

Lesson 3: Making Good Money Choices (9-12)
Handout 4

Planning a Nonprofit Budget

Instructions:

1. Carefully review the nonprofit/civil society organization's description, including paying close attention to budget explanations.
2. Use figures from budget explanations to complete the budget worksheets (revenues and expenses worksheets)
3. Complete revenue worksheet first for the organization. Include revenue from all sources.
4. Then, complete expenses worksheet based on nonprofit description.
5. Compare revenue and expenses. If they are not the same, go back and recalculate until they are equal.

Choosing your nonprofit

Choose from one of the nonprofits listed here.

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Animal Rights Organization

Mission	Our mission is to provide a natural sanctuary for rescued wild animals. We also educate the public regarding animal rights.
Programs	We operate a wildlife sanctuary that serves as a permanent home for rescued animals. The sanctuary is open to the public. We also provide educational programs for groups that visit the sanctuary.
Budget	\$175,000
Salaries	Our executive director earns a salary of \$36,000 per year. We also employ a part-time marketing coordinator who earns \$15,000 per year. Our three animal care providers also work part-time. Their combined wages total \$31,250 per year. The executive director receives fringe benefits totaling \$1,750 per year. No benefits are provided to the remaining staff members.
Administrative Costs	Our sanctuary is located on land that was donated by the sanctuary founders. We therefore have no rental costs. We spend \$500 per month on utilities for our education lodge and gift shop. These utility costs include gas, electric, telephone, and Internet access. We spend \$200 per month on office supplies.

	Postage and copying run approximately \$50 per month. We currently have no staff travel expenses.
Program Expenses	Maintenance costs average \$500 per month. We also spend \$12,000 per year on upgrading the shelter habitat. The remainder of our budget is spent on animal care, food, and veterinary expenses. It costs approximately \$3,200 per year to house each animal at the sanctuary. Currently, there are 20 animals in the sanctuary.
Revenue	The majority of our income came from 2 sources: admission and educational program fees (21%)--\$36,750; and gift shop sales (22%)--\$38,500. Individual donors donated \$52,500, 30% of our income, through membership and adoption programs. Our corporate sponsorships contributed \$19,250, 11% of our income. Sixteen percent of our income came from grants from foundations, totaling \$28,000. We received no government support or in-kind support.

Anti-crime Organization

Mission	Our mission is to reduce youth violence in our community.
Programs	We provide counseling and rehabilitation programs for youth offenders. All participants are assigned a case worker. Case workers meet with participants each week to provide counseling. Participants also attend crime prevention programs at our youth center.
Budget	\$780,000
Salaries	Our agency manager earns an annual salary of \$60,000. We also employ two assistant managers who earn salaries of \$35,000 each. Employee health and retirement benefits also are provided. These benefits cost approximately \$26,000 per year.
Administrative Costs	Our rent and utilities total \$16,000 per year. Internet and telephone costs run \$1,780 per year. Equipment and supplies cost another \$2,600. Postage and copying expenses total \$3,900 annually. Staff travel costs are \$5,200.
Program Expenses	Our primary program expense is case worker salaries. These salaries cost \$325,000 annually. We provide case workers with an additional \$70,000 in fringe benefits. After case worker salaries, our next largest expense is rental of our youth center facility. Facility rent and utilities cost \$150,000 each year. We also spend \$12,000 on insurance and \$9,000 on program printing costs. An additional \$28,520 is devoted to legal services and direct financial assistance for clients.
Revenue	We receive approximately 45 percent of our income through foundation grants. Another 30 percent is provided through federal, state, and local government funding. We earn approximately 8 percent of our revenues each year through admission fees to special fundraising events. Our remaining income is

