000</b>	
<b>NET INCOME</b>	<b>64,883</b>	<b>-</b>	<b>143,523</b>	<b>(58,717)</b>	<b>(113,289)</b>	<b>36,400</b>	



- Sunset Program B
- Sunset earned income
- Pivot to Program C
- Develop 3-yr strategic plan centering equity
- Engage consultants for inst. racism training





- Organization identifies space needs
- Organization identifies program expansion
- Will need additional capital
- Map out capitalization strategy
- 5-Yr Period







# CAPITALIZATION BUDGET SUMMARY

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Total Income</b>	-	-	-	-	-
<b>Total Operating Expenses</b>	-	-	-	-	-
<b>Operating Net Income</b>	-	-	-	-	-
<b>Cumulative 5-Yr Operating Net Income</b>	-	-	-	-	-
<b>Capitalization Costs</b>					-



# CAPITALIZATION BUDGET TEMPLATE

	Program A	Program B	Program C	Fundraising	MG&A	Capitalization	Total
<b>Income</b>							
Individual Donations	-	-	-	-	-	-	-
Foundation Grants	-	-	-	-	-	-	-
Government Grants	-	-	-	-	-	-	-
Earned Income	-	-	-	-	-	-	-
<b>Total Income</b>	-	-	-	-	-	-	-
<b>Operating Expenses</b>							
Accounting	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Bank & Service Fees	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-
Office	-	-	-	-	-	-	-
Personnel	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Travel & Meals	-	-	-	-	-	-	-
<b>Total Direct Operating Expenses</b>	-	-	-	-	-	-	-
<b>Direct Operating Net Income</b>	-	-	-	-	-	-	-
Indirect Cost Allocation, by Program Cost (Fund + MG&A)	✔ #DIV/0!	✔ #DIV/0!	✔ #DIV/0!				✔ #DIV/0!
Indirect Revenue Allocation, by Program Cost (Fund + MG&A)	✔ #DIV/0!	✔ #DIV/0!	✔ #DIV/0!				✔ #DIV/0!
Operating Costs by Program	✔ #DIV/0!	✔ #DIV/0!	✔ #DIV/0!				✔ #DIV/0!
<b>Operating Net Income by Program</b>	✔ #DIV/0!	✔ #DIV/0!	✔ #DIV/0!				✔ #DIV/0!

## Free, On-Demand Template

- Capitalization “Program”
- Fully funding reserves through operations
- Operating cost allocation
- Capitalization allocation
- Full Health Net Income by Program

Capitalization Costs	Inputs	Benchmarks	5 Yr Goals	Progress	Yr 1 Goals	
Operating Reserve	Days' Cash	90	-	-	-	*general operations
Acquisition/Tenant Improvement Reserve	Property Price Loan-to-Value	0.80	-	-	-	*real estate only
Asset Management Reserve	Square Feet \$/Sq Ft/Yr	\$ 1.25	-	-	-	*real estate only
Change Capital Reserve	Days' Cash	30	-	-	-	*general operations
<b>Total Capitalization Costs</b>						
Capitalization Cost Allocation, by Program Operating Costs	✔ #DIV/0!	✔ #DIV/0!	✔ #DIV/0!			✔ #DIV/0!
Indirect Revenue Allocation, by Program Cost (Fund + MG&A)	✔ #DIV/0!	✔ #DIV/0!	✔ #DIV/0!			✔ #DIV/0!
Full Health Costs by Program	✔ #DIV/0!	✔ #DIV/0!	✔ #DIV/0!			✔ #DIV/0!
<b>Full Health Net Income by Program</b>	✔ #DIV/0!	✔ #DIV/0!	✔ #DIV/0!			✔ #DIV/0!



