



## Budgeting for Nonprofits

### SAMPLE BUDGET

Let's consider how the sample budget for ABC Organization illustrates some of the budget-reading concepts you've been learning.

#### The "bottom-up" method

Although this budget runs over two pages, you can rapidly get a handle on ABC's financial plans by starting at the bottom line. They are planning a surplus of \$42,945.

Which revenue sources will contribute the most to this result? A quick scan of the revenue subtotals shows that special events are the largest. Within the special events category, the Run-A-Thon is the most important.

How do they spend their funds? Again, a quick scan of expense totals shows that salaries and benefits take up the largest share, followed by programs and services. Knowing this helps you to evaluate the detail lines in context.

#### Related revenue and expense lines

The net target for each fundraising event is clearly shown. Revenue lines are paired with expense lines (see yellow highlights). Budget readers can make a quick subtraction to find the goal for each event.

Two projects – AIM and CODE – have special project funding. These lines are highlighted in pink. Note that the government grant for AIM covers 50% of the total project cost. The balance of AIM's costs must be met from general revenue sources. Note that the CODE project has attracted two funders, each paying half of the costs.

ABC Organization charges registration fees for some of its programs. These are highlighted in green. You can see that the registration fees recover almost all of the program expenses.

(Note that the budget document is spread over the next two pages.)

## ABC ORGANIZATION: SAMPLE 2010 BUDGET

Prepared: September 23, 2009

		Revenues
		<b>Events</b>
Auction	55,000	
Run-A-Thon	325,000	
Gala Dinner	135,000	
<b>Total Events</b>	<b>515,000</b>	
		<b>Grants &amp; Donations</b>
Government Grant - AIM Project	42,000	
Government Grant - CODE Project	65,000	
Foundation Grant - CODE Project	65,000	
Foundations - Other Corporations	48,500	
Individuals	29,000	
<b>Total Grants &amp; Donations</b>	<b>331,500</b>	
		<b>Program &amp; Service Revenues</b>
Memberships	19,250	
Registration Fees	16,500	
<b>Total Program &amp; Service Revenues</b>	<b>35,750</b>	
		<b>Other Revenue</b>
Endowment	2,100	
Bank & Investment Interest	4,600	
Miscellaneous Revenue	1,000	
<b>Total Other Revenue</b>	<b>7,700</b>	
<b>Total Revenues</b>	<b>889,950</b>	
		<b>Expenses</b>
		<b>Salaries &amp; Benefits</b>
Salaries	354,200	
Benefits	42,500	
<b>Total Salaries &amp; Benefits</b>	<b>396,700</b>	
		<b>Programs &amp; Services</b>
AIM Project	84,000	
CODE Project	130,000	
Newsletter	4,600	
Website	6,300	
Workshops & Seminars	9,750	
Adult Evening Programs	7,500	
<b>Total Programs &amp; Services</b>	<b>242,150</b>	
Auction	15,950	

Run-A-Thon	87,750
Gala Dinner	30,375
Donor Campaign	7,000
General Fundraising Costs	5,000
<b>Total Fundraising</b>	<b>146,075</b>

	<b>Administration</b>
Rent and storage	33,900
Audit	5,500
Bank Charges	1,980
Insurance	5,250
Telephone, Fax, Internet	2,950
Office Supplies & General	12,500
Admin Costs	
<b>Total Administration</b>	<b>62,080</b>
<b>Total Expenses</b>	<b>847,005</b>
<b>Surplus / (Deficit)</b>	<b>42,945</b>

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