

U.S. CHAMBER OF COMMERCE FOUNDATION

IOM – WINTER INSTITUTE

“BUDGETING AND THE BOTTOM LINE”

Budgeting Workshop/Financial Management for Nonprofit Organizations

January 8, 2022

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CASE STUDY

HANDOUTS

FOR

IN-CLASS USE

ASSUMPTIONS AND PLAN-OF-ACTION WORKSHEET
BUDGET YEAR 2023

PREPARED BY AMG DATE 7/21/2022 DEPT# 152 DEPT NAME FALL GALA

ACCOUNT CODE# <u>7500</u>	ACCOUNT NAME <u>TRAVEL</u>	<input type="checkbox"/> REVENUE ACCOUNT	<input checked="" type="checkbox"/> EXPENSE ACCOUNT
HISTORY/PROJECTION:	ACTUAL 2021 \$ <u>5,665</u>	BUDGET 2022 \$ <u>5,750</u>	JUNE 2022 \$ <u>1,158</u>
		PROJECTED 2022 \$ <u>5,850</u>	PROPOSED BUDGET 2023 \$ <u>6,000</u>

DESCRIPTION:
STAFF TRAVEL FOR FALL GALA EVENT - CHICAGO - SEPTEMBER 14-18, 2023

PLAN-OF-ACTION:
- SEND 2 STAFF FOR SITE INSPECTION/PLANNING (MARCH 2023 - 2 DAYS)
- SEND 6 STAFF TO EVENT (SEPTEMBER 2023 - 4 DAYS)

ASSUMPTIONS:
- HOTEL = \$150 PER NIGHT - (MARCH = 2 STAFF X 2 DAYS = 4 NIGHTS)
 - (SEPT. = 6 STAFF X 4 DAYS = 24 NIGHTS)
- AIR = \$200 PER PERSON - (MARCH = 2 + SEPT. = 6, TOTAL = 8 AIR TICKETS)
- OTHER TRAVEL EXPENSES = \$200

BUDGET 2023	
JANUARY	<u>-0-</u>
FEBRUARY	<u>400</u>
MARCH	<u>600</u>
APRIL	<u>-0-</u>
MAY	<u>-0-</u>
JUNE	<u>-0-</u>
JULY	<u>-0-</u>
AUGUST	<u>1,800</u>
SEPTEMBER	<u>3,600</u>
OCTOBER	<u>200</u>
NOVEMBER	<u>-0-</u>
DECEMBER	<u>-0-</u>

ACCOUNT CODE# _____	ACCOUNT NAME _____	<input type="checkbox"/> REVENUE ACCOUNT	<input type="checkbox"/> EXPENSE ACCOUNT
HISTORY/PROJECTION:	ACTUAL 2021 \$ _____	BUDGET 2022 \$ _____	JUNE 2022 \$ _____
		PROJECTED 2022 \$ _____	PROPOSED BUDGET 2023 \$ _____

DESCRIPTION:

PLAN-OF-ACTION:

ASSUMPTIONS:

BUDGET 2023	
JANUARY	_____
FEBRUARY	_____
MARCH	_____
APRIL	_____
MAY	_____
JUNE	_____
JULY	_____
AUGUST	_____
SEPTEMBER	_____
OCTOBER	_____
NOVEMBER	_____
DECEMBER	_____

(PLEASE REMEMBER TO ATTACH ALL SUPPORTING DOCUMENTS)

