

Financial Management 201

2020 Nonprofit Training Series
Financial Planning during COVID

San Francisco Controller's Office

June 4, 2020



- Introductions
- Review of Financial Management 101
- Budgeting & Pivoting for Mid-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

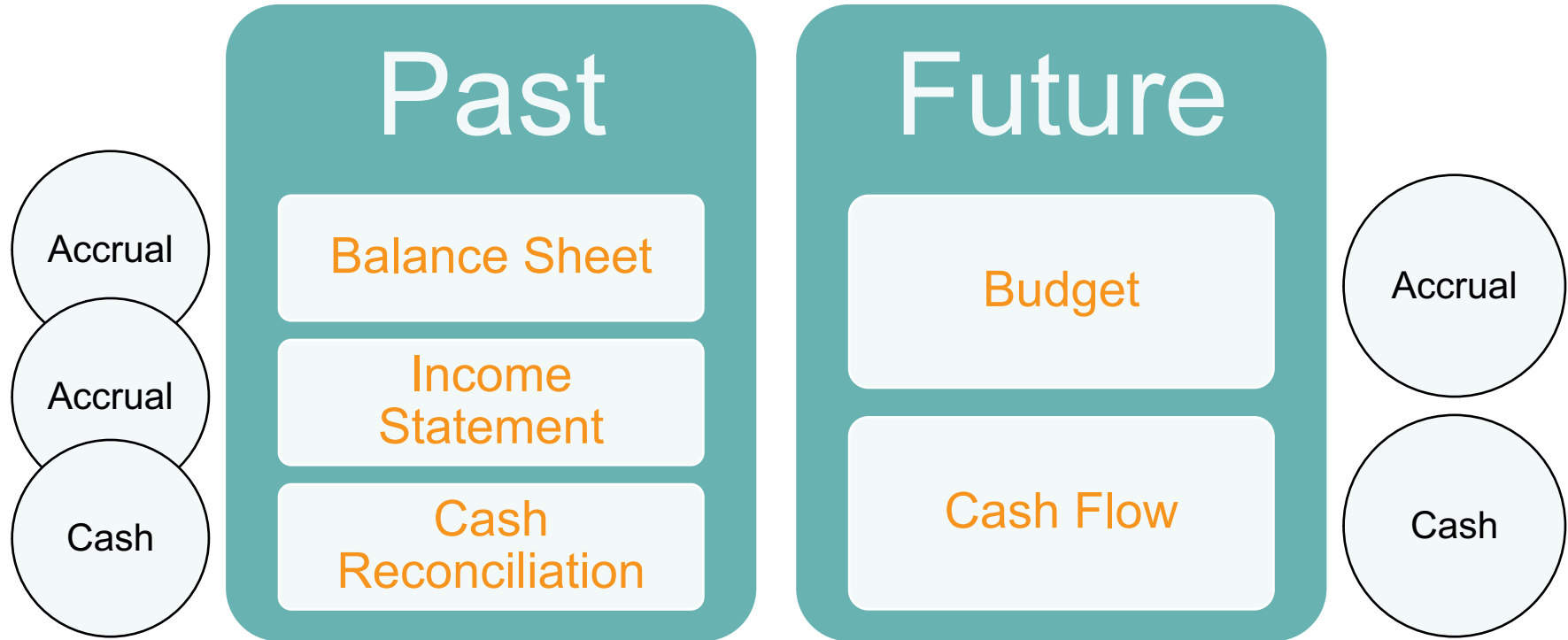
| Financial Assessments & Education

| 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
Total Assets	799,953
Liabilities and Net Assets	
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
Total Liabilities & Net Assets	799,953

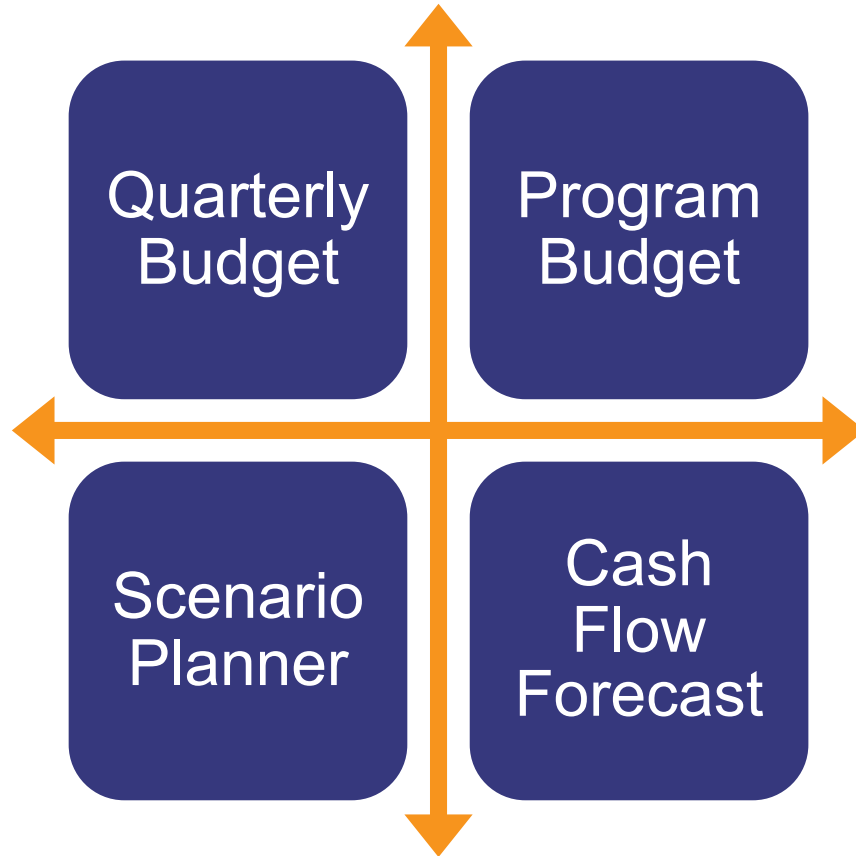
Income Statement

	FY 2019
Income	
Government	477,900
Foundation Grants	415,000
Individual Contributions	62,000
Earned Income & Misc	25,800
Total Income	980,700
Expense	
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
Total Expenses	959,664
Net Income	21,036

