

How to Build A Budget from Scratch

How to Fill Out the Budget Template

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Review of Key Budget Template Steps

Plan out goals first

- What do you want to achieve next year?
- Plan out programs and projects first
- Include programmatic, operational and financial plans

Create Budget Template

- Work backwards from goals
- Make a list
- Include everything that will go on in your organization
- What will you need to do your very best work?
- Sort & organize your list into common categories.

Estimate \$

- Gather expense and revenue data;
- Refine, iterate and finalize
- Create scenarios

Estimate Expense

- Enter the amounts you think you'll spend
 - What will you need to accomplish your goals?
 - What will it cost?
 - What will allow you to do your best work?
- Work backwards from goals
- Capture your assumptions as notes
- Research and collect data
- Use last year's budget as reference (variance analysis)

Revenue	
Total Earned	
Total Contributed	
Total Revenue	
Expenses	
Payroll	
Employee Benefits	
Contract Services & Labor	
Insurance	
Documentation	
Marketing/Advertising	
Merchant Services	
Membership Fee	
Office Expenses	
Postage & Delivery	
Travel Expense	
Professional Development	
Professional Fees	
Rent	
Telephone/Internet Service	
Other Taxes	
Hospitality	
Production Supplies / Equipment	
Venue Fee	
Merchandise	
Total Expenses	
Surplus/Deficit	

Previous Budget & Actual Performance: Variance Analysis

Budget 2021	
Revenue	
Sub-Total Earned Revenue	237,500
Sub-Total Contributed Revenue	240,000
Total Revenue	477,500
Expenses	
	Budget 2022
Payroll	220,000
Employee Benefits	6,000
Contract Services & Labor	175,000
Insurance	2,000
Documentation	8,500
Marketing/Advertising	6,500
Merchant Services	3,000
Membership Fee	500
Office Expenses	3,000
Postage & Delivery	500
Travel Expense	0
Professional Development	1,000
Professional Fees	500
Rent	15,000
Telephone/Internet Service	2,000
Other Taxes	0
Hospitality	3,500
Production Supplies / Equipment	7,000
Venue Fee	2,000
Merchandise	400
Total Expenses	456,400
Surplus/Deficit	\$ 21,100

Estimating Revenue

- Enter the amounts you think you'll earn
 - What revenue is likely or certain?
- Include amounts that are available for year: unrestricted, operating
- Research and collect data
- Use last year's budget as reference (variance analysis)

	Budget 2022	Notes
Revenue		
Earned Revenue		
Special Events/Fundraising	65,000	
Commissions	105,000	
Merchandise/Concessions	500	
Teaching Fees	66,920	
Ticket Sales	12,000	Assumes 2 seasons
Rental Fees	6,500	Assumes 75% utilization
Sub-Total Earned Revenue	255,920	
Individual Donors	91,000	Assumes 2 donor appeals; 2 special events/fundraisers
Government Grants	53,170	
Foundation Grants	118,000	Requested \$20K from new foundation (unsure until June 2022)
Crowdfunding	10,000	
Sub-Total Contributed Revenue	272,170	
Total Revenue	528,090	

Reconcile: Revenue vs. Expenses

- Do we expect to generate enough revenue to cover our expenses?
- Are adjustments needed to the numbers, or to our goals, or both?

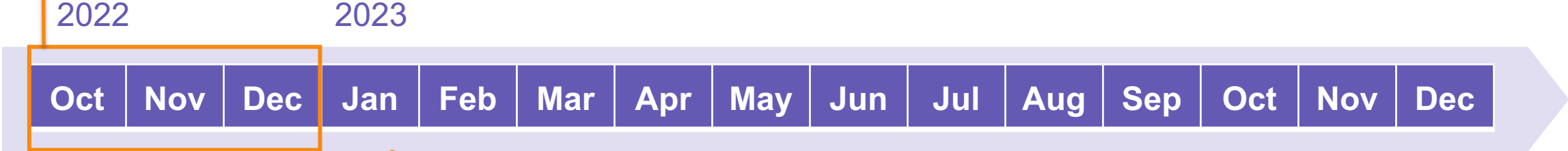
Budget 2022	
Revenue	
Total Earned	255,920
Total Contributed	272,170
Total Revenue	528,090
Expenses	
Budget 2022	
Payroll	245,150
Employee Benefits	6,420
Contract Services & Labor	188,714
Insurance	2,000
Documentation	8,500
Marketing/Advertising	6,500
Merchant Services	3,000
Membership Fee	300
Office Expenses	3,000
Postage & Delivery	500
Travel Expense	13,119
Professional Development	600
Professional Fees	300
Rent	21,720
Telephone/Internet Service	2,040
Other Taxes	85
Hospitality	3,500
Production Supplies / Equipment	8,650
Venue Fee	2,500
Merchandise	400
Total Expenses	516,998
Surplus/Deficit	\$ 11,092

Review: Budget Timeline



Start the budgeting process at least 3 months before end of the fiscal year.

- Plan goals
- Set up budget template
- Estimate expenses & revenue + Reconcile



Finalize + Board Approval: December 2022



Monitor: January 1, 2023 – December 31, 2023