	Program A	Program B	Program C	Fundraising	MG&A	Capitalization	Total	
<b>Income</b>								
Individual Donations	-	-	-	62,000	-	-	62,000	
Foundation Grants	75,000	115,000	225,000	-	-	-	415,000	
Government Grants	298,000	150,000	-	7,500	22,400	-	477,900	
Earned Income	-	-	25,500	-	300	-	25,800	
<b>Total Income</b>	<b>373,000</b>	<b>265,000</b>	<b>250,500</b>	<b>69,500</b>	<b>22,700</b>		<b>980,700</b>	
<b>Operating Expenses</b>								
Accounting & Legal	1,500	500	-	-	10,000	-	12,000	
Advertising	1,867	1,400	1,166	467	700	-	5,600	
Consultants	18,000	60,000	32,000	-	30,864	-	140,864	
Depreciation	2,500	1,875	1,561	625	938	-	7,500	
Dues & Subscriptions	250	-	500	-	750	-	1,500	
Insurance	1,500	1,500	1,500	-	-	-	4,500	
Miscellaneous	1,333	1,000	833	333	500	-	4,000	
Occupancy	25,200	18,900	15,750	6,300	9,450	-	75,600	
Repairs & Maintenance	1,667	1,250	1,042	417	625	-	5,000	
Salaries	175,000	151,000	82,500	65,000	106,500	-	580,000	
Special Events	-	10,000	-	-	5,000	-	15,000	
Supplies	49,300	17,000	5,100	2,550	12,750	-	86,700	
Telephone	2,000	1,500	1,250	500	750	-	6,000	
Training	600	450	375	150	225	-	1,800	
Utilities	1,200	900	750	300	450	-	3,600	
<b>Total Direct Operating Expenses</b>	<b>281,917</b>	<b>267,275</b>	<b>144,327</b>	<b>76,642</b>	<b>179,503</b>		<b>949,664</b>	
<b>Direct Operating Net Income</b>								
	<b>91,083</b>	<b>(2,275)</b>	<b>106,173</b>	<b>(7,142)</b>	<b>(156,803)</b>		<b>31,036</b>	
Indirect Cost Allocation, by Program Cost (Fund + MG&A)	104,123	98,716	53,306	-	-	-	256,145	
Indirect Revenue Allocation, by Program Cost (Fund + MG&A)	37,479	35,533	19,188	-	-	-	92,200	
<b>Operating Costs by Program</b>	<b>386,040</b>	<b>365,991</b>	<b>197,633</b>				<b>949,664</b>	
<b>Operating Net Income by Program</b>	<b>24,439</b>	<b>(65,458)</b>	<b>72,055</b>				<b>31,036</b>	
<b>Capitalization Costs</b>								
		<b>Inputs</b>	<b>Benchmarks</b>	<b>5 Yr Goals</b>	<b>Progress</b>	<b>Yr 1 Goals</b>		
Operating Reserve			Days' Cash	90	234,164	-	46,833	<i>*general operations</i>
Acquisition/Tenant Improvement Reserve	<b>Property Price</b>	1,000,000	Loan-to-Value	0.90	100,000	-	20,000	<i>*real estate only</i>
Asset Management Reserve	<b>Square Feet</b>	2,500	\$/Sq Ft/Yr	\$ 1.25	3,125	-	625	<i>*real estate only</i>
Change Capital Reserve			Days' Cash	30	78,055	-	15,611	<i>*general operations</i>
<b>Total Capitalization Costs</b>					<b>415,343</b>		<b>83,069</b>	
Capitalization Cost Allocation, by Program Operating Costs	33,768	32,014	17,287	-	-	-	83,069	
Indirect Revenue Allocation, by Program Cost (Fund + MG&A)	37,479	35,533	19,188	-	-	-	92,200	
<b>Full Health Costs by Program</b>	<b>419,808</b>	<b>398,005</b>	<b>214,920</b>				<b>1,032,732</b>	
<b>Full Health Net Income by Program</b>	<b>(9,328)</b>	<b>(97,472)</b>	<b>54,768</b>				<b>(52,032)</b>	

## Assumptions

- Acquisition in 5 years
- \$1m property
- 2,500 sq/ft
- Program C expansion funded by change capital