Cash Reconciliation

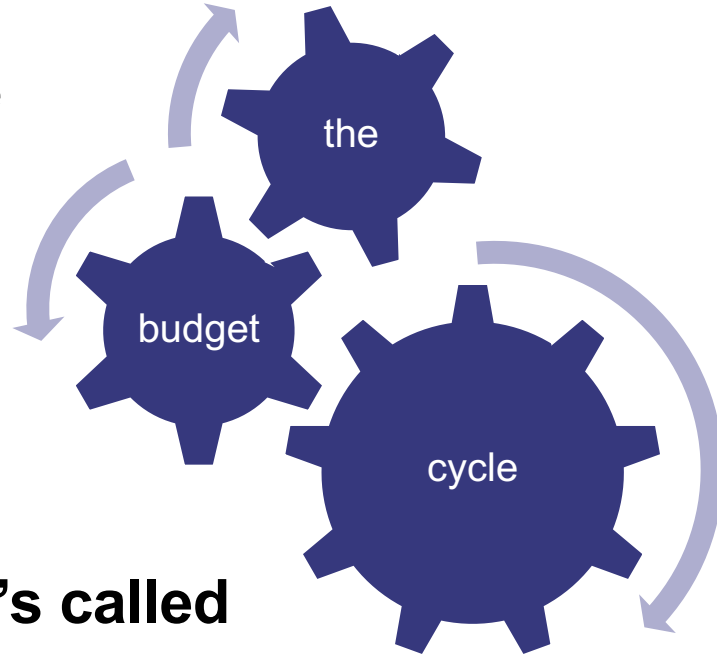
	FY 2019
Total Income	980,700
Total Expenses	959,664
Net Income	21,036
Adjustments reconciling	
Net Income to Net Cash:	
Depreciation	7,500
Receivables Received	57,000
Receivables Promised	(120,000)
Prepaid Deposits	(6,000)
Accounts Payable	46,000
Net Cash Provided By //	
(Used In) Operating	
Activities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





A healthy organization is always budgeting

- Assessing performance
- Developing projections
- Analyzing variances
- Making adjustments



That's why it's called



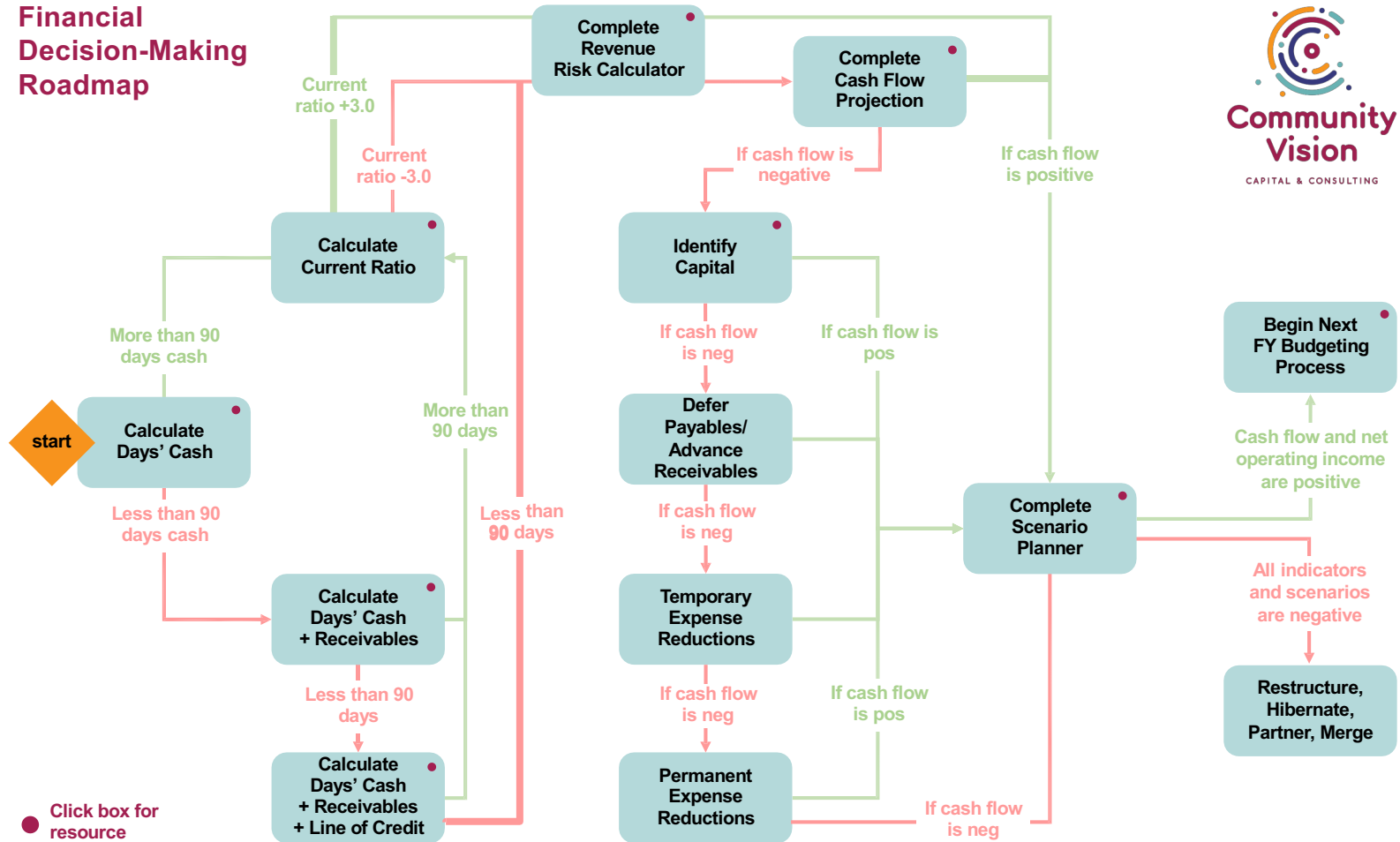
CASH FLOW PROJECTION

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cash In												
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	-
Total Cash In	2,000	37,000	137,000	37,000	87,000	87,000	110,000	150,000	60,000	45,800	83,000	70,000
Cash Out												
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
Total Cash Out	59,100	57,600	62,850	63,300	56,100	63,300	71,850	115,850	94,100	99,964	58,800	55,200
Surplus (Deficit)	(57,100)	(20,600)	74,150	(26,300)	30,900	23,700	38,150	34,150	(34,100)	(54,164)	24,200	14,800
Beginning Cash	6,843	(50,257)	(70,857)	3,293	(23,007)	7,893	31,593	69,743	103,893	69,793	15,629	39,829
Ending Cash	(50,257)	(70,857)	3,293	(23,007)	7,893	31,593	69,743	103,893	69,793	15,629	39,829	54,629

