



Budget Building

Sowing the seeds for a thriving future

Nancy Bacon

nancy@nancybacon.com

Dwight Hutton

dwight@washingtonnonprofits.org

WSFMA Conference

February 21, 2020

Welcome!

1

Your story

What you do and what you value

2

Your budget

How you intend to operationalize your story

3

Your budget story

Ways to communicate your budget

OUR GOAL: You can explain your budget and the story behind it inside and outside your community.

True or false?

#1

Your effectiveness is determined by how little you spend on overhead.

#2

You should spend money on your programs, not your people.

#3

Your budget should break even.

1

YOUR STORY

Your work

Your story is the narrative of **what** you do and **why**, **who** you involve and **how**, and **where** you make an impact.

YOUR STORY

What do you do?

Farmers market



What happens between farm and family?

YOUR STORY

What do you do?

Activity 1

Activity 2

Activity 3

Activity 4



YOUR VALUES & CULTURE



What matters to
you/your organization?

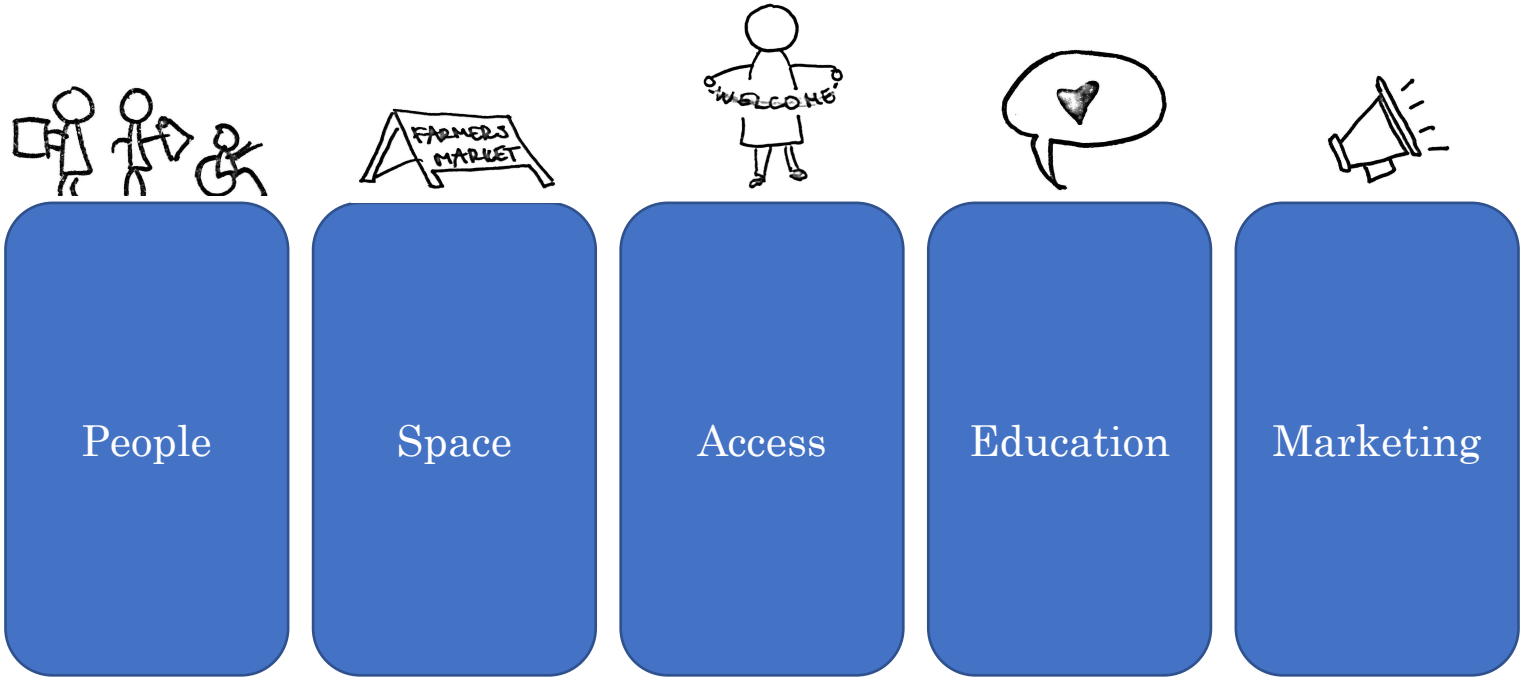
2

YOUR BUDGET

Your financial plan

Your budget expresses your best thinking on **the work you plan to accomplish** and the **values you bring to this work.**