ABC ORGANIZATION														
DEPT#	NAME	DATE FIRST DRAFT / /22 SECOND DRAFT / /22 FINAL / /22												
MONTHLY BUDGET WORKSHEET		(1)												
FISCAL YEAR 2023		2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
ACCOUNT #	DESCRIPTION	ANNUAL BUDGET	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
REVENUE														
4010	INDIVIDUAL CONTRIBUTIONS													
4020	CORPORATE CONTRIBUTIONS													
4030	FOUNDATION CONTRIBUTIONS													
4120	PUBLICATIONS													
4160	MISCELLANEOUS INCOME													
4400	REGISTRATIONS													
4500	INTEREST/DIVIDEND INCOME													
	TOTAL REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0
EXPENSES														
5100	GRANTS													
6010	ACCOUNTING & LEGAL SERVICES													
6035	COMPUTER SERVICES													
6040	CONFERENCE FEES													
6050	CONSULTING SERVICES													
6070	DELIVERY SERVICES													
6080	DEPRECIATION													
6100	DUES & SUBSCRIPTIONS													
6110	SPECIAL EVENTS/PROJECTS													
6150	EMPLOYEE BENEFITS													
6200	EQUIPMENT RENTAL													
6250	INSURANCE													
6300	LIBRARY/BOOKS/SUBSCRIPTIONS													
6350	MAINTENANCE CONTRACTS & REPAIRS													
6400	MEALS & ENTERTAINMENT													
6450	MISCELLANEOUS													
6500	OFFICE EXPENSE													
6600	POSTAGE													
6700	PRINTING/PUBLICATIONS													
6800	PROMOTION													
6900	RENT													
7100	SALARIES													
7200	TAXES - PAYROLL													
7300	TAXES - OTHER													
7350	TEMPORARY SERVICES													
7400	TELEPHONE													
7500	TRAVEL													
	TOTAL EXPENSES	0	0	0	0	0	0	0	0	0	0	0	0	0
	EXCESS/(DEFICIENCY) REV OVER EXP	0	0	0	0	0	0	0	0	0	0	0	0	0

SAMPLE BUDGET TIMELINE

“Ideal Start/Prep Time = (Based Around the Third Quarter)”

Sample Based on Calendar Year:

Install New Budget System – START HERE!!!

- ◆ June 15 – 30:
 - Map Accounting System:
 - Chart of Accounts
 - Departments/Projects/Cost Centers:
 - Programs
 - General and Administrative
 - Fundraising
 - Build Map of Accounting System
 - Design Initial Budget System Working Templates
 - Training:
 - Non-Financial Managers:
 - Part – I :
 - How to Use the New Budget System
 - Part – II:
 - How to Build the Next Fiscal Year Budget
 - Accounting Department:
 - Training
 - Installation

Existing Budget System – START HERE!!!

- ◆ July 1 – 15:
 - Close the Month of June
 - Prepare Six Month Financial Statements
 - Prepare Six Month Budget and Projection Reports
 - Assemble Budget Packages:
 - Cover Memo from Executive Director
 - Financial Memo from CFO/Controller/Director of Operations
 - Y-T-D Budget and Projection Reports (Six Months June 30, 200X)
 - Year-End Financial Statements from Prior Year
 - Blank Assumption Forms
 - Blank Budget Summary Template
 - Prepare Sample Assumption Forms for New Managers
 - Copies of Assumption Worksheets from Prior Year
 - Assemble Budget Packages by Person Responsible
 - Prepare Work Schedule/Timeline

- ◆ July 16 – 20:
 - Final Mid-Year Financial Statements
 - Final Mid-Year Budget and Projection Reports
 - Final Work Schedule/Timeline
 - Schedule Kick-Off Meeting
 - Send Out Kick-Off Meeting Notification to ALL Involved in the Budget Process

- ◆ July 20:
 - Two-Hour Kick-Off Meeting

- ◆ July 21 – August 7:
 - Managers Assemble First Draft of Budget
 - Selfish Draft
 - July 28 – 31:
 - Schedule Mid-Point Status Check-Up
 - Provide Additional Training/Support As Needed
 - All First Draft Budget Due by Noon on August 7

- ◆ August 8 – 14:
 - Controller Compiles First Draft of the Budget
 - Assemble Missing Data Report
 - Assemble Separate Salary Budget Allocation Report
 - Have Executive Director Approve
 - Have Managers Approve Labor Percentage Allocations
 - Add Labor (Salaries/Benefits/Payroll Taxes) to the Budget
 - Deliver First Draft of Budget to Executive Director by August 8