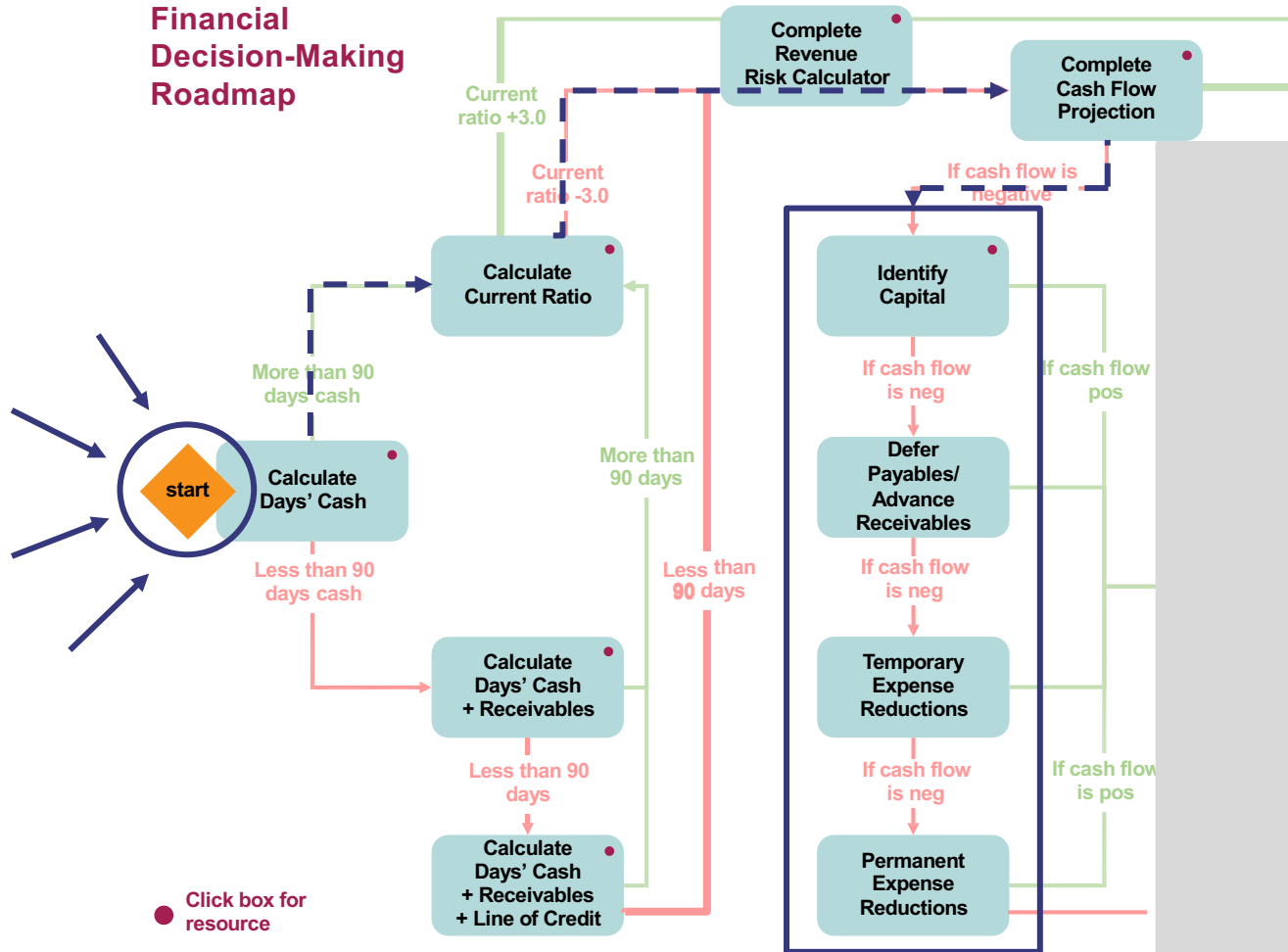




Financial Decision-Making Roadmap



Financial Decision-Making Roadmap

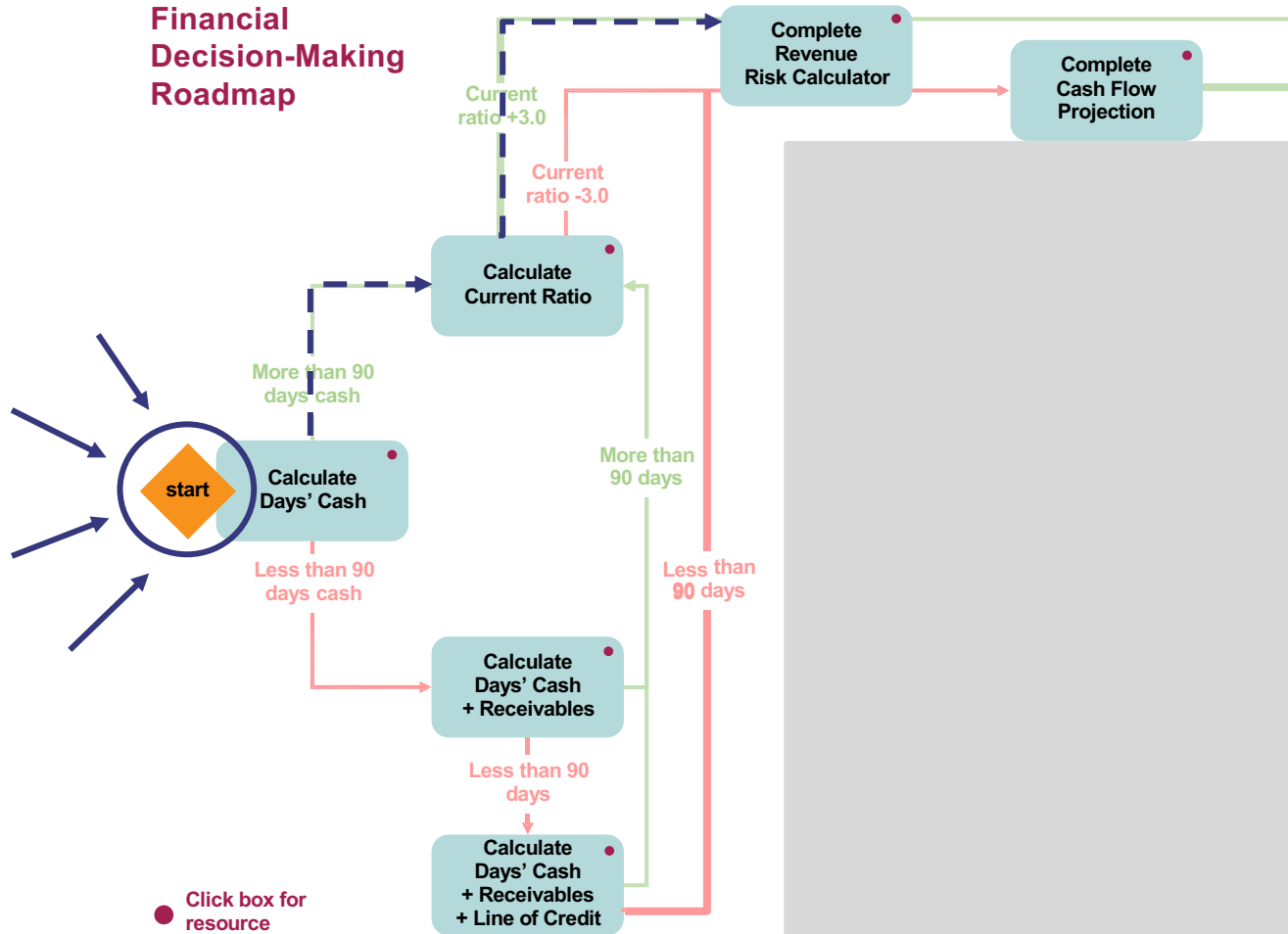


● Click box for resource

- Revenue Risk Calculator
- Scenario Planning
- Quarterly Budgets



Financial Decision-Making Roadmap





A Project of Community Vision

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Nonprofit Real Estate & Financial Management **Resources**





Guide to Financial Ratios

Use this tool to monitor your organization's health.