What you spend money on



What you spend money on



People



Space



Access



Education



Marketing

Sustainability



Core mission support

Organizational Budget

INCOME

KEY IDEAS

- Restricted vs unrestricted
- Taxed vs non-taxed

INCOME	
SUPPORT	
Contributions	
Grants	
Sponsors	
Special events	
	Total support
REVENUE	
Vendor fees	
Off season vendor fees	
Other fees	
Membership fees	
Merchandise sales	
Equipment rental	
Nonprofit partner fees	
	Total revenue
	Total support and revenue

Organizational Budget

EXPENSES

KEY IDEAS

- Direct vs. indirect
- Core vs discretionary
- Fixed vs variable costs
- Reimbursables
- In-kind

EXPENSES	
Salaries, benefits, & taxes	
Contractor costs	
Professional services (legal, accounting)	
Lease	
Supplies & equipment	
Entertainment	
Education	
EBT/Fresh bucks	
Merchandise	
Rent & utilities	
Membership dues	
Copying/printing	
Insurance (liability/ D&O)	
Licenses	
Taxes	
Communication (website, phones)	
Advertising	
Professional development	
Bank/credit card charges	
	Total expenses
	Net income

How do you budget for core mission support?



People



Space



Access



Education

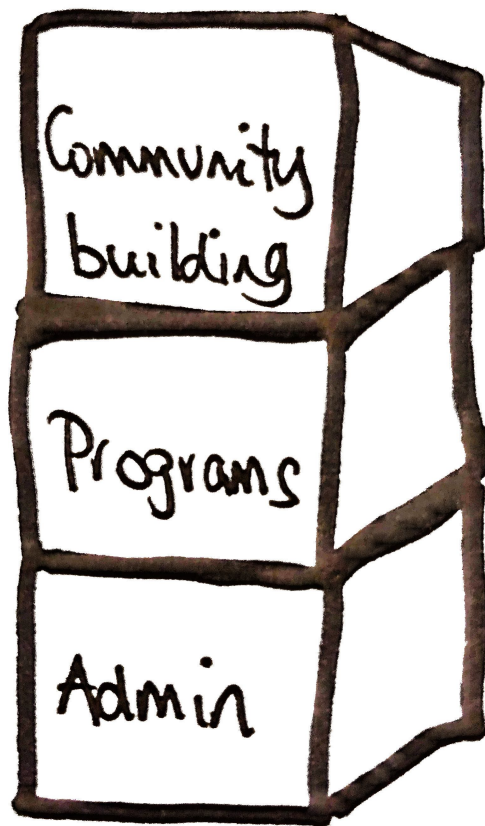


Marketing

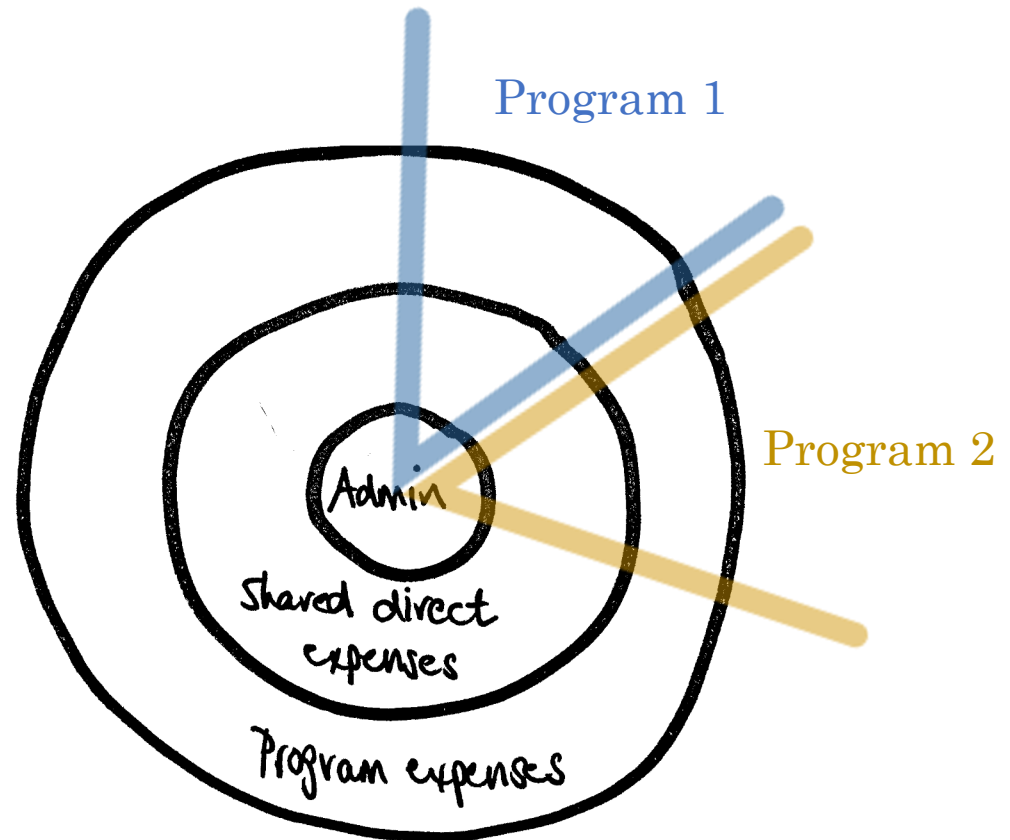
Sustainability

Two ways to look at your budget

1. Stacking boxes



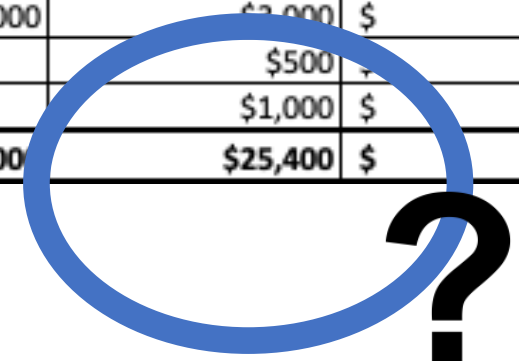
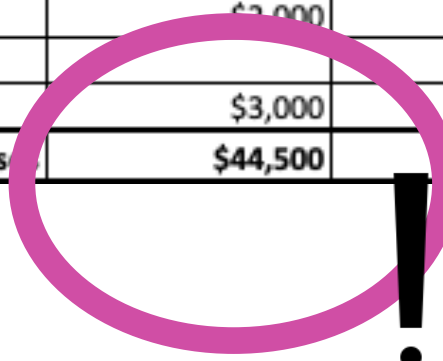
2. Pizza model



Project Budget

What does a program cost?

EXPENSES	Program 1	Program 2	Admin	Annual budget
Salaries, benefits, & taxes	\$25,000	\$5,000	\$7,100	\$ 37,100
Contractor costs				
Professional services (legal, accounting)	\$5,000	\$2,000	\$2,800	\$ 9,800
Lease	\$2,000	\$2,000	\$3,500	\$ 7,500
Supplies & equipment	\$1,000	\$500	\$500	\$ 2,000
Entertainment	\$5,000			\$ 5,000
Education				
EBT/Fresh bucks		\$3,000		\$ 3,000
