

# How to Build A Budget from Scratch

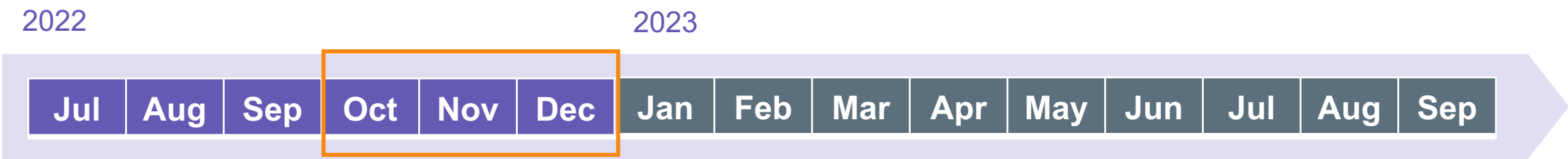
# Creating the Budget Template

## Presented by

Kristine Alvarez  
Director, Consulting



# Start the Budget Process In Advance



Start budget process 3 months before new FY

Note: This example is an organization with fiscal year ending December 31<sup>st</sup>

# No Numbers Yet: The Budget Template

| 2023 Budget                    |                |
|--------------------------------|----------------|
| <b>Revenue</b>                 |                |
| Program Fees                   | 54,500         |
| Individual Donations           | 6,500          |
| Grants                         | 185,000        |
|                                |                |
| <b>Total Revenue</b>           | <b>246,000</b> |
|                                |                |
| <b>Expenses</b>                |                |
| Personnel                      | 180,000        |
| Contractor & Professional Fees | 15,000         |
| Occupancy                      | 11,000         |
| Program & Administrative       | 37,000         |
|                                |                |
| <b>Total Expenses</b>          | <b>243,000</b> |
|                                |                |
| <b>Surplus (or Deficit)</b>    | <b>3,000</b>   |

# Budget Template: Similar to Your Packing List

## The *packing* List

|   |  |  |
|---|--|--|
| <b>TRAVEL ESSENTIALS:</b> <ul style="list-style-type: none"><li><input type="checkbox"/> Wallet</li><li><input type="checkbox"/> Driver's License</li><li><input type="checkbox"/> Cash</li><li><input type="checkbox"/> Debit Cards</li><li><input type="checkbox"/> Credit Cards</li><li><input type="checkbox"/> Insurance Card</li><li><input type="checkbox"/> Travel Maps</li><li><input type="checkbox"/> Lodging Confirmation Numbers</li></ul> | <b>CLOTHING:</b> <ul style="list-style-type: none"><li><input type="checkbox"/> T-Shirts</li><li><input type="checkbox"/> Sweaters</li><li><input type="checkbox"/> Shorts</li><li><input type="checkbox"/> Pants</li><li><input type="checkbox"/> Dress Clothes</li><li><input type="checkbox"/> Exercise Clothing</li><li><input type="checkbox"/> Sleepwear</li><li><input type="checkbox"/> Underwear</li><li><input type="checkbox"/> Bras</li><li><input type="checkbox"/> Sandals</li><li><input type="checkbox"/> Slippers</li><li><input type="checkbox"/> Leisure Shoes</li><li><input type="checkbox"/> Dress Shoes</li><li><input type="checkbox"/> Hiking Shoes</li><li><input type="checkbox"/> Socks</li><li><input type="checkbox"/> Swimsuit</li><li><input type="checkbox"/> Coat</li><li><input type="checkbox"/> Hat</li><li><input type="checkbox"/> Belt</li><li><input type="checkbox"/> Jewelry</li><li><input type="checkbox"/> Scarves</li></ul> | <b>TOILETRIES:</b> <ul style="list-style-type: none"><li><input type="checkbox"/> Sunscreen</li><li><input type="checkbox"/> Toothbrush</li><li><input type="checkbox"/> Toothpaste</li><li><input type="checkbox"/> Dental Floss</li><li><input type="checkbox"/> Deodorant</li><li><input type="checkbox"/> Shampoo</li><li><input type="checkbox"/> Conditioner</li><li><input type="checkbox"/> Soap</li><li><input type="checkbox"/> Razor</li><li><input type="checkbox"/> Shaving Cream</li><li><input type="checkbox"/> Lotion</li><li><input type="checkbox"/> Hair Brush/Comb</li><li><input type="checkbox"/> Nail Clippers</li><li><input type="checkbox"/> Tweezers</li><li><input type="checkbox"/> Chapstick</li><li><input type="checkbox"/> Vitamins/Prescriptions</li><li><input type="checkbox"/> Contacts</li><li><input type="checkbox"/> Contact Solution</li><li><input type="checkbox"/> Band-Aids</li><li><input type="checkbox"/> Hand Sanitizer</li><li><input type="checkbox"/> Insect Repellent</li></ul> |
| <b>TECHNOLOGY:</b> <ul style="list-style-type: none"><li><input type="checkbox"/> Cell Phone &amp; Charger</li><li><input type="checkbox"/> Camera &amp; Charger</li><li><input type="checkbox"/> Laptop &amp; Charger</li><li><input type="checkbox"/> Tablet &amp; Charger</li><li><input type="checkbox"/> Video Camera &amp; Charger</li><li><input type="checkbox"/> Memory Card</li><li><input type="checkbox"/> Headphones</li></ul>             |  |  |
| <b>BEAUTY PRODUCTS:</b> <ul style="list-style-type: none"><li><input type="checkbox"/> Makeup</li><li><input type="checkbox"/> Face Wash</li></ul>  |  |  |