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Revenue Risk Calculator

Use this tool to map the likelihood that revenue in process will be successfully secured, and adjust your budget accordingly.

[More](#)

Financial Decision-Making Roadmap

The Financial Decision-Making Roadmap will help guide nonprofit staff and Board Members through a step-by-step process of organizational analysis.

[More](#)

- Projecting exact income is challenging
- Funding and revenue fluctuate in the best times
- Revenue risk evaluates likelihood of success
- Use for annual budgeting or mid-year analysis
- Also apply risk calculation to cash flow forecast



REVENUE RISK CALCULATOR

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



THREE CATEGORIES OF RISK



Committed – 100%

Likely – 75%

Possible – 25%





Current // new grants & contracts

Current // new earned income

Individual donations

Miscellaneous



REQUESTED AMOUNT

	Requested Amount	Committed	Likely	Possible	Total Budgeted Income by Funder
INCOME		100%	75%	25%	
Government					
Arts Council	225,000	225,000	-	-	225,000
Happy Valley USD	250,000	175,000	75,000	-	231,250
Pleasantville County Funding	100,000	60,000	40,000	-	90,000
Total Government	575,000				546,250
Foundation Grants					
Helpful Foundation	75,000	75,000	-	-	75,000
Happy Valley Community Foundation	45,000	-	-	45,000	11,250
Forward Thinking Foundation	35,000	-	-	35,000	8,750
NonprofitWorks Fund	140,000	140,000	-	-	140,000
Generous Bank Community Foundation	130,000	105,000	-	25,000	111,250
Total Foundations	425,000				346,250
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Miscellaneous	700	700	-	-	700
Total Requested	1,092,946				
Total Budgeted Income - Discounted		853,960	100,490	26,250	980,700



RISK CATEGORIES

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



SAMPLE CALCULATION

	Requested Amount	Committed	Likely	Possible	Total Budgeted Income by Funder
INCOME		100%	75%	25%	
Government					
Happy Valley USD	250,000	175,000	75,000	-	231,250

$$(\$175,000 \times 100\%) + (\$75,000 \times 75\%) = \$231,250$$



10% REVENUE RISK

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



ANNUAL PROGRAM-BASED BUDGET

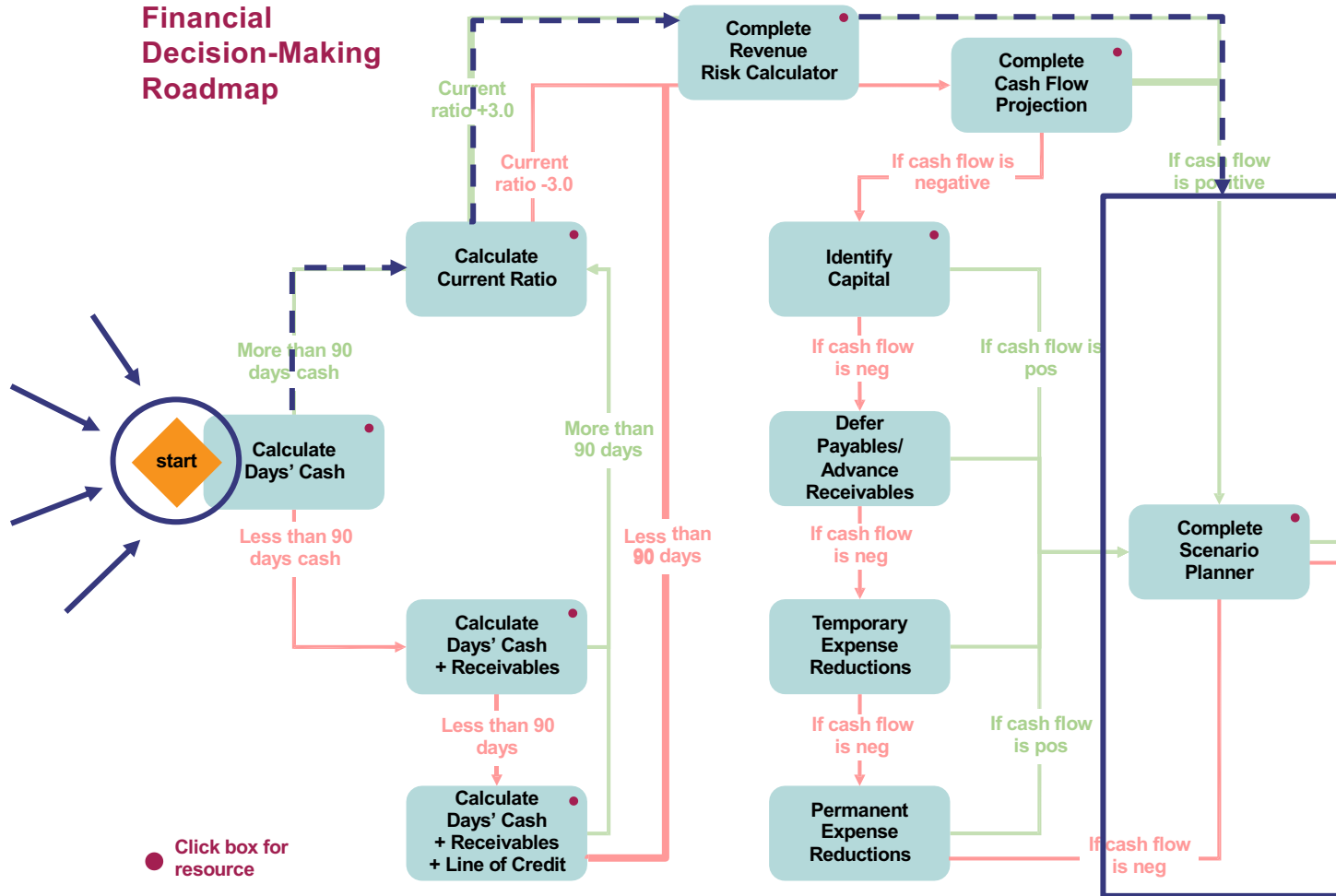
	Program A	Program B	Program C	MG&A	Fundraising	Total
Income						
Government	298,000	150,000	-	22,400	7,500	477,900
Foundation Grants	75,000	115,000	225,000	-	-	415,000
Individual Contributions	-	-	-	-	62,000	62,000
Earned Income	-	-	25,500	-	-	25,500
Miscellaneous	-	-	-	300	-	300
Total Income	373,000	265,000	250,500	22,700	69,500	980,700
Expenses						
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
Total Expenses	281,917	267,275	144,329	179,502	76,642	949,664
Net Income	91,083	(2,275)	106,171	(156,802)	(7,142)	31,036



Questions?