## Notes

- Need to increase net income by \$52k to cover annual capitalization budget



# STRATEGIES FOR IDENTIFYING ADDITIONAL SURPLUS

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# STRATEGIES FOR IDENTIFYING ADDITIONAL SURPLUS

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# YEAR 1 - FULL HEALTH

	Program A	Program B	Program C	Fundraising	MG&A	Capitalization	Total
<b>Income</b>							
Individual Donations	-	-	-	62,000	-	-	62,000
Foundation Grants	75,000	115,000	225,000	55,000	-	-	470,000
Government Grants	298,000	150,000	-	7,500	22,400	-	477,900
Earned Income	-	-	25,500	-	300	-	25,800
<b>Total Income</b>	<b>373,000</b>	<b>265,000</b>	<b>250,500</b>	<b>124,500</b>	<b>22,700</b>	-	<b>1,035,700</b>
<b>Operating Expenses</b>							
Accounting & Legal	1,500	500	-	-	10,000	-	12,000
Advertising	1,867	1,400	1,166	467	700	-	5,600
Consultants	18,000	60,000	32,000	-	30,864	-	140,864
Depreciation	2,500	1,875	1,561	625	938	-	7,500
Dues & Subscriptions	250	-	500	-	750	-	1,500
Insurance	1,500	1,500	1,500	-	-	-	4,500
Miscellaneous	1,333	1,000	833	333	500	-	4,000
Occupancy	25,200	18,900	15,750	6,300	9,450	-	75,600
Repairs & Maintenance	1,667	1,250	1,042	417	625	-	5,000
Salaries	175,000	151,000	82,500	65,000	106,500	-	580,000
Special Events	-	10,000	-	-	5,000	-	15,000
Supplies	49,300	17,000	5,100	2,550	12,750	-	86,700
Telephone	2,000	1,500	1,250	500	750	-	6,000
Training	600	450	375	150	225	-	1,800
Utilities	1,200	900	750	300	450	-	3,600
<b>Total Direct Operating Expenses</b>	<b>281,917</b>	<b>267,275</b>	<b>144,327</b>	<b>76,642</b>	<b>179,503</b>	-	<b>949,664</b>
<b>Direct Operating Net Income</b>	<b>91,083</b>	<b>(2,275)</b>	<b>106,173</b>	<b>47,858</b>	<b>(156,803)</b>	-	<b>86,036</b>
Indirect Cost Allocation, by Program Cost (Fund + MG&A)	104,123	98,716	53,306	-	-	-	256,145
Indirect Revenue Allocation, by Program Cost (Fund + MG&A)	59,837	56,729	30,634	-	-	-	147,200
<b>Operating Costs by Program</b>	<b>386,040</b>	<b>365,991</b>	<b>197,633</b>	-	-	-	<b>949,664</b>
<b>Operating Net Income by Program</b>	<b>46,797</b>	<b>(44,261)</b>	<b>83,501</b>	-	-	-	<b>86,036</b>
<b>Capitalization Costs</b>							
		<b>Inputs</b>	<b>Benchmarks</b>	<b>5 Yr Goals</b>	<b>Progress</b>	<b>Yr 1 Goals</b>	
Operating Reserve		Days' Cash	90	234,164	-	46,833	<i>*general operations</i>
Acquisition/Tenant Improvement Reserve	<b>Property Price</b>	Loan-to-Value	0.90	100,000	-	20,000	<i>*real estate only</i>
Asset Management Reserve	<b>Square Feet</b>	\$/Sq Ft/Yr	\$ 1.25	3,125	-	625	<i>*real estate only</i>
Change Capital Reserve		Days' Cash	30	78,055	-	15,611	<i>*general operations</i>
<b>Total Capitalization Costs</b>				<b>415,343</b>	-	<b>83,069</b>	
Capitalization Cost Allocation, by Program Operating Costs	33,768	32,014	17,287	-	-	-	83,069
Indirect Revenue Allocation, by Program Cost (Fund + MG&A)	59,837	56,729	30,634	-	-	-	147,200
<b>Full Health Costs by Program</b>	<b>419,808</b>	<b>398,005</b>	<b>214,920</b>	-	-	-	<b>1,032,732</b>
<b>Full Health Net Income by Program</b>	<b>13,029</b>	<b>(76,275)</b>	<b>66,213</b>	-	-	-	<b>2,968</b>