Merchandise	\$1,000			\$ 1,000
Rent & utilities	\$500	\$500	\$500	\$ 1,500
Membership dues			\$2,700	\$ 2,700
Insurance (liability/ D&O)			\$1,300	\$ 1,300
Licenses			\$1,500	\$ 1,500
Taxes			\$500	\$ 500
Communication (website, phones)			\$500	\$ 500
Advertising	\$3,000	\$5,000	\$2,000	\$ 10,000
Professional development			\$500	\$ 500
Bank/credit card charges	\$3,000		\$1,000	\$ 4,000
Total expenses	\$44,500	\$18,000	\$25,400	\$ 87,900



Project Budget

What a program costs!

EXPENSES	Program 1
Salaries, benefits, & taxes	\$25,000
Contractor costs	
Professional services (legal, accounting)	\$5,000
Lease	\$2,000
Supplies & equipment	\$1,000
Entertainment	\$5,000
Education	
EBT/Fresh bucks	
Merchandise	\$1,000
Rent & utilities	\$500
Membership dues	
Insurance (liability/ D&O)	
Licenses	
Taxes	
Communication (website, phones)	
Advertising	\$2,000
Professional development	
Bank/credit card charges	\$3,000
Core admin allocation	\$12,700
Provision for operating reserve	\$1,000
Total expenses	\$58,200

Program share of core admin support
Board designated fund/ operating reserve of 6 months

3

YOUR BUDGET STORY

The story you tell about your financial plan.

You tell this story to your funders and community.

Let's review

1. **Your story** includes what you do AND the culture and values that guide you forward.
2. **Your budget** should reflect the full cost of operating. Sustainability requires financial consideration and commitment.
3. ~~Overhead~~ **Core mission support**

How can you explain your budget to a community member?



What seed will you plant?



What did you
learn today
that you want
to take action
on?



Budget Building

Sowing the seeds for a thriving future

Nancy Bacon

nancy@nancybacon.com

Dwight Hutton

dwight@washingtonnonprofits.org

WSFMA Conference

February 21, 2020