

# How to Build A Budget from Scratch

## How to Fill Out the Budget Template

## Presented by

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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	
<b>Revenue</b>	
Sub-Total Earned Revenue	237,500
Sub-Total Contributed Revenue	240,000
<b>Total Revenue</b>	<b>477,500</b>
<b>Expenses</b>	
	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
<b>Total Expenses</b>	<b>456,400</b>
<b>Surplus/Deficit</b>	<b>\$ 21,100</b>

# 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
<b>Revenue</b>		
<b>Earned Revenue</b>		
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
<b>Sub-Total Earned Revenue</b>	<b>255,920</b>	
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	
<b>Sub-Total Contributed Revenue</b>	<b>272,170</b>	
<b>Total Revenue</b>	<b>528,090</b>	

# 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	
<b>Revenue</b>	
Total Earned	255,920
Total Contributed	272,170
<b>Total Revenue</b>	<b>528,090</b>
<b>Expenses</b>	
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
<b>Total Expenses</b>	<b>516,998</b>
<b>Surplus/Deficit</b>	<b>\$ 11,092</b>

# Review: Budget Timeline