## Notes

- 5-year pledge from foundation to help capitalization efforts



	Program A	Program B	Program C	Fundraising	MG&A	Capitalization	Total
<b>Income</b>							
Individual Donations	-	-	-	63,240	-		63,240
Foundation Grants	76,500	117,300	229,500	56,100	-		479,400
Government Grants	303,960	153,000	-	7,650	22,848		487,458
Earned Income	-	-	26,010	-	306		26,316
<b>Total Income</b>	<b>380,460</b>	<b>270,300</b>	<b>255,510</b>	<b>126,990</b>	<b>23,154</b>		<b>1,056,414</b>
<b>Operating Expenses</b>							
Accounting & Legal	1,530	510	-	-	10,200		12,240
Advertising	1,904	1,428	1,189	476	714		5,712
Consultants	18,360	61,200	32,640	-	31,481		143,681
Depreciation	2,550	1,913	1,592	638	957		7,649
Dues & Subscriptions	255	-	510	-	765		1,530
Insurance	1,530	1,530	1,530	-	-		4,590
Miscellaneous	1,360	1,020	850	340	510		4,080
Occupancy	25,704	19,278	16,065	6,426	9,639		77,112
Repairs & Maintenance	1,700	1,275	1,062	425	638		5,100
Salaries	178,500	154,020	84,150	66,300	108,630		591,600
Special Events	-	10,200	-	-	5,100		15,300
Supplies	50,286	17,340	5,202	2,601	13,005		88,434
Telephone	2,040	1,530	1,275	510	765		6,120
Training	612	459	383	153	230		1,836
Utilities	1,224	918	765	306	459		3,672
<b>Total Direct Operating Expenses</b>	<b>287,555</b>	<b>272,621</b>	<b>147,213</b>	<b>78,175</b>	<b>183,093</b>		<b>968,657</b>
<b>Direct Operating Net Income</b>	<b>92,905</b>	<b>(2,321)</b>	<b>108,297</b>	<b>48,815</b>	<b>(159,939)</b>		<b>87,757</b>
Indirect Cost Allocation, by Program Cost (Fund + MG&A)	106,206	100,690	54,372				261,268
Indirect Revenue Allocation, by Program Cost (Fund + MG&A)	61,034	57,864	31,246				150,144
Operating Costs by Program	393,761	373,311	201,585				968,657
<b>Operating Net Income by Program</b>	<b>47,733</b>	<b>(45,147)</b>	<b>85,171</b>				<b>87,757</b>

Capitalization Costs		Inputs	Benchmarks	Yr Rev Goals	Progress	Yr 2 Goals		
Operating Reserve			Days' Cash	90	238,847	46,833	47,769	<i>*general operations</i>
Acquisition/Tenant Improvement Reserve	<b>Property Price</b>	1,000,000	Loan-to-Value	0.80	200,000	20,000	40,000	<i>*real estate only</i>
Asset Management Reserve	<b>Square Feet</b>	2,500	\$/Sq Ft/Yr	\$ 1.25	3,125	625	625	<i>*real estate only</i>
Change Capital Reserve			Days' Cash	30	79,616	15,611	16,001	<i>*general operations</i>
<b>Total Capitalization Costs</b>					<b>521,588</b>	<b>83,069</b>	<b>104,396</b>	
