

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.)

Budgeting for Nonprofits



ABC Organization: Sample 2010 Budget

Prepared: September 23, 2009

Revenues

Events

Auction	55,000
Run-A-Thon	325,000
Gala Dinner	135,000
Total Events	515,000

Grants & Donations

Government Grant - AIM Project	42,000
Government Grant - CODE Project	65,000
Foundation Grant - CODE Project	65,000
Foundations - Other	48,500
Corporations	29,000
Individuals	82,000
Total Grants & Donations	331,500

Program & Service Revenues

Memberships	19,250
Registration Fees	16,500
Total Program & Service Revenues	35,750

Other Revenue

Endowment	2,100
Bank & Investment Interest	4,600
Miscellaneous Revenue	1,000
Total Other Revenue	7,700

Total Revenues	889,950
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Expenses

Salaries & Benefits

Salaries	354,200
Benefits	42,500
Total Salaries & Benefits	396,700

Programs & Services

AIM Project	84,000
CODE Project	130,000
Newsletter	4,600
Website	6,300
Workshops & Seminars	9,750
Adult Evening Programs	7,500
Total Programs & Services	242,150

Budgeting for Nonprofits



Fundraising	
Auction	15,950
Run-A-Thon	87,750
Gala Dinner	30,375
Donor Campaign	7,000
General Fundraising Costs	5,000
Total Fundraising	<u>146,075</u>
Administration	
Rent and storage	33,900
Audit	5,500
Bank Charges	1,980
Insurance	5,250
Telephone, Fax, Internet	2,950
Office Supplies & General Admin Costs	12,500
Total Administration	<u>62,080</u>
Total Expenses	<u>847,005</u>
Surplus / (Deficit)	<u>42,945</u>