Financial Decision-Making Roadmap





Financial Decision-Making Roadmap

The Financial Decision-Making Roadmap will help guide nonprofit staff and Board Members through a step-by-step process of organizational analysis.

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Scenario Planner

Use this tool to model three different financial scenarios - optimistic, moderate, and conservative - based on various inputs developed by nonprofit staff and board members.

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Space Calculator

The Space Calculator is a handy tool that will help you to get a sense of the usable square feet in your current location, the minimum amount of space that meets your needs, and how much space you would ideally like to have in your next location.

[More](#)

- Forecasting different outcomes is tricky
- Conservative, moderate and optimistic
- Way to plan during uncertainty
- Time based or benchmark based



SCENARIO PLANNING – APPROACHES

Flat Line

- 10%
- 20%
- 30%

Program Based

- Scaled back
- Pivoted
- Sunsetting

Targeted

- Paperless
- WFH
- Projects postponed

Timeline

- Jul 2020
- Sep 2020
- Jan 2021

Revenue Risk

- Confirmed
- Expected
- Likely





SCENARIO PLANNING – EXPENSES



SCENARIO PLANNING – ASSUMPTIONS

Conservative

- Foundations down 50%
- Release reserve
- Enrollment down 75%
- Reduce space - WFH
- Printing down 25%
- Contractors reduced
- In-kind for supplies
- Reduce travel

Moderate

- Foundations down 25%
- Classes moved online
- Contractors reduced
- Travel may be cut

Optimistic

- Classes will return
- Travel may be cut



CONSERVATIVE SCENARIO

	Scenario 3 - Conservative				Assumptions	
INCOME	Program A	Program B	Fundraising	MG&A	Total	
Contributed Income						
Government Grants	400,000	146,250	-	-	546,250	50% reduction
Foundation Grants	37,500	135,625	-	-	173,125	
Individual Contributions	-	-	62,000	-	62,000	
Net Assets Released	-	3,200	-	4,000	7,200	release reserve
Total Contributed Income	437,500	285,075	62,000	4,000	788,575	
Earned Income						
Classes	-	17,250	-	-	17,250	class enrollment down 25%
Total Earned Income	-	17,250	-	-	17,250	
TOTAL INCOME	437,500	302,325	62,000	4,000	805,825	
EXPENSES						
Advertising & Marketing	1,867	1,400	1,167	1,166	5,600	reduce SF office space WFH reduce printing 25% reduce contractors get supplies partially donated reduce travel
Depreciation Expense	-	-	-	7,500	7,500	
Dues & Subscriptions	-	-	-	1,500	1,500	
Insurance	-	-	-	11,252	11,252	
Occupancy	-	-	-	56,700	56,700	
Printing & Reproduction	-	-	-	30,000	30,000	
Professional Development	400	450	450	500	1,800	
Professional Fees	18,000	-	-	42,833	60,833	
Repairs & Maintenance	-	-	-	5,000	5,000	
Salaries	175,000	223,500	65,000	106,500	570,000	
Supplies	24,750	11,050	6,375	2,350	44,525	
Telephone	-	-	-	6,000	6,000	reduce travel
Travel	-	-	-	1,000	1,000	
Utilities	-	-	-	3,600	3,600	
EXPENSES	220,017	236,400	72,992	275,901	805,310	
NET INCOME	217,483	65,925	(10,992)	(271,901)	515	



MODERATE SCENARIO

	Scenario 2 - Moderate				Assumptions	
INCOME	Program A	Program B	Fundraising	MG&A	Total	
Contributed Income						
Government Grants	400,000	146,250	-	-	546,250	25% reduction
Foundation Grants	56,250	203,438	-	-	259,688	
Individual Contributions	-	-	62,000	-	62,000	
Net Assets Released	-	3,200	-	-	3,200	
Total Contributed Income	456,250	352,888	62,000	-	871,138	
Earned Income						
Classes	-	23,000	-	-	23,000	classes moved online
Total Earned Income	-	23,000	-	-	23,000	
TOTAL INCOME	456,250	375,888	62,000	-	894,138	
EXPENSES						
Advertising & Marketing	1,867	1,400	1,167	1,166	5,600	reduce contractors
Depreciation Expense	-	-	-	7,500	7,500	
Dues & Subscriptions	-	-	-	1,500	1,500	
Insurance	-	-	-	11,252	11,252	
Occupancy	-	-	-	75,600	75,600	
Printing & Reproduction	-	-	-	40,000	40,000	
Professional Development	400	450	450	500	1,800	
Professional Fees	18,000	-	-	42,833	60,833	
Repairs & Maintenance	-	-	-	5,000	5,000	
Salaries	175,000	223,500	65,000	106,500	570,000	
Supplies	49,500	22,100	12,750	2,350	86,700	airplane travel - may be cut
Telephone	-	-	-	6,000	6,000	
Travel	-	-	-	4,000	4,000	
Utilities	-	-	-	3,600	3,600	
EXPENSES	244,767	247,450	79,367	307,801	879,385	
NET INCOME	211,483	128,438	(17,367)	(307,801)	14,753	



OPTIMISTIC SCENARIO

	Scenario 1 - Optimistic				Assumptions	
INCOME	Program A	Program B	Fundraising	MG&A	Total	
Contributed Income						
Government Grants	400,000	146,250	-	-	546,250	
Foundation Grants	75,000	271,250	-	-	346,250	
Individual Contributions	-	-	62,000	-	62,000	
Net Assets Released	-	3,200	-	-	3,200	
Total Contributed Income	475,000	420,700	62,000	-	957,700	
Earned Income						
Classes	-	23,000	-	-	23,000	classes will return
Total Earned Income	-	23,000	-	-	23,000	
TOTAL INCOME	475,000	443,700	62,000	-	980,700	
EXPENSES						
Advertising & Marketing	1,867	1,400	1,167	1,166	5,600	
Depreciation Expense	-	-	-	7,500	7,500	
Dues & Subscriptions	-	-	-	1,500	1,500	
Insurance	-	-	-	11,252	11,252	
Occupancy	-	-	-	75,600	75,600	
Printing & Reproduction	-	-	-	40,000	40,000	
Professional Development	400	450	450	500	1,800	
Professional Fees	18,000	92,000	-	42,833	152,833	
Repairs & Maintenance	-	-	-	5,000	5,000	
Salaries	175,000	223,500	65,000	106,500	570,000	
Supplies	49,500	22,100	12,750	2,350	86,700	
Telephone	-	-	-	6,000	6,000	
Travel	-	-	-	4,000	4,000	airplane travel - may be cut
Utilities	-	-	-	3,600	3,600	
EXPENSES	244,767	339,450	79,367	307,801	971,385	
NET INCOME	230,233	104,250	(17,367)	(307,801)	9,315	