- ◆ August 15 – 21:
 - Schedule Meeting with Managers to Discuss Strategies to Balance Budget
 - Consider the Need for Contingency Budgets
 - Give Managers Final Instructions for Preparation of the Second Draft Budget

- ◆ August 22 – 25:
 - Managers Re-Draft Budget Assumption Worksheets
 - Submit to Controller on Rolling Basis
 - Controller Re-Compiles the Budget

- ◆ August 26 – 31:
 - Discuss/Prepare Final Changes to the Budget
 - Final Staff Prepared Budget – Ready for Distribution to Leadership

- ◆ September 1 – 15:
 - Schedule Leadership Distribution to:
 - Treasurer
 - Audit Committee
 - Finance Committee
 - Executive Committee
 - Prepare Budget “Backgrounders” Explaining Major Areas of the Budget
 - Highlights
 - Major Variances
 - Important Points of Reference

- ◆ September 16 – 30:
 - Distribute Budget to Above Leadership
 - Attend Meetings and Make Budget Presentations
 - Document Possible Budget Changes
 - Prepare Final Budget for Board of Director Approval

- ◆ October – December:
 - Present Budget at Board of Directors Meeting
 - Obtain Board Formal Approval
 - Board Motion
 - Document in Board Minutes

ABC ORGANIZATION

% Updated 8/23/22 per Joe for FY2023

	2022 ANNUAL SALARY	2023 ANNUAL SALARY	DEPT #00	DEPT #50	DEPT #20	DEPT #30	DEPT #40	DEPT #60	DEPT #70	DEPT #100	DEPT #180	TOTALS
CURRENT STAFFING:												
EXECUTIVE DIRECTOR Linda Smith	85,000.00	85,000.00	4,250.00 5%	8,500.00 10%	17,000.00 20%	0.00	21,250.00 25%	0.00	0.00	12,750.00 15%	21,250.00 25%	0.00 100%
DIRECTOR OF OPERATIONS Joe Smith	75,000.00	75,000.00	0.00	0.00	45,000.00 60%	0.00	18,750.00 25%	0.00	0.00	0.00	11,250.00 15%	0.00 100%
DIRECTOR OF DEVELOPMENT Mary Smith	75,000.00	75,000.00	7,500.00 10%	3,750.00 5%	0.00	0.00	22,500.00 30%	0.00	0.00	26,250.00 35%	15,000.00 20%	0.00 100%
DIRECTOR OF EDUCATION Tom Smith	65,000.00	65,000.00	0.00	0.00	0.00	0.00	65,000.00 100%	0.00	0.00	0.00	0.00	0.00 100%
ADMINISTRATOR Betty Smith	45,000.00	45,000.00	13,500.00 30%	0.00	4,500.00 10%	0.00	4,500.00 10%	4,500.00 10%	0.00	4,500.00 10%	13,500.00 30%	0.00 100%
FRONT DESK Bob Smith	25,000.00	25,000.00	25,000.00 100%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 100%
MEDIA RELATIONS Mike Smith	35,000.00	35,000.00	0.00	0.00	0.00	22,750.00 65%	0.00	0.00	12,250.00 35%	0.00	0.00	0.00 100%
CLOSED STAFF POSITIONS:												
CLOSED POSITION		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 0%
NEW STAFF POSITIONS:												
NEW POSITION		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 0%
NEW POSITION		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 0%
RAISE / BONUS POOL (2023)		20,000.00	20,000.00 100%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 100%
TOTAL SALARIES:	405,000.00	425,000.00	70,250.00	12,250.00	66,500.00	22,750.00	132,000.00	4,500.00	12,250.00	43,500.00	61,000.00	0.00
PAYROLL TAXES (8%):	32,400.00	34,000.00	5,620.00	980.00	5,320.00	1,820.00	10,560.00	360.00	980.00	3,480.00	4,880.00	0.00
BENEFITS (20%):	81,000.00	85,000.00	14,050.00	2,450.00	13,300.00	4,550.00	26,400.00	900.00	2,450.00	8,700.00	12,200.00	0.00

