

Budgeting for Nonprofits



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Module One – Budget Basics

- What is your budget?
- Your budget as a plan
- How your budget plan works for your organization
- A simple formula
- Quiz - The Bottom Line
- Should you plan for break-even, surplus or deficit?
- Resource: Deficit budgeting
- Quiz - Profits and losses
- The board sets financial policy
- Resource: Financial policies
- Using an accounting system
- Financial statements
- More about the Income Statement
- About the Balance Sheet
- Quiz - Financial Statements
- Four different types of budgets
- Operating budgets
- Project or program budgets
- Quiz 1 - Types of budgets
- Capital budgets
- Cash budgets
- Resource: Sample cash flow budget
- Quiz 2 - Types of budgets
- Review Module One: Budget Basics

Module Two – How to read a budget

- The budget tells a story
- The importance of consistency
- Headings, totals and detail lines
- Organize your detail lines
- Describing your organization's activities
- Budget formats
- Resource: Budget formats
- Quiz - Creating your budget
- Get to the point by reading from the bottom up!
- Resource : Sample budget
- Mapping your way to the bottom line
- Connecting the dots
- Quiz - Connecting the dots
- Critiquing the budget
- Resource: Smart questions to ask about budgeting
- Review Module Two: How to read a budget

Module Three – The budget in a planning context

- The big picture - your external environment
- Resource: External factors
- Quiz - External impacts
- Your strategic plan and your budget
- Resource: Your strategic plan and your budget
- Your strategic plan and your budget - Practical examples
- Resource: Financial sustainability
- Your organization's policy framework
- Budget policy examples
- More budget policy examples
- Even more budget policy examples
- Quiz - Budget Policies
- Review Module Three: The budget in a planning context

Module Four – Creating the budget

- Whose responsibility is budgeting, anyway?
- Getting the budgeting job done - a few options
- Board's responsibility in creating the budget
- Finding the best fit model
- Quiz - Roles and responsibilities
- Starting from the blank page
- Approach #1: Starting from revenues
- Approach #2: Starting from expenses
- Approach #3: Starting from last year's results
- Approach #4: Working from "knowns" to estimates
- Budget research
- "Known" revenues
- ... Or use a combined approach
- The board's role in approving the budget
- Quiz - Starting from the blank page
- Review Module Four: Creating the budget

Module Five – Managing the budget throughout the year

- Budgeting is an annual activity
- Your budget planning cycle takes longer than a year
- Controlling the budget: Who's in charge?
- Quiz - Meetings to evaluate progress
- Format for regular mid-year reports
- Resource: Sample mid-year report
- Comparison (or variance)
- Sticking to the plan

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Module Five – continued

- Good accounting records count
- Quiz - Review and update
- Revising the budget mid-year - sticking to the plan, flexibly
- YTDs or projected actuals
- Year-end review
- Resource: Year-end review
- Review Module Five: Managing the budget throughout the year

Module Six – Techniques for making reasonable budgeting decisions

- Reasonability calculations
 - Resource: Reasonability calculations
 - Quiz - Reasonability calculations
 - Trending
 - Resource: Trending
 - Quiz - Trending
 - Budget conservatism
 - Resource: Budget conservatism
 - Go/No go dates
 - Resource: Go/No go dates
 - Quiz - Budget conservatism
 - Review Module Six: Techniques for making reasonable budgeting decisions
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- Course review: What now?