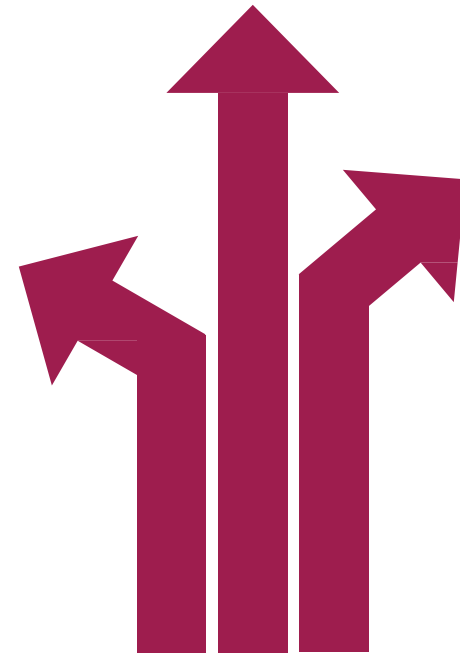
Scenario 1

Scenario 2

Scenario 3

SCENARIO PLANNING

INCOME	Optimistic	Moderate	Conservative
Contributed Income			
Government Grants	546,250	546,250	546,250
Foundation Grants	346,250	259,688	173,125
Individual Contributions	62,000	62,000	62,000
Net Assets Released	3,200	3,200	7,200
Total Contributed Income	957,700	871,138	788,575
Earned Income			
Classes	23,000	23,000	17,250
Total Earned Income	23,000	23,000	17,250
TOTAL INCOME	980,700	894,138	805,825
EXPENSES			
Advertising & Marketing	5,600	5,600	5,600
Depreciation Expense	7,500	7,500	7,500
Dues & Subscriptions	1,500	1,500	1,500
Insurance	11,252	11,252	11,252
Occupancy	75,600	75,600	56,700
Printing & Reproduction	40,000	40,000	30,000
Professional Development	1,800	1,800	1,800
Professional Fees	152,833	60,833	60,833
Repairs & Maintenance	5,000	5,000	5,000
Salaries	570,000	570,000	570,000
Supplies	86,700	86,700	44,525
Telephone	6,000	6,000	6,000
Travel	4,000	4,000	1,000
Utilities	3,600	3,600	3,600
EXPENSES	971,385	879,385	805,310
NET INCOME	9,315	14,753	515



Scenario Planning for Childcare

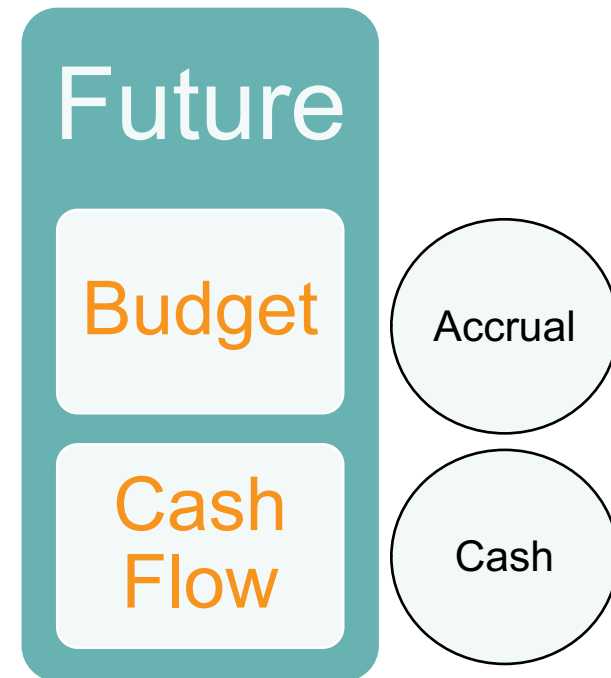


GATHERING SUPPORTERS & DECISION-MAKERS



RECONCILING WITH CASH

	Scenario 1	Scenario 2	Scenario 3
INCOME	Optimistic	Moderate	Conservative
Contributed Income			
Government Grants	546,250	546,250	546,250
Foundation Grants	346,250	259,688	173,125
Individual Contributions	62,000	62,000	62,000
Net Assets Released	3,200	3,200	7,200
Total Contributed Income	957,700	871,138	788,575
Earned Income			
Classes	23,000	23,000	17,250
Total Earned Income	23,000	23,000	17,250
TOTAL INCOME	980,700	894,138	805,825
EXPENSES			
Advertising & Marketing	5,600	5,600	5,600
Depreciation Expense	7,500	7,500	7,500
Dues & Subscriptions	1,500	1,500	1,500
Insurance	11,252	11,252	11,252
Occupancy	75,600	75,600	56,700
Printing & Reproduction	40,000	40,000	30,000
Professional Development	1,800	1,800	1,800
Professional Fees	152,833	60,833	60,833
Repairs & Maintenance	5,000	5,000	5,000
Salaries	570,000	570,000	570,000
Supplies	86,700	86,700	44,525
Telephone	6,000	6,000	6,000
Travel	4,000	4,000	1,000
Utilities	3,600	3,600	3,600
EXPENSES	971,385	879,385	805,310
NET INCOME	9,315	14,753	515



CASH FLOW PROJECTION

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cash In												
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	-
Total Cash In	2,000	37,000	137,000	37,000	87,000	87,000	110,000	150,000	60,000	45,800	83,000	70,000
Cash Out												
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
Total Cash Out	59,100	57,600	62,850	63,300	56,100	63,300	71,850	115,850	94,100	99,964	58,800	55,200
Surplus (Deficit)	(57,100)	(20,600)	74,150	(26,300)	30,900	23,700	38,150	34,150	(34,100)	(54,164)	24,200	14,800
Beginning Cash	6,843	(50,257)	(70,857)	3,293	(23,007)	7,893	31,593	69,743	103,893	69,793	15,629	39,829
Ending Cash	(50,257)	(70,857)	3,293	(23,007)	7,893	31,593	69,743	103,893	69,793	15,629	39,829	54,629