16.53% 2.88% 15.65% 5.35% 31.06% 1.06% 2.88% 10.24% 14.35% 100.00%

ASSOCIATION OF AMERICANS HELPING OTHERS
DASHBOARD --- APRIL 30, 2021

STATEMENT OF ACTIVITY	(1)	(2)	(3)	(4)
	FY 2021			
CONSOLIDATED OPERATIONS	ANNUAL BUDGET	BUDGET 10 MOS APRIL	ACTUAL 10 MOS APRIL	PROJECTED YEAR
REVENUE				
Membership Dues	853,000	694,167	709,196	881,179
Contributions and Grants	575,000	496,017	266,431	383,181
Program Fees	651,000	586,375	647,358	673,433
Rentals	275,000	225,500	252,308	295,008
Investment Income	110,000	108,000	108,189	114,189
Other Income	70,000	61,350	68,577	80,077
Total - Revenue	2,534,000	2,171,408	2,052,059	2,427,067
EXPENSES				
Salaries/Taxes/Benefits/Training	908,000	757,497	656,639	799,222
Consulting / Professional Fees	192,000	162,083	130,446	176,113
Legal/Accounting/Computer Services	94,000	84,833	92,405	112,405
Other Direct Program Support	725,000	639,967	614,383	735,816
Mailing/Postage/Printing/Editing	355,000	306,322	303,036	357,610
Other Expenses	280,000	231,990	196,590	255,918
Total - Expense	2,554,000	2,182,692	1,993,499	2,437,084
CHANGE IN NET ASSETS	(20,000)	(11,283)	58,560	(10,017)

Current Year Only

**ASSOCIATION OF AMERICANS HELPING OTHERS
DASHBOARD --- APRIL 30, 2021**

STATEMENT OF ACTIVITY	(1)	(2)	(3)	(4)	(5)	(6)
	FY 2021				FY 2020	
CONSOLIDATED OPERATIONS	ANNUAL BUDGET	BUDGET 10 MOS APRIL	ACTUAL 10 MOS APRIL	PROJECTED YEAR	ACTUAL 10 MOS APRIL	ACTUAL YEAR
REVENUE						
Membership Dues	853,000	694,167	709,196	881,179	641,500	796,650
Contributions and Grants	575,000	496,017	266,431	383,181	293,969	440,153
Program Fees	651,000	586,375	647,358	673,433	647,426	667,297
Rentals	275,000	225,500	252,308	295,008	219,844	250,229
Investment Income	110,000	108,000	108,189	114,189	204,128	222,974
Other Income	70,000	61,350	68,577	80,077	46,360	55,550
Total - Revenue	2,534,000	2,171,408	2,052,059	2,427,067	2,053,227	2,432,853
EXPENSES						
Salaries/Taxes/Benefits/Training	908,000	757,497	656,639	799,222	699,305	828,297
Consulting / Professional Fees	192,000	162,083	130,446	176,113	162,199	191,453
Legal/Accounting/Computer Services	94,000	84,833	92,405	112,405	85,331	95,287
Other Direct Program Support	725,000	639,967	614,383	735,816	613,513	740,110
Mailing/Postage/Printing/Editing	355,000	306,322	303,036	357,610	326,321	412,559
Other Expenses	280,000	231,990	196,590	255,918	146,625	205,180
Total - Expense	2,554,000	2,182,692	1,993,499	2,437,084	2,033,294	2,472,886
CHANGE IN NET ASSETS	(20,000)	(11,283)	58,560	(10,017)	19,933	(40,033)

