Budgeting Part 2:
Budgeting Fitness Class!

With Andy Palak, CA

YOUR EXPECTATIONS

Highlight your expectations for this Budgeting Workshop

A Quote

Setting up a Budget is easy, finding the funds is the difficult part

A statistic

- 60% of organizations do not link strategy to budgeting

- 90% lack a strategic plan

ACTIVITY:
Budget Preparation Check List

Break out Groups :

- Prepare Activities , Responsibilities & Timelines

BUDGET ASSUMPTIONS

Break out Groups :

• List Major Budget Assumptions and assumptions that need to be addressed and evaluated prior to commencement of detailed Budget

CONSIDER :

• What information is Confidential?

Significant accounting policies

- Revenue recognition
  - Donor restricted funds

    Initially deferred and then recognized as revenue in the period in which the related expenses are incurred.

  - Donated goods and services

    Not recorded as revenue due to difficulties in determining fair value.

  - Allocation of expenses

    Salaries assigned to programs based on FTE's utilized in that program.

- Deferred Revenue
  - Contributions received on which there were restrictions, which possibly could require repayment, or pertain to funding periods subsequent to year-end.

BUDGET TEMPLATES:

- Revenue and expenses
- Balance Sheet
- Cash Flow

CONSIDER :

- Budgets for Funders and how to incorporate into the Budget for the organization as a whole

- KPI (Key performance indicators)
  - Measures and monitors your Budget

Budgeting Tools

Do you need Budgeting software ?

- It depends …

- Can use budgeting spreadsheets, etc

BUDGET PACKAGE for BOARD of DIRECTORS

Break out Groups :

- Prepare Budget package for Board of Directors.
  - Focus on a Table of Contents and what graphs, charts, etc you would include to help tell the story

SCENARIO PLANNING

- Considers the WHAT if ………….
  - i.e. Short term risks and uncertainties

- How would you react if a certain event happened in the future ?

- What are the key drivers and critical uncertainties in your operating environment ?

BIG WHAT IF'S :

- Legislative

- Regulatory

- Economic issues

- Social Dynamics (demographics)

OTHER AREAS

- Top Down vs Bottom up Budgeting

- Zero based budgeting

- Rolling Budgets

- Forecasts

Finally

Questions?