Capitalization Cost Allocation, by Program Operating Costs		42,437	40,233	21,726				104,396
Indirect Revenue Allocation, by Program Cost (Fund + MG&A)		61,034	57,864	31,246				150,144
Full Health Costs by Program		436,198	413,544	223,311				1,073,052
<b>Full Health Net Income by Program</b>		<b>5,296</b>	<b>(85,380)</b>	<b>63,445</b>				<b>(16,638)</b>

## Template

- Subsequent years document progress
- Operating reserve goals change based on annual operating expenses

## Notes

- Need to increase net income by \$16k to cover annual capitalization budget





# YEAR 2 – FULL HEALTH

	Program A	Program B	Program C	Fundraising	MG&A	Capitalization	Total
<b>Income</b>							
Individual Donations	-	-	-	63,240	-		63,240
Foundation Grants	76,500	117,300	229,500	56,100	-		479,400
Government Grants	303,960	153,000	-	7,650	22,848		487,458
Earned Income	-	-	26,010	-	306		26,316
<b>Total Income</b>	<b>380,460</b>	<b>270,300</b>	<b>255,510</b>	<b>126,990</b>	<b>23,154</b>		<b>1,056,414</b>
<b>Operating Expenses</b>							
Accounting & Legal	1,530	510	-	-	10,200		12,240
Advertising	1,904	1,428	1,189	476	714		5,712
Consultants	18,360	61,200	32,640	-	-		112,200
Depreciation	2,550	1,913	1,592	638	957		7,649
Dues & Subscriptions	255	-	510	-	765		1,530
Insurance	1,530	1,530	1,530	-	-		4,590
Miscellaneous	1,360	1,020	850	340	510		4,080
Occupancy	25,704	19,278	16,065	6,426	9,639		77,112
Repairs & Maintenance	1,700	1,275	1,062	425	638		5,100
Salaries	178,500	154,020	84,150	66,300	108,630		591,600
Special Events	-	10,200	-	-	5,100		15,300
Supplies	50,286	17,340	5,202	2,601	13,005		88,434
Telephone	2,040	1,530	1,275	510	765		6,120
Training	612	459	383	153	230		1,836
Utilities	1,224	918	765	306	459		3,672
<b>Total Direct Operating Expenses</b>	<b>287,555</b>	<b>272,621</b>	<b>147,213</b>	<b>78,175</b>	<b>151,612</b>		<b>937,176</b>
<b>Direct Operating Net Income</b>	<b>92,905</b>	<b>(2,321)</b>	<b>108,297</b>	<b>48,815</b>	<b>(128,458)</b>		<b>119,238</b>
Indirect Cost Allocation, by Program Cost (Fund + MG&A)	93,409	88,557	47,820				229,787
Indirect Revenue Allocation, by Program Cost (Fund + MG&A)	61,034	57,864	31,246				150,144
Operating Costs by Program	380,964	361,178	195,034				937,176
<b>Operating Net Income by Program</b>	<b>60,530</b>	<b>(33,014)</b>	<b>91,722</b>				<b>119,238</b>