Comparison to Last Year

ASSOCIATION OF AMERICANS HELPING OTHERS
DASHBOARD --- APRIL 30, 2020

STATEMENT OF ACTIVITY	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	FY 2021				FY 2020		FY 2022
CONSOLIDATED OPERATIONS	ANNUAL BUDGET	BUDGET 10 MOS APRIL	ACTUAL 10 MOS APRIL	PROJECTED YEAR	ACTUAL 10 MOS APRIL	ACTUAL YEAR	PROPOSED BUDGET
REVENUE							
Membership Dues	853,000	694,167	709,196	881,179	641,500	796,650	900,000
Contributions and Grants	575,000	496,017	266,431	383,181	293,969	440,153	450,000
Program Fees	651,000	586,375	647,358	673,433	647,426	667,297	700,000
Rentals	275,000	225,500	252,308	295,008	219,844	250,229	310,000
Investment Income	110,000	108,000	108,189	114,189	204,128	222,974	110,000
Other Income	70,000	61,350	68,577	80,077	46,360	55,550	75,000
Total - Revenue	2,534,000	2,171,408	2,052,059	2,427,067	2,053,227	2,432,853	2,545,000
EXPENSES							
Salaries/Taxes/Benefits/Training	908,000	757,497	656,639	799,222	699,305	828,297	850,000
Consulting / Professional Fees	192,000	162,083	130,446	176,113	162,199	191,453	180,000
Legal/Accounting/Computer Services	94,000	84,833	92,405	112,405	85,331	95,287	120,000
Other Direct Program Support	725,000	639,967	614,383	735,816	613,513	740,110	750,000
Mailing/Postage/Printing/Editing	355,000	306,322	303,036	357,610	326,321	412,559	365,000
Other Expenses	280,000	231,990	196,590	255,918	146,625	205,180	260,000
Total - Expense	2,554,000	2,182,692	1,993,499	2,437,084	2,033,294	2,472,886	2,525,000
CHANGE IN NET ASSETS	(20,000)	(11,283)	58,560	(10,017)	19,933	(40,033)	20,000

Add Next Year Budget

ASSOCIATION OF AMERICANS HELPING OTHERS
DASHBOARD -- APRIL 30, 2021

STATEMENT OF ACTIVITY	(1)	(2)	(3)	(4)	(5)	(6)	(7)
CONSOLIDATED OPERATIONS	FY 2021				FY 2020		FY 2022
	ANNUAL BUDGET	BUDGET 10 MOS APRIL	ACTUAL 10 MOS APRIL	PROJECTED YEAR	ACTUAL 10 MOS APRIL	ACTUAL YEAR	PROPOSED BUDGET
REVENUE							
Membership Dues	853,000	694,167	709,196	881,179	641,500	796,650	900,000
Contributions and Grants	575,000	496,017	266,431	383,181	293,969	440,153	450,000
Program Fees	651,000	586,375	647,358	673,433	647,426	667,297	700,000
Rentals	275,000	225,500	252,308	295,008	219,844	250,229	310,000
Investment Income	110,000	108,000	108,189	114,189	204,128	222,974	110,000
Other Income	70,000	61,350	68,577	80,077	46,360	55,550	75,000
Total - Revenue	2,534,000	2,171,408	2,052,059	2,427,067	2,053,227	2,432,853	2,545,000
EXPENSES							
Salaries/Taxes/Benefits/Training	908,000	757,497	656,639	799,222	699,305	828,297	850,000
Consulting / Professional Fees	192,000	162,083	130,446	176,113	162,199	191,453	180,000
Legal/Accounting/Computer Services	94,000	84,833	92,405	112,405	85,331	95,287	120,000
Other Direct Program Support	725,000	639,967	614,383	735,816	613,513	740,110	750,000
Mailing/Postage/Printing/Editing	355,000	306,322	303,036	357,610	325,321	412,559	365,000
Other Expenses	280,000	231,990	196,590	255,918	146,625	205,180	260,000
Total - Expense	2,554,000	2,182,692	1,993,499	2,437,084	2,033,294	2,472,886	2,525,000
CHANGE IN NET ASSETS	(20,000)	(11,283)	58,560	(10,017)	19,933	(40,033)	20,000

STATEMENT OF FINANCIAL POSITION		
	Apr 30, 2021	June 30, 2020
ASSETS		
Cash	523,755	473,755
Investments	687,586	697,866
Pledges and Accounts Receivable	415,887	393,888
Inventory and Prepaid Expenses	225,678	212,338
Fixed Assets - Net	210,723	244,135
Total Assets	2,063,629	2,021,982
LIABILITIES		
Accounts Payable	85,673	52,979
Accrued Expenses	46,992	61,315
Deferred Income and Deposits	227,889	193,713
Line-of-Credit	0	0
Total Liabilities	360,554	308,007
NET ASSETS		
Unrestricted	1,208,767	1,122,734
Temporarily Restricted	274,589	371,522
Endowment - Permanently Restricted	219,719	219,719
Total Net Assets	1,703,075	1,713,975
Total Liabilities and Net Assets	2,063,629	2,021,982