# Start Your Budget Template: Make A List

| Dance Company                    |
|----------------------------------|
| Place-Based Performances         |
| Arts Education                   |
| 30th Anniversary Celebration     |
| Teaching Residencies & Workshops |
| Community Festival               |
| Luncheon Series                  |
|                                  |
|                                  |
|                                  |
|                                  |

2023

| Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

# Start Your Budget Template: Add Details

| Dance Company                    |
|----------------------------------|
| Place-Based Performances         |
| Arts Education                   |
| 30th Anniversary Celebration     |
| Teaching Residencies & Workshops |
| Community Festival               |
| Luncheon Series                  |
|                                  |
|                                  |
|                                  |
|                                  |



| Dance Company            |
|--------------------------|
| Place-Based Performances |
| Artists & Performers     |
| Venues                   |
| Marketing                |
| Fee Revenue              |

# Organize the List by Similar Categories

|                                 |
|---------------------------------|
|                                 |
| <b>Revenue</b>                  |
| Total Earned                    |
| Total Contributed               |
| Total Revenue                   |
|                                 |
| <b>Expenses</b>                 |
| Payroll                         |
| Employee Benefits               |
| Total Contract Services & Labor |
| Total Insurance                 |
| Total 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                  |
| <b>Surplus/Deficit</b>          |

## Here's a Sample Budget Template

|                           |         |                       |          |                                   |                                |                 |                   |                                     |               |
|---------------------------|---------|-----------------------|----------|-----------------------------------|--------------------------------|-----------------|-------------------|-------------------------------------|---------------|
| Organization name         |         |                       |          |                                   |                                |                 |                   |                                     | Last updated: |
| FY 2018                   |         |                       |          |                                   |                                |                 |                   |                                     |               |
| Fiscal year end: Dec 31   | Actual  | Forecast<br>or Actual | Rerecast | Budget<br>Without<br>Restrictions | Budget<br>With<br>Restrictions | Budget<br>Total | Variance<br>Total | Variance<br>Without<br>Restrictions |               |
|                           | FY 2016 | FY 2017               | FY2018   | FY 2018                           | FY 2018                        | FY 2018         |                   |                                     | Notes         |
| Revenue                   |         |                       |          |                                   |                                |                 |                   |                                     |               |
| Total earned revenue      | -       | -                     | -        | -                                 | -                              | -               | -                 | -                                   |               |
| Total contributed revenue | -       | -                     | -        | -                                 | -                              | -               | -                 | -                                   |               |
| Total Revenue             | -       | -                     | -        | -                                 | -                              | -               | -                 | -                                   |               |
| Expenses                  |         |                       |          |                                   |                                |                 |                   |                                     |               |
| Subtotal salaries         | -       | -                     | -        | -                                 | -                              | -               | -                 | -                                   |               |
| Subtotal benefits         | -       | -                     | -        | -                                 | -                              | -               | -                 | -                                   |               |
| Total personnel           | -       | -                     | -        | -                                 | -                              | -               | -                 | -                                   |               |

## Additional resources on budgeting:

Pre-Recorded Webinars:

<https://nff.org/webinar-budgeting-basics>

<https://nff.org/webinar-strategic-budgeting>

Seven-Part Blog Series:

<https://nff.org/blog/making-your-budget-backbone-your-nonprofit>



# Estimate Expense & Revenue

- Enter the amount you think you'll receive or spend
- Capture your assumptions as notes
- Use last year's budget as reference (variance analysis)
- Research and collect data

| Revenue                         |
|---------------------------------|
| Total Earned                    |
| Total Contributed               |
| Total Revenue                   |
| Expenses                        |
| Payroll                         |
| Employee Benefits               |
| Total Contract Services & Labor |
| Total Insurance                 |
| Total 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                 |

# 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