## Capitalization Costs

	Inputs	Benchmarks	Yr Rev Goals	Progress	Yr 2 Goals		
Operating Reserve		Days' Cash	90	231,084	46,833	46,217	<i>*general operations</i>
Acquisition/Tenant Improvement Reserve	<b>Property Price</b>	Loan-to-Value	0.80	200,000	20,000	40,000	<i>*real estate only</i>
Asset Management Reserve	<b>Square Feet</b>	\$/Sq Ft/Yr	\$ 1.25	3,125	625	625	<i>*real estate only</i>
Change Capital Reserve		Days' Cash	30	77,028	15,611	15,354	<i>*general operations</i>
<b>Total Capitalization Costs</b>				<b>511,238</b>	<b>83,069</b>	<b>102,196</b>	
Capitalization Cost Allocation, by Program Operating Costs	41,543	39,385	21,268				102,196
Indirect Revenue Allocation, by Program Cost (Fund + MG&A)	61,034	57,864	31,246				150,144
Full Health Costs by Program	422,507	400,563	216,302				1,039,372
<b>Full Health Net Income by Program</b>	<b>18,987</b>	<b>(72,399)</b>	<b>70,454</b>				<b>17,042</b>

## Notes

- Reduce Consultant fees to cover full health costs





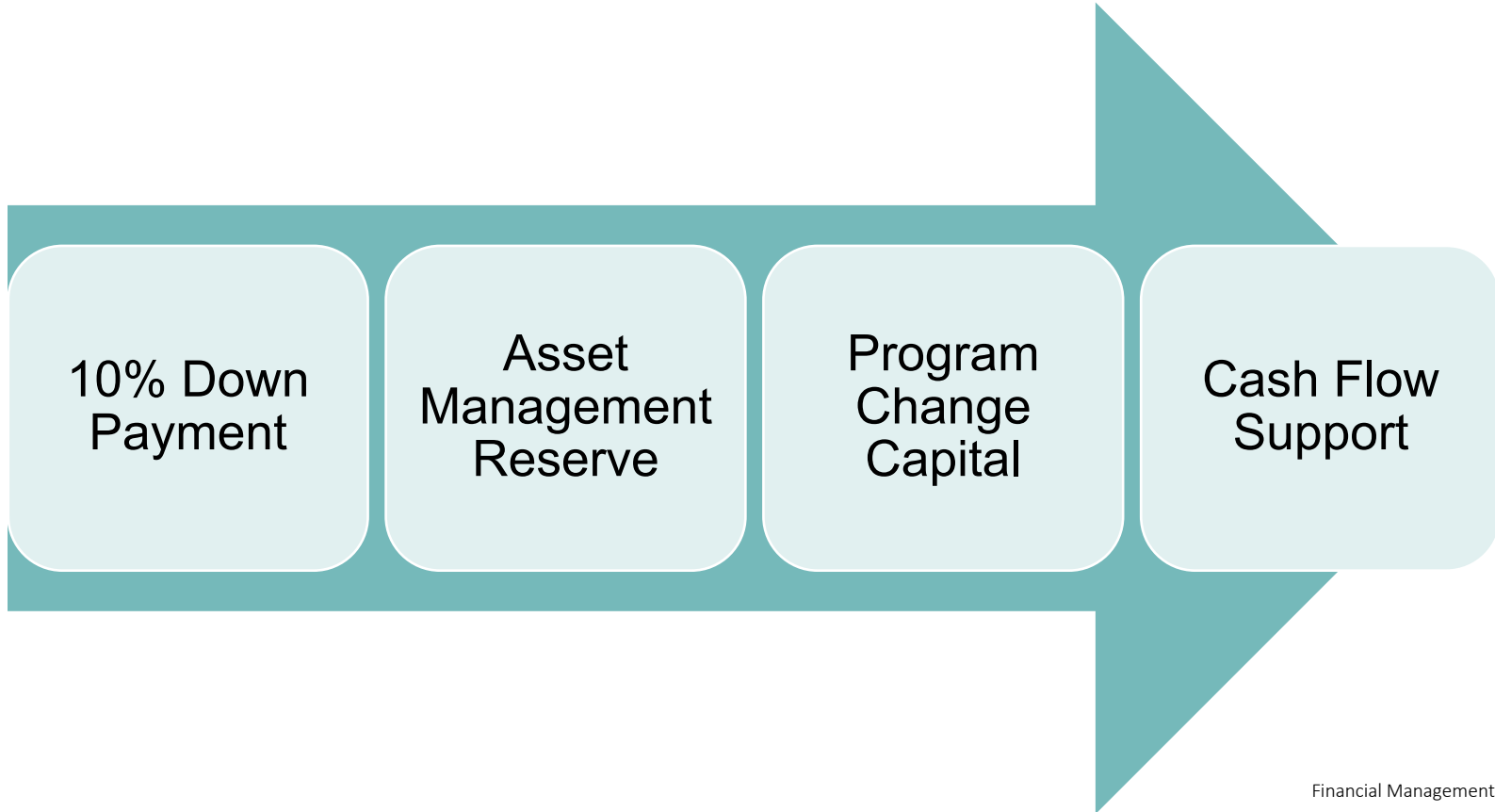
# FULL FINANCIAL HEALTH

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Total Income</b>	1,035,700	1,056,414	1,070,708	1,092,122	1,102,782
<b>Total Operating Expenses</b>	949,664	937,176	965,291	979,323	989,116
<b>Operating Net Income</b>	86,036	119,238	105,417	112,800	113,666
<b>Cumulative 5-Yr Operating Net Income</b>	<b>86,036</b>	<b>205,275</b>	<b>310,692</b>	<b>423,491</b>	<b>537,157</b>
<b>Capitalization Costs</b>					508,314

