

# Budgeting & Financials

## 101

Craig Connelly, CEO



**The Ian Potter  
Foundation**

# Organisation Finances

- **We consider the financial position of organisations seeking funding...**
- Cash flow statements
- Balance sheet
- Reserves
  - Minimum three months of working capital
  - Applications may be deferred if we are not confident in the financial position of your organisation
- However, we understand that not-for-profit organisations aren't like businesses...

# Organisation Finances

- **What we look for...**
- Good track record with other funders
- The organisation has diverse sources of income
- There is not a sole reliance on one contract for financial sustainability

# Risk Management Matrix

- **All applications require an analysis of organisational and project risk**
- Contingency planning
  - With capital expenditure projects

# Project Budget

- Ian Potter Foundation does not fund 100% of any project
- Leverage from corporate partners, philanthropy, government, in-kind support and self-funding.
- We take a detailed look at each line of expenditure
  - Are the project staff and advisors being paid adequately and in accordance with industry standards?
  - Has there been adequate amount allocated to project evaluation?
  - Are there any costs we might regard as excessive?

# Sample budget - Income

## Project budget - Sample volunteer program

| <b>INCOME</b> |                                                                                                                                                                                     |                   |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 1             | Amount sought from The Ian Potter Foundation                                                                                                                                        | \$ 300,000        |
| 2             | Cash commitment from the applicant organisation                                                                                                                                     | \$ 30,000         |
| 3             | Confirmed funding from                                                                                                                                                              |                   |
|               | <ul style="list-style-type: none"><li>• other foundations / trusts - xxxxx xxxxxx</li><li>• governments</li><li>• outside sources</li></ul>                                         | \$ 145,000        |
|               | (itemise in your budget and include letters of confirmation as Attachments)                                                                                                         |                   |
| 4             | Applied for but unconfirmed funding from                                                                                                                                            |                   |
|               | <ul style="list-style-type: none"><li>• other foundations / trusts</li><li>• other foundations / trusts - xxxxxxxx xxxxxx</li><li>• governments</li><li>• outside sources</li></ul> | \$ 145,000        |
|               | (itemise)                                                                                                                                                                           |                   |
| 5             | <b>Projected income to be generated from the project</b>                                                                                                                            |                   |
|               | School Partnership Contributions over 3 years                                                                                                                                       | \$ 30,000         |
| 6             | <b>Other sources of income relevant to the project</b>                                                                                                                              |                   |
| 7             | <b>In-kind* contributions (itemise)</b>                                                                                                                                             |                   |
|               | Volunteer Time (5,900 hours @ \$36 ph imputed value)                                                                                                                                | \$ 213,000        |
|               | <b>TOTAL INCOME</b>                                                                                                                                                                 | <b>\$ 863,000</b> |

# Sample budget - expenditure

| <b>EXPENDITURE</b>       |                                                                                                                                    |                   |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>1</b>                 | <b>Capital equipment (itemise)</b>                                                                                                 |                   |
|                          | Computers & Equipment                                                                                                              | \$ 5,000          |
| <b>2</b>                 | <b>Salaries and wages (specify payees / consultants)</b>                                                                           |                   |
|                          | Project Implementation Manager (incl.on-costs) @ 0.8 FTE average over 3 years                                                      | \$ 238,000        |
|                          | Program Coordination and Development: Volunteer Coordinator for recruitment, training and placement @ 0.6 FTE average over 3 years | \$ 152,000        |
| <b>3</b>                 | <b>Office supplies eg stationery, postage, printing</b>                                                                            |                   |
|                          | Program resources - training workbooks / general printing,                                                                         | \$ 12,200         |
| <b>4</b>                 | <b>Advertising and/or promotion</b>                                                                                                |                   |
|                          | General website / social media / network promotion - absorbed as part of xxxx                                                      |                   |
|                          | Communications & Marketing Strategy                                                                                                | -                 |
| <b>5</b>                 | <b>Travel (itemise)</b>                                                                                                            |                   |
|                          | Flights / Acomm - trips Vic to interstate jurisdiction                                                                             | \$ 15,000         |
|                          | Project Implementation Manager & Vol Coord general ground travel                                                                   | \$ 7,800          |
| <b>6</b>                 | <b>Recurrent expenditure (itemised)</b>                                                                                            |                   |
|                          | Office Rent & Training Room Hire                                                                                                   | \$ 40,000         |
| <b>7</b>                 | <b>Other projected costs or overheads (itemise)</b>                                                                                |                   |
|                          | Contribution to management and project support                                                                                     | \$ 70,000         |
|                          | Evaluation (indicative quote xxxxxx)                                                                                               | \$ 80,000         |
|                          | Business development activity for sustainability purposes (xxxxx In-Knd)                                                           | \$ 30,000         |
| <b>8</b>                 | <b>In-kind* contributions (itemise)</b>                                                                                            |                   |
|                          | Volunteer Time (5,900 hours @ \$36 ph imputed value)                                                                               | \$ 213,000        |
| <b>TOTAL EXPENDITURE</b> |                                                                                                                                    | <b>\$ 863,000</b> |

\*In-kind contributions are the non-cash contributions of equipment, materials, time, services, free accommodation etc. An estimated value should be given for each item. In-kind contributions should be listed as both an income and an expense item.