CHART WORK CONSULTING

Nonprofit Budgeting Process

Summary
1. Assemble the budget team
2. Create budget calendar
3. Prepare for budget process
4. Build the budget
5. Monitor the budget

Assemble the Budget Team
- Executive Director
- Managers/Leadership Staff
- Board Treasurer
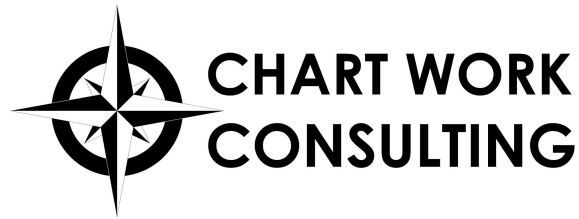- Board Finance Committee

Create Budget Calendar
- See template from the Wallace Foundation, or contact Chart Work to learn more about budget preparation assistance

Prepare for Budget Process
- Set financial goals
- Gather data and build budget template
- Forecast current year results
- Conduct team kickoff meeting

Build the Budget
- Budget expenses
- Budget revenues and plan alternate scenarios using revenue projection process
- Forecast cash flow
  - Do not divide by 12 for your monthly spreads
  - This is critical to recording projected timing of revenue and expenses
- Secure board approval
  - Executive Director submits draft budget to the finance committee
  - Revisions made by senior staff based on finance committee feedback

Source: Wallace Foundation

○ Revised budget approved by finance committee and submitted to full board for approval

■ There should be no big changes during this process

● Once the budget is approved, the Executive Director conducts an information session to orient senior staff to the overall organizational picture and to their budget for the year

Monitor the Budget
- Track revenue and expenses regularly and consistently
  - Donations should be entered first into the donor CRM/database then given to the bookkeeper with a summary report to ensure fundraising revenue is allocated to the correct funds
  - Invoices should be coded by associated senior staff then submitted to bookkeeper for payment to ensure expenses are allocated to the correct funds
- Senior staff should share budget narrative points with the ED monthly

Monthly		Quarterly
Program Managers	Executive Director	Board of Directors
• Budget-to-actual revenue & expenses for the program(s) they oversee	• Budget-to-actual revenue & expenses for • (a) each program • (b) organization-wide • Balance sheet • Year-end forecast • Cash flow projection	• Management narrative • Budget-to-actual revenue & expenses for • (a) each program • (b) organization-wide • Balance sheet • Year-end forecast • Cash flow projection • Dashboard

Source: Wallace Foundation