GoToWebinar Housekeeping

Attendee Participation

Using your control panel…

Join audio:

- Choose "Mic & Speakers" or "Computer Audio" to use VoIP
- OR choose "Telephone" or "Phone Call" and dial-in using the information provided

Submit questions and comments via the Questions panel.

Note: Attendees are muted and your webcams are disabled (listen-only mode).

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FRIENDS GRASSROOTS NETWORK

CONSERVATION LANDS FOUNDATION

Grassroots Advocacy Program

Filling the GAP for Conservation

Harnessing the collective knowledge and passion of the Friends Grassroots Network and providing resources to build capacity and future success on our National Conservation Lands.

Modules of Learning

Grassroots Advocacy	Community Engagement	Leadership & Management
Enhance organizational knowledge and capacity in policy and legal work.	Enhance partners' abilities to communicate and interact with their communities in culturally relevant ways.	Invest in individuals to develop and refine their leadership capacity and organizational effectiveness.

Intended Outcomes

- Stronger, more capable, confident and diverse leaders working to protect National Conservation Lands
- A more powerful and resilient network of leaders
- A pipeline of effective, diverse, well-trained leaders in the conservation movement
- Individualized coaching of community-based, skillful change makers

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TRE C

Training Resources for the Environmental Community Presents:

Building Better Budgets

Presented by:

Joe Golinveaux, *TREC Financial Manager*

November 9, 2021

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Engagement

Let's stay engaged

- Interactive
  - Ask questions for your situation
  - Use the comments
  - Raise your hand

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Budgeting Webinar

1. Budgeting Framework & Process
2. Budgeting Structure
3. Projecting Income & Expense
4. Budget as a living document

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Framework & Process

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Framework & Process

Where does budgeting fit?

1. Strategic Plan
2. Annual Plan
3. Budget is the numbers version of your annual plan

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Framework & Process

Who is involved in developing your budget?

1. The fiscal manager prepares the budget without much input from other staff
2. The ED prepares budget mostly alone
3. The board pencils in their version of the budget

1. The fiscal manager shares actual expenses and reality checks throughout process
2. Program and fundraising staff propose aspects
3. The ED manages the process: gets feedback, decides what is in the final proposal to go to the Board

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Framework & Process

Where do you start?

- Start with your Reserves
  - Do you need to grow it?
  - If so, you need to budget for a surplus

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Framework & Process

Questions?

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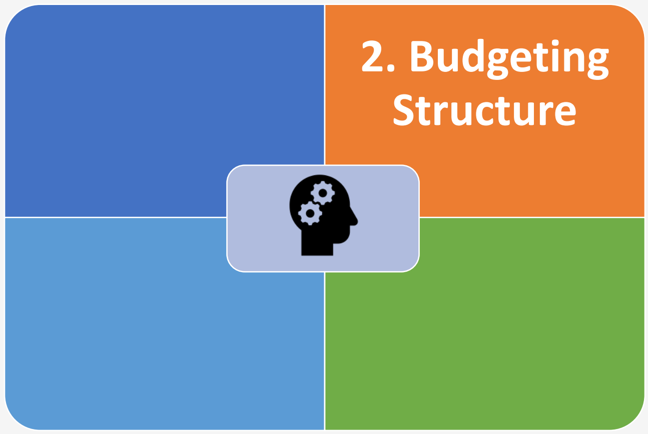
Budgeting Webinar



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Structure

Conservation Organization

Master Proposed Budget by Project & Function

	Total Proposed Budget
Income	
Foundation grants	178,000
Individual contributions	22,000
Other Income 1	5,000
Interest	2,000
Total Income	**207,000**
Expense	
Personnel Expenses	
Payroll	139,750
Payroll tax & work comp	9,310
Benefits	25,546
Personnel Expenses	**174,606**
Project-specific Expenses	
Conferences	250
Travel	650
Contract Help	4,500
Communications	2,000
Project-specific Expenses	**7,400**
Shared Operating Expenses	
Rent	3,450
Phone	1,762
Travel	5,263
Supplies	551
Bookeeping	1,375
Shared Operating Expenses	**12,401**
Total Expenses by Function	**194,407**
Net Income	**$ 12,593**