Income Statement-Balance Sheet

ASSOCIATION OF AMERICANS HELPING OTHERS
DASHBOARD -- APRIL 30, 2021

STATEMENT OF ACTIVITY	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	FY 2021				FY 2020		FY 2022
	ANNUAL BUDGET	BUDGET 10 MOS APRIL	ACTUAL 10 MOS APRIL	PROJECTED YEAR	ACTUAL 10 MOS APRIL	ACTUAL YEAR	PROPOSED BUDGET
CONSOLIDATED OPERATIONS							
REVENUE							
Membership Dues	853,000	694,167	709,196	881,179	641,500	796,650	900,000
Contributions and Grants	575,000	496,017	266,431	383,181	293,969	440,153	450,000
Program Fees	651,000	586,375	647,358	673,433	647,426	667,297	700,000
Rentals	275,000	225,500	252,308	295,008	219,844	250,229	310,000
Investment Income	110,000	108,000	108,189	114,189	204,128	222,974	110,000
Other Income	70,000	61,350	68,577	80,077	46,360	55,550	75,000
Total - Revenue	2,534,000	2,171,408	2,052,059	2,427,067	2,053,227	2,432,853	2,545,000
EXPENSES							
Salaries/Taxes/Benefits/Training	908,000	757,497	656,639	799,222	699,305	828,297	850,000
Consulting / Professional Fees	192,000	162,083	130,446	176,113	162,199	191,453	180,000
Legal/Accounting/Computer Services	94,000	84,833	92,405	112,405	85,331	95,287	120,000
Other Direct Program Support	725,000	639,967	614,383	735,816	613,513	740,110	750,000
Mailing/Postage/Printing/Editing	355,000	306,322	303,036	357,610	326,321	412,559	365,000
Other Expenses	280,000	231,990	196,590	255,918	146,625	205,180	260,000
Total - Expense	2,554,000	2,182,692	1,993,499	2,437,084	2,033,294	2,472,886	2,525,000
CHANGE IN NET ASSETS	(20,000)	(11,283)	58,560	(10,017)	19,933	(40,033)	20,000

STATEMENT OF FINANCIAL POSITION		
	Apr 30, 2021	June 30, 2020
ASSETS		
Cash	523,755	473,755
Investments	687,586	697,866
Pledges and Accounts Receivable	415,887	393,888
Inventory and Prepaid Expenses	225,678	212,338
Fixed Assets - Net	210,723	244,135
Total Assets	2,063,629	2,021,982
LIABILITIES		
Accounts Payable	85,673	52,979
Accrued Expenses	46,992	61,315
Deferred Income and Deposits	227,889	193,713
Line-of-Credit	0	0
Total Liabilities	360,554	308,007
NET ASSETS		
Unrestricted	1,208,767	1,122,734
Temporarily Restricted	274,589	371,522
Endowment - Permanently Restricted	219,719	219,719
Total Net Assets	1,703,075	1,713,975
Total Liabilities and Net Assets	2,063,629	2,021,982

MEMBERSHIP STATISTICS		
NEW MEMBERSHIPS		
FY 2021	112	
TERMINATED MEMBERSHIPS		
NON-RENEWAL & LIFE CONVERT		
FY 2021	62	
PROJECTED MEMBERSHIP & RETENTION RATE		
FY 2021	550	88%

MEMBERSHIPS			
	YEAR-TO-DATE	PROJECTED YE	BUDGET
FY 2021	525	550	520
MEMBERSHIPS			
	YEAR-TO-DATE	ACTUAL YE	BUDGET
FY 2020	475	500	480

Dashboard Summary for Board