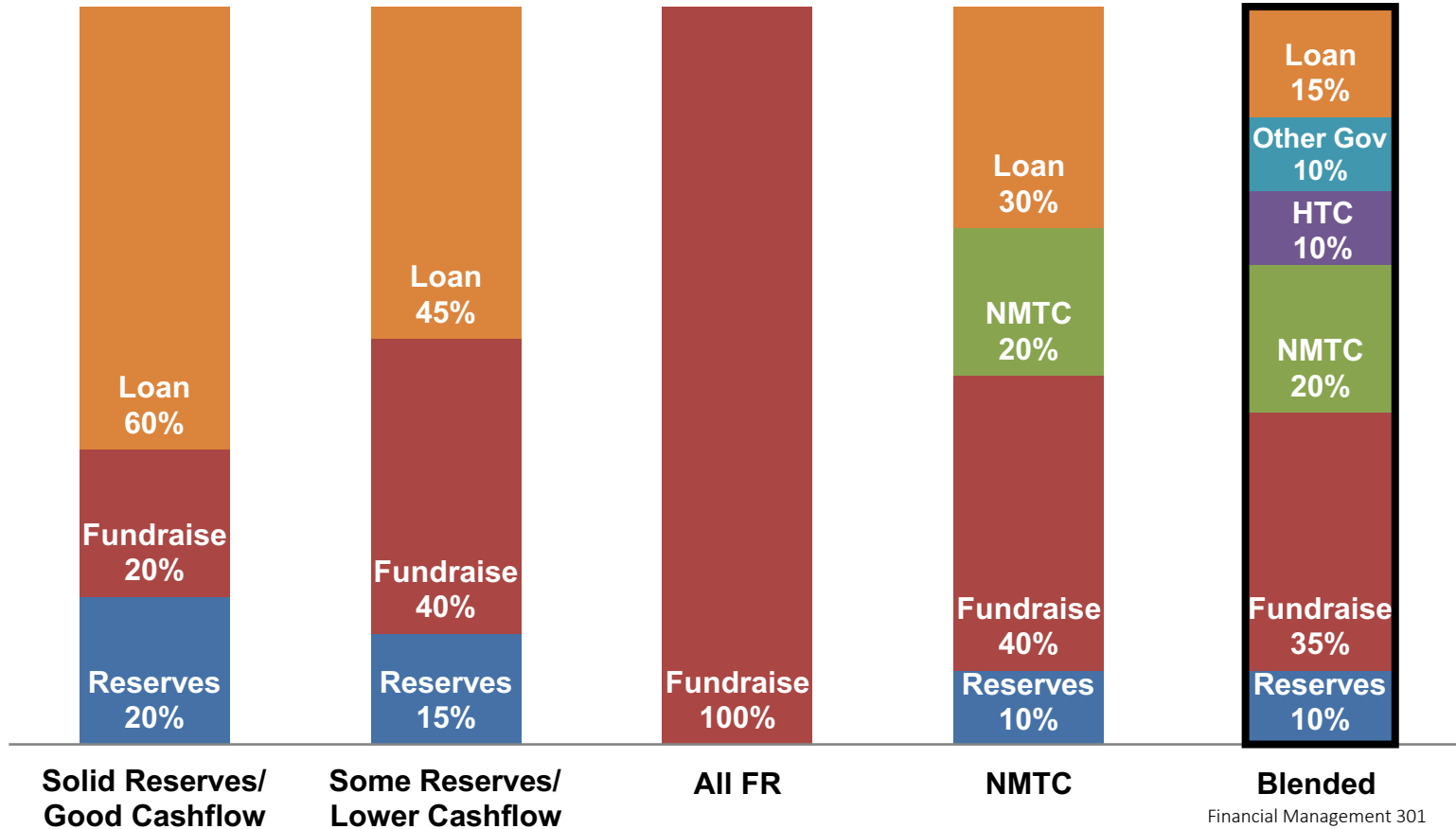


# READY FOR EXPANSION PROJECTS IN 5 YRS

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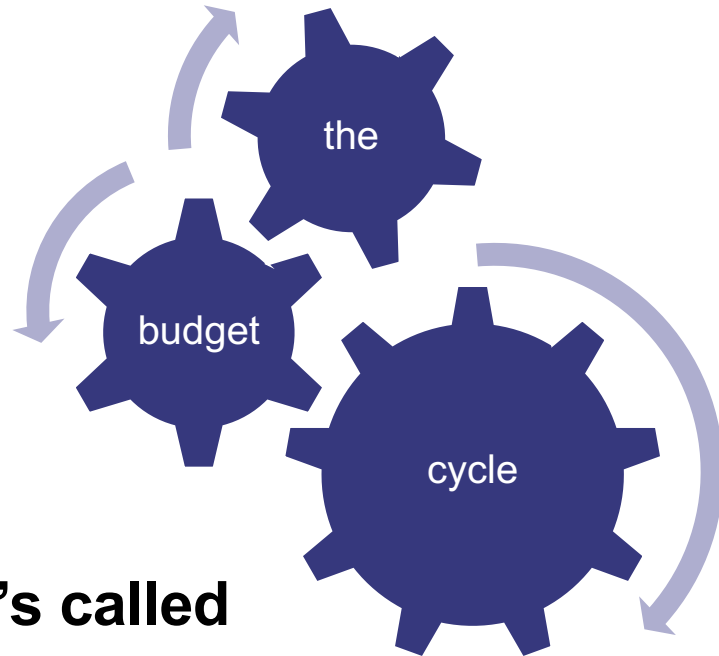


# THE CAPITAL STACK



## A healthy organization is always budgeting

- Annual budget
- Quarterly budgets
- Multi-year budgets
- Capitalization budgets



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## Financial Management Series

101: Cash Indicators for Short-Term Planning, May 28<sup>th</sup>

201: Budgeting & Pivoting for Mid-Term Planning, June 4<sup>th</sup>

301: Stabilizing Assets for Long-Term Planning, June 11<sup>th</sup>

[Compliance During COVID feat. Audit Partner](#), June 18<sup>th</sup>



# CONTACT INFORMATION

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the survey!**



**Questions?**