Multi-Year Budgets

Change
over Time

Net Assets

Scenario Planning

Crossroads

Net Income

Quarterly Budgets

Course Correction

Variance



Multi-Year Budgets

Change
over Time

Net Assets

Scenario Planning

Crossroads

Net Income

Quarterly Budgets

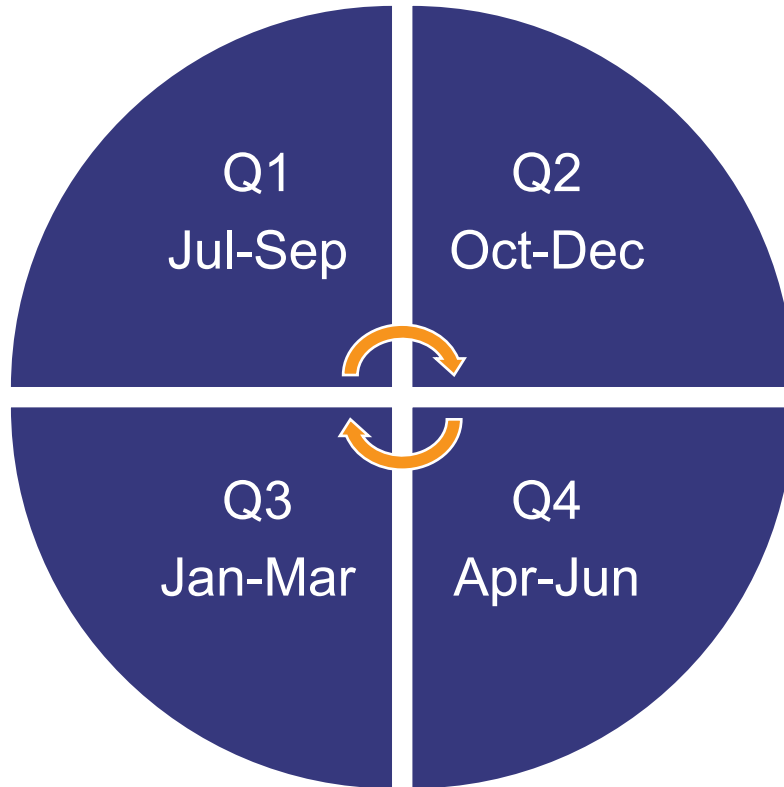
Course Correction

Variance



- 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



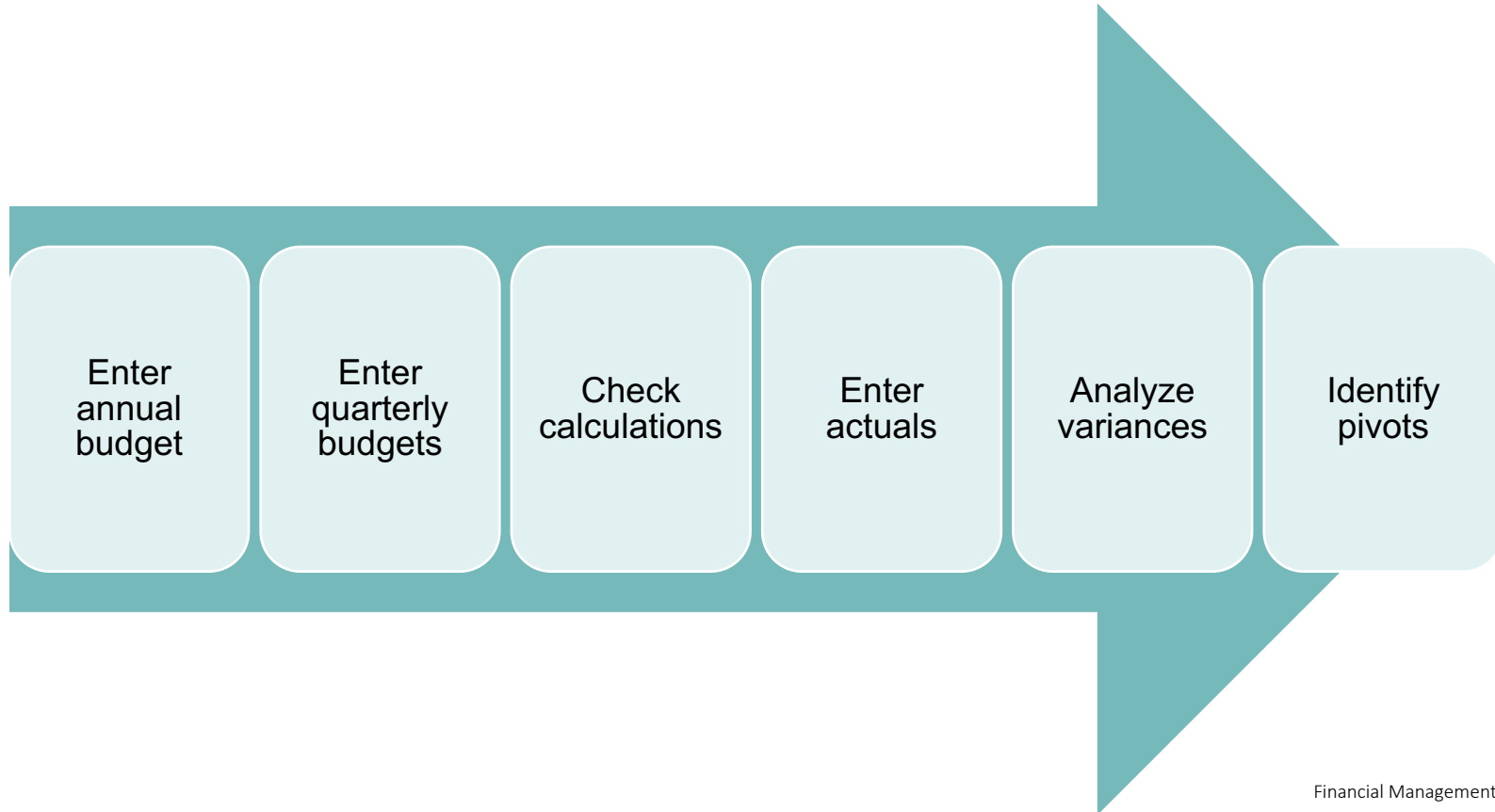


July-June FY

- Quarterly activities
- Budget-to-actuals
- Variances +/- 10%
- Make changes
- Plan for future



QUARTERLY BUDGETS





Quarterly Budgets

Quarterly budgets are a form of scenario planning on a micro level, quarter by quarter. By creating three opportunities for course correction throughout the year, nonprofit leaders can manage to the budgeted annual bottom line despite unexpected changes in income or expenses.

[More](#)

Guide to Financial Ratios

Use this tool to monitor your organization's health.

[More](#)

Revenue Risk Calculator

Use this tool to map the likelihood that revenue in process will be successfully secured, and adjust your budget accordingly.

[More](#)

ENTER ANNUAL BUDGET

	Program A	Program B	Program C	MG&A	Fundraising	Total
Income						
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
Total Income	373,000	265,000	250,500	22,700	69,500	980,700
Expenses						
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
Total Expenses	281,917	267,275	144,329	179,502	76,642	949,664
Net Income	91,083	(2,275)	106,171	(156,802)	(7,142)	31,036