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Structure

Conservation Organization
Master Proposed Budget by Project & Function

	Total Proposed Budget	<---------- Functions ---------> Total Program	Fund Raising (& GenSupt Income)	Admin (Mgt & Gen)
Income		-		
Foundation grants	178,000	136,000	42,000	-
Individual contributions	22,000		22,000	-
Other Income 1	5,000	5,000	-	-
Interest	2,000	-	-	2,000
Total Income	**207,000**	**141,000**	**64,000**	**2,000**
Expense				
Personnel Expenses				
Payroll	139,750	97,300	38,300	4,150
Payroll tax & work comp	9,310	6,550	2,490	270
Benefits	25,546	17,827	6,964	755
Personnel Expenses	**174,606**	**121,677**	**47,754**	**5,175**
Project-specific Expenses				
Conferences	250	250	-	-
Travel	650	650	-	-
Contract Help	4,500	4,500	-	-
Communications	2,000	2,000	-	-
Project-specific Expenses	**7,400**	**7,400**	-	-
Shared Operating Expenses				
Rent	3,450	2,366	1,000	83
Phone	1,762	1,220	500	42
Travel	5,263	3,638	1,500	125
Supplies	551	389	150	13
Bookkeeping	1,375	942	400	33
Shared Operating Expenses	**12,401**	**8,555**	**3,550**	**296**
Total Expenses by Function	**194,407**	**137,632**	**51,304**	**5,471**
Net Income	**$ 12,593**	**$ 3,368**	**$ 12,696**	**$ (3,471)**

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Conservation Organization
Master Proposed Budget by Project & Function

COST CENTERS

	Total Proposed Budget	<------------ Projects Protecting Wildlife	Education Program	Stewardship	<---------- Functions ---------> Total Program	Fund Raising (& GenSupt Income)	Admin (Mgt & Gen)
Income					-		
Foundation grants	178,000	45,000	25,000	46,000	136,000	42,000	-
Individual contributions	22,000		-	-		22,000	-
Other Income 1	5,000	5,000	-	-	5,000	-	-
Interest	2,000	-	-	-	-	-	2,000
Total Income	**207,000**	**50,000**	**25,000**	**46,000**	**141,000**	**64,000**	**2,000**
Expense							
Personnel Expenses							
Payroll	139,750	35,000	16,600	33,250	97,300	38,300	4,150
Payroll tax & work comp	9,310	2,500	1,080	2,161	6,550	2,490	270
Benefits	25,546	6,500	3,018	6,045	17,827	6,964	755
Personnel Expenses	**174,606**	**44,000**	**20,698**	**41,456**	**121,677**	**47,754**	**5,175**
Project-specific Expenses							
Conferences	250	250	-	-	250	-	-
Travel	650	250	100	200	650	-	-
Contract Help	4,500	2,000	-	-	4,500	-	-
Communications	2,000	-	1,000	-	2,000	-	-
Project-specific Expenses	**7,400**	**2,500**	**1,100**	**200**	**7,400**	-	-
Shared Operating Expenses							
Rent	3,450	950	333	833	2,366	1,000	83
Phone	1,762	512	166	417	1,220	500	42
Travel	5,263	1,513	500	1,250	3,638	1,500	125
Supplies	551	176	50	125	389	150	13
Bookkeeping	1,375	375	134	333	942	400	33
Shared Operating Expenses	**12,401**	**3,526**	**1,183**	**2,958**	**8,555**	**3,550**	**296**
Total Expenses by Function	**194,407**	**50,026**	**22,981**	**44,614**	**137,632**	**51,304**	**5,471**
Net Income	**$ 12,593**	**$ (26)**	**$ 2,019**	**$ 1,386**	**$ 3,368**	**$ 12,696**	**$ (3,471)**

