



# Building a Better Budget

## Every Business Needs a Sound and Accurate Budget

### Especially nonprofits - and here's why!

- You are a part of the third-largest industry in the country! (with revenues that make up 6% of the GDP)
- Collectively, you employ 11.9 million people, and impact countless more
- Having a budget that represents all you do is KEY to successful grant requests

### What income is missing in YOUR budget?

#### Did you include...

- Cost of in-kind services (donations of time for maintenance, professional services)
- Cost of in-kind products (donations of office supplies, food, even space)
- Cost of volunteer labor (the current average cost for a volunteer is \$34.79/hour)

### Assess your income streams with these questions

- Existing - what has the ROI been over the past 1-3 years?
- New or prospective: do we have the resources to manage this funding stream?
- All: Is time/energy/ROI we will need worth keeping or adding a funding stream to our next budget and development plan?

### Ensuring long-term success, no matter your size

- Written budgets are for EVERY nonprofit, no matter the size
- Most smaller nonprofits with revenues of less than \$50,000, lack detailed budgets. Nearly 60% of nonprofits fall into this category, leaving them vulnerable to fail due to budgeting shortfalls
- Leaving out items in a budget can reduce the success in funding
  - Funders want to see a budget that accounts for potential changes in income and expenses, is sustainable and strategic.
  - Funders do not want to fund large percentages of your overall budget.
  - Include all real costs, including in-kind and volunteer contributions, so your budget reflects its actual size. When your budget is accurate and complete, a single grant request represents a smaller percentage of the total, which strengthens the competitiveness of your ask.



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## Realistic Direct versus Indirect Costs

- **Not all expenses are treated the same by funders.** Grant budgets typically separate costs into direct (expenses that directly impact program operations) and indirect (costs that support the work but don't directly touch the beneficiary)
- **Some costs fall into a gray area.** Expenses like utilities, rent, and staff time can be direct or indirect depending on how they are used, and nonprofits often need to allocate these costs thoughtfully (e.g., by square footage or staff roles).
- **Funders set