ENTER QUARTERLY BUDGETS

	Q1			Q2			Q3			Q4			Annual		
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals	Variance
Income															
Government	100,000	-	-100%	150,000	-	-100%	127,900	-	-100%	100,000	-	-100%	477,900	-	-100%
Foundation Grants	45,000	-	-100%	120,000	-	-100%	75,000	-	-100%	175,000	-	-100%	415,000	-	-100%
Individual Donations	50,000	-	-100%	10,000	-	-100%	2,000	-	-100%	-	-	#DIV/0!	62,000	-	-100%
Earned Income	11,850	-	-100%	1,800	-	-100%	11,850	-	-100%	-	-	#DIV/0!	25,500	-	-100%
Miscellaneous	300	-	-100%	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!	300	-	-100%
Total Income	207,150	-	-100%	281,800	-	-100%	216,750	-	-100%	275,000	-	-100%	980,700	-	-100%
Expenses															
Accounting & Legal	-	-	#DIV/0!	12,000	-	-100%	-	-	#DIV/0!	-	-	#DIV/0!	12,000	-	-100%
Advertising	1,400	-	-100%	1,400	-	-100%	1,400	-	-100%	1,400	-	-100%	5,600	-	-100%
Consultants	35,208	-	-100%	35,208	-	-100%	10,000	-	-100%	60,447	-	-100%	140,864	-	-100%
Depreciation	1,875	-	-100%	1,875	-	-100%	1,875	-	-100%	1,875	-	-100%	7,500	-	-100%
Dues & Subscriptions	-	-	#DIV/0!	-	-	#DIV/0!	1,500	-	-100%	-	-	#DIV/0!	1,500	-	-100%
Insurance	4,500	-	-100%	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!	4,500	-	-100%
Miscellaneous	1,000	-	-100%	1,000	-	-100%	1,000	-	-100%	1,000	-	-100%	4,000	-	-100%
Occupancy	19,000	-	-100%	19,000	-	-100%	19,000	-	-100%	18,600	-	-100%	75,600	-	-100%
Repairs & Maintenance	-	-	#DIV/0!	-	-	#DIV/0!	5,000	-	-100%	-	-	#DIV/0!	5,000	-	-100%
Salaries	142,500	-	-100%	142,500	-	-100%	142,500	-	-100%	152,500	-	-100%	580,000	-	-100%
Special Events	5,000	-	-100%	-	-	#DIV/0!	10,000	-	-100%	-	-	#DIV/0!	15,000	-	-100%
Supplies	21,675	-	-100%	21,675	-	-100%	21,675	-	-100%	21,675	-	-100%	86,700	-	-100%
Telephone	1,500	-	-100%	1,500	-	-100%	1,500	-	-100%	1,500	-	-100%	6,000	-	-100%
Training	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!	1,800	-	-100%	1,800	-	-100%
Utilities	900	-	-100%	900	-	-100%	900	-	-100%	900	-	-100%	3,600	-	-100%
Total Expenses	234,558	-	-100%	237,058	-	-100%	216,350	-	-100%	261,697	-	-100%	949,664	-	-100%
Surplus (Deficit)	(27,408)	-		44,742	-		400	-		13,303	-		31,037	-	



ENTER ACTUALS TO-DATE

	Q1			Q2			Q3			Q4			Annual		
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals	Variance
Income															
Government	100,000	100,000	0%	150,000	150,000	0%	127,900	127,900	0%	100,000		-100%	477,900	377,900	-21%
Foundation Grants	45,000	67,500	50%	120,000	120,000	0%	75,000	45,000	-40%	175,000		-100%	415,000	232,500	-44%
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%
Total Income	207,150	229,650	11%	281,800	281,800	0%	216,750	181,825	-16%	275,000	-	-100%	980,700	693,275	-29%
Expenses															
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		-100%	5,600	4,200	-25%
Consultants	35,208	35,208	0%	35,208	35,208	0%	10,000	10,000	0%	60,447		-100%	140,864	80,417	-43%
Depreciation	1,875	1,875	0%	1,875	1,875	0%	1,875	1,875	0%	1,875		-100%	7,500	5,625	-25%
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		-100%	4,000	3,000	-25%
Occupancy	19,000	19,000	0%	19,000	19,000	0%	19,000	19,000	0%	18,600		-100%	75,600	57,000	-25%
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		-100%	580,000	427,500	-26%
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		-100%	86,700	65,025	-25%
Telephone	1,500	1,500	0%	1,500	1,500	0%	1,500	1,500	0%	1,500		-100%	6,000	4,500	-25%
Training	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!	1,800		-100%	1,800	-	-100%
Utilities	900	900	0%	900	900	0%	900	900	0%	900		-100%	3,600	2,700	-25%
Total Expenses	234,558	234,558	0%	237,058	237,058	0%	216,350	216,350	0%	261,697	-	-100%	949,664	687,967	-28%
Surplus (Deficit)	(27,408)	(4,908)		44,742	44,742		400	(34,525)		13,303	-		31,037	5,309	



Q1 VARIANCES & PIVOTS

		Q1	
	Budget	Actuals	Variance
Income			
Government	100,000	100,000	0%
Foundation Grants	45,000	67,500	50%
Individual Donations	50,000	50,000	0%
Earned Income	11,850	11,850	0%
Miscellaneous	300	300	0%
Total Income	207,150	229,650	11%
Expenses			
Accounting & Legal	-	-	#DIV/0!
Advertising	1,400	1,400	0%
Consultants	35,208	35,208	0%
Depreciation	1,875	1,875	0%
Dues & Subscriptions	-	-	#DIV/0!
Insurance	4,500	4,500	0%
Miscellaneous	1,000	1,000	0%
Occupancy	19,000	19,000	0%
Repairs & Maintenance	-	-	#DIV/0!
Salaries	142,500	142,500	0%
Special Events	5,000	5,000	0%
Supplies	21,675	21,675	0%
Telephone	1,500	1,500	0%
Training	-	-	#DIV/0!
Utilities	900	900	0%
Total Expenses	234,558	234,558	0%
Surplus (Deficit)	(27,408)	(4,908)	

>10% Variances:

- Foundation Grants

Pivots:

- None. Understand how additional unexpected revenue may impact future Qs



Q2 VARIANCES & PIVOTS

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

>10% Variances:

- None

Pivots:

- None. Additional revenue in Q1 not negatively impacting Q2



Q3 VARIANCES & PIVOTS

	Q1			Q2			Q3		
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals	Variance
Income									
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!
Total Income	207,150	229,650	11%	281,800	281,800	0%	216,750	181,825	-16%
Expenses									
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%
Total Expenses	234,558	234,558	0%	237,058	237,058	0%	216,350	216,350	0%
Surplus (Deficit)	(27,408)	(4,908)		44,742	44,742		400	(34,525)	

>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
Income															
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%
Total Income	207,150	229,650	11%	281,800	281,800	0%	216,750	181,825	-16%	275,000	275,000	0%	980,700	968,275	-1%
Expenses															
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%
Total Expenses	234,558	234,558	0%	237,058	237,058	0%	216,350	216,350	0%	261,697	246,864	-6%	949,664	934,831	-2%
Surplus (Deficit)	(27,408)	(4,908)		44,742	44,742		400	(34,525)		13,303	28,136		31,037	33,445	



- Is the org on track with the budget?
- Where are the variances?
- Does the org need to adjust or pivot?
- Do the financial statements raise concerns?
- Are revised plans in place?



Questions?



JOIN US FOR THE NEXT 2 THURSDAYS @ 1PM



Financial Management Series

101: Cash Indicators for Short-Term Planning, May 28th

201: Budgeting & Pivoting for Mid-Term Planning, June 4th

301: Stabilizing Assets for Long-Term Planning, June 11th

Compliance During COVID feat. Audit Partner, June 18th



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