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Conservation Organization

Master Proposed Budget by Project & Function

	Total	<------------	Projects	--------------------->		<----------	Functions	--------->
	Proposed Budget	Wilderness Campaign	Education Program	Grant Funded Project	Other Project	Total Program	Fund Raising (& GenSupt Income)	Admin (Mgt & Gen)
Income						-		
Foundation grants	260,500	112,500	25,000	40,000	50,000	227,500	33,000	-
Individual contributions	22,000	-	-	-	-	-	22,000	-
Other Income 1	-	-	-	-	-	-	-	-
Other Income 2	-	-	-	-	-	-	-	-
Interest	2,000	-	-	-	-	-	-	2,000
Total Income	**284,500**	**112,500**	**25,000**	**40,000**	**50,000**	**227,500**	**55,000**	-
Expense								
Personnel Expenses								
Payroll	198,000	93,250	16,600	12,450	33,250	155,550	38,300	4,150
Payroll tax & work comp	12,871	6,061	1,080	809	2,161	10,111	2,490	270
Benefits	36,002	16,955	3,018	2,264	6,045	28,282	6,964	755
Personnel Expenses	**246,873**	**116,266**	**20,698**	**15,523**	**41,456**	**193,943**	**47,754**	**5,175**
Project-specific Expenses								
Conferences	1,000	1,000	-	-	-	1,000	-	-
Travel	900	500	100	100	200	900	-	-
Contract Help	5,500	3,000	-	2,500	-	5,500	-	-
Communications	2,000	-	1,000	1,000	-	2,000	-	-
Project-specific Expenses	**9,400**	**4,500**	**1,100**	**3,600**	**200**	**9,400**	-	-
Shared Operating Expenses								
Rent	5,000	2,500	333	250	833	3,916	1,000	83
Phone	2,500	1,250	166	125	417	1,958	500	42
Travel	7,500	3,750	500	375	1,250	5,875	1,500	125
Supplies	750	375	50	38	125	588	150	13
Bookeeping	2,000	1,000	134	100	333	1,567	400	33
Shared Operating Expenses	**17,750**	**8,875**	**1,183**	**888**	**2,958**	**13,904**	**3,550**	**296**
Total Expenses by Function	**274,023**	**129,641**	**22,981**	**20,011**	**44,614**	**217,247**	**51,304**	**5,471**
Net Income	**$ 10,477**	**$ (17,141)**	**$ 2,019**	**$ 19,990**	**$ 5,386**	**$ 10,253**	**$ 3,696**	**$ (5,471)**

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Structure

Why breakout by Cost Center

- See restricted funds use
- See program sustainability
- Be decisive about use of restricted funds

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Conservation Organization

Master Proposed Budget by Project & Function

	Total	<------------ Projects			<--------- Functions		--------->
	Proposed Budget	Protecting Wildlife	Education Program	Stewardship	Total Program	Fund Raising (& GenSupt Income)	Admin (Mgt & Gen)
Income					-		
Foundation grants	178,000	45,000	25,000	46,000	136,000	42,000	-
Individual contributions	22,000		-	-		22,000	-
Other Income 1	5,000	5,000	-	-	5,000	-	-
Interest	2,000	-	-	-	-	-	2,000
Total Income	**207,000**	**50,000**	**25,000**	**46,000**	**141,000**	**64,000**	**2,000**
Expense							
Personnel Expenses							
Payroll	139,750	35,000	16,600	33,250	97,300	38,300	4,150
Payroll tax & work comp	9,310	2,500	1,080	2,161	6,550	2,490	270
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Personnel Expenses	**174,606**	**44,000**	**20,698**	**41,456**	**121,677**	**47,754**	**5,175**
Project-specific Expenses							
Conferences	250	250	-	-	250	-	-
Travel	650	250	100	200	650	-	-
Contract Help	4,500	2,000	-	-	4,500	-	-
Communications	2,000	-	1,000	-	2,000	-	-
Project-specific Expenses	**7,400**	**2,500**	**1,100**	**200**	**7,400**	-	-
Shared Operating Expenses							
Rent	3,450	950	333	833	2,366	1,000	83
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Total Expenses by Function	**194,407**	**50,026**	**22,981**	**44,614**	**137,632**	**51,304**	**5,471**
Net Income	**$ 12,593**	**$ (26)**	**$ 2,019**	**$ 1,386**	**$ 3,368**	**$ 12,696**	**$ (3,471)**

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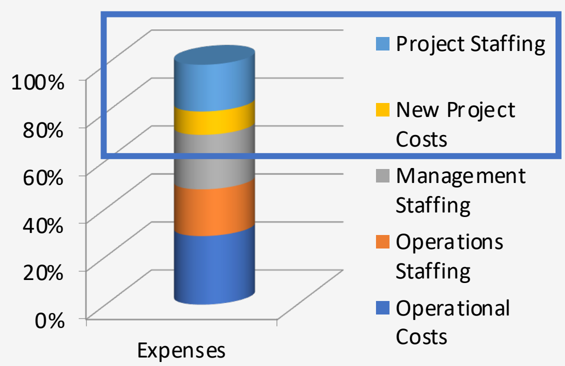
Structure

Costs of Running a Program



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Conservation Organization

Master Proposed Budget by Project & Function

	Total Proposed Budget	Protecting Wildlife	Education Program	Stewardship	Total Program	Fund Raising (& GenSupt Income)	Admin (Mgt & Gen)
		<------------- Projects			<--------- Functions		--------->
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Total Income	**207,000**	**50,000**	**25,000**	**46,000**	**141,000**	**64,000**	**2,000**
Expense							
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Project-specific Expenses							
Conferences	250	250	-	-	250	-	-
Travel	650	250	100	200	650	-	-
Contract Help	4,500	2,000	-	-	4,500	-	-
Communications	2,000	-	1,000	-	2,000	-	-
Project-specific Expenses	**7,400**	**2,500**	**1,100**	**200**	**7,400**	**-**	**-**
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Conservation Organization

Master Proposed Budget by Project & Function

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Interest	2,000	-	-	-	-	-	2,000
Total Income	**207,000**	**50,000**	**25,000**	**46,000**	**141,000**	**64,000**	**2,000**
Expense							
Personnel Expenses							
Payroll	139,750	35,000	16,600	33,250	97,300	38,300	4,150
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Personnel Expenses	**174,606**	**44,000**	**20,698**	**41,456**	**121,677**	**47,754**	**5,175**
Project-specific Expenses							
Conferences	250	250	-	-	250	-	-
Travel	650	250	100	200	650	-	-
Contract Help	4,500	2,000	-	-	4,500	-	-
Communications	2,000	-	1,000	-	2,000	-	-
Project-specific Expenses	**7,400**	**2,500**	**1,100**	**200**	**7,400**	**-**	**-**
Shared Operating Expenses							
Rent	3,450	950	333	833	2,366	1,000	83
Phone	1,762	512	166	417	1,220	500	42
Travel	5,263	1,513	500	1,250	3,638	1,500	125
Supplies	551	176	50	125	389	150	13
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Net Income	**$ 12,593**	**$ (26)**	**$ 2,019**	**$ 1,386**	**$ 3,368**	**$ 12,696**	**$ (3,471)**

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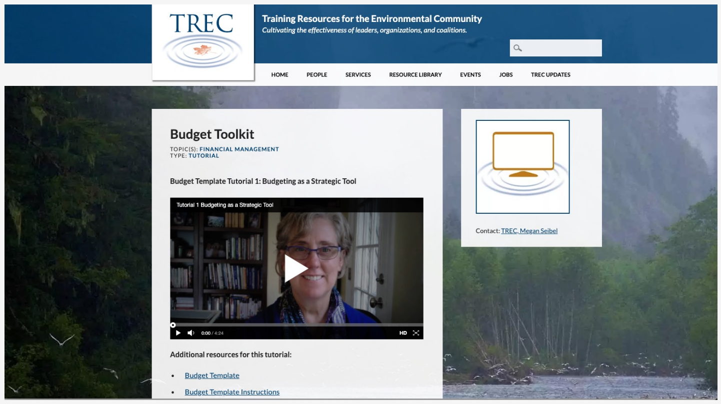
Structure

TREC'S BUDGET TEMPLATE



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Structure

Key budget structure elements

- Broken out by cost center (programs, fundraising, admin)
- Allocates personnel expenses and shared expenses across cost centers

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Structure

Questions?

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Projecting Income

Revenue Projections

Be conservative!

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Projecting Income

Budgeting Income?

How do you project your income in your budget?

a) Based on expenses to be covered
b) Based on last year's numbers
c) Based on a realistic review of detailed information
d) I don't know

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How do most nonprofits budget?

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Problems that result

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Consequences of underestimating revenue

- Unnecessary cuts
- Loss of momentum
- Loss of confidence

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Consequences of overestimating revenue

- Green light for spending
- Delay of hard decisions
- Setup for fiscal crisis

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Be clear and conservative with your revenue assumptions

No rose-colored glasses!

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Projecting Income

Projecting Income

Run your revenue projections at least three different ways

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Projections by subcategory

Individual donor category (# current donors)	This year (projected year end)	Projection for next year
$100K & up (1)	$100K	0
$25K-$99K (5)	$175K	$225K
$10K-$24K (12)	$150K	$180K
$1K-$9K (25)	$35K	$70K
$250-$999 (75)	$25K	$35K
$1-$249 (600)	$15K	$20K
TOTAL	**$500K**	**$550K**

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Renewals + new donors

Step	Example	Result
Identify renewable gifts. Multiply by reasonable renewal rate.	• This year 50 donors made gifts totaling $500K. • Of those, 10 totaling $80K were one-time gifts. • The other 40 totaling $420K were gifts to our annual fund that we have a good chance of renewing. • Our renewal rate for these types of gifts in recent years has been 80%. • To be safe, we will assume a renewal rate of 70% next year.	$420K x 70% = $294K
Determine reasonable expectation for new donors.	• Our results for new donors for the last three years have been $70K, $85K and $100K. • We expect the pace of growth to increase this year due to a major new campaign beginning now. • We believe we can raise $125K or more next year, but to be safe we will assume only $115K in our budget.	$115K
	TOTAL	**$409K**

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Projecting Income

Support ambitious fundraising goals with solid fundraising plans

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Budget recommendation vs. fundraising goal

LIKELIHOOD	80%	50%	20%
Individuals <$250	$18,000	$20,000	$22,000
Individuals $250 & up	$40,000	$60,000	$100,000
Businesses	$25,000	$30,000	$40,000
Events (net)	$10,000	$12,500	$15,000
Foundations	$250,000	$300,000	$600,000
TOTAL	$343,000	$422,500	$777,000

Budget recommendation

Fundraising goal

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May your revenue ride become less like this…

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And more like this - a pleasant float down a beautiful, placid river!

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Projecting Expenses

Projecting Expenses

- Be detailed and specific
- Don't rely on last years numbers
- Talk to relevant staff

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Projecting Income

Action Steps

- Run your revenue projections at least three different ways
- Be conservative and specific
- Support fundraising goals with solid fundraising plans

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Projecting Income

Questions?

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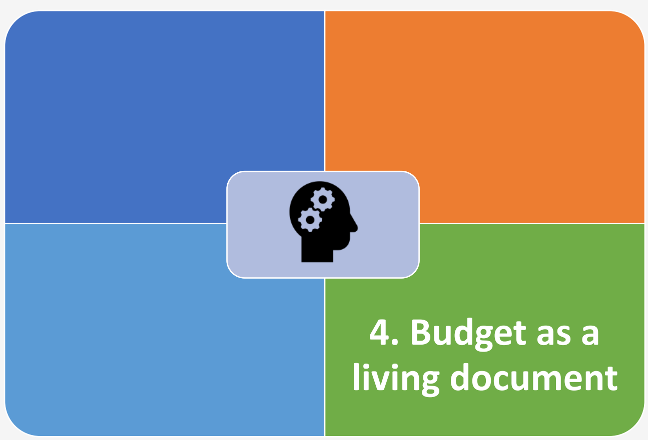

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Living Document

Budget as a living document

- Run Budget to Actuals
- Revise as necessary
- Create scenario budgets

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Living Document

Profit & Loss
Budget to Actual

Sample Group

Profit & Loss Statement

January through September 2015 75%

	ACTUAL YEAR -TO-DATE
Income	
Foundation Grants	643,888
Contribution Income	13,500
Event Income	1,969
Miscellaneous Income	2,542
Interest Income	3,992
Total Income	665,891
Expense	
Salaries and Wages	482,388
Payroll Taxes	42,233
Retirement	47,199
Medical, Dental, Life Benefits	47,810
Contract Labor	17,243
Professional Services	6,060
Payroll Expenses	974
Staff Travel	6,572
Supplies	4,305
Telephone	4,275
Telecommunications	789
Postage	4,310
Office Rent	11,450
Equip Repair/Maint.	1,587
Printing	12,547
Dues and Subscriptons	487
Staff Recruitment	1,750
Insurance	2,450
Licenses, Taxes, Dues, Fees	50
Equipment Purchaes	4,872
Opportunity/Contingency/Misc	0
Total Expense	699,351
Net Income	-33,460

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Living Document

Things that should get your attention

- If the profit and loss numbers are not compared to budget
- Large amount still to be raised
- Grant money coming in late
- Salaries even slightly high
- Control of spending & raising money is decentralized or not controlled

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Living Document

Keeping it alive

- Revise your budget when income changes occur
- Cut necessary expenses as soon as income comes up short
- Breakout grant budgets separately if needed

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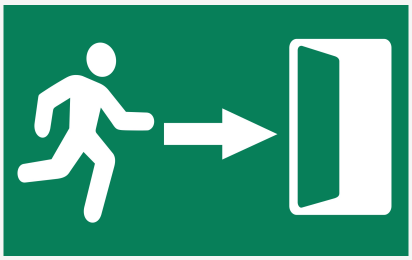
Evaluation of this webinar

As you exit the webinar…

Please fill out our brief survey!



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Questions?

How to Participate

Using your control panel…

- **RAISE YOUR HAND** if you would like to be unmuted to speak your question
- OR continue to submit questions and comments via the **Questions** panel.

Thank you for attending today's webinar! We will stay after to answer your questions, but feel free to exit the webinar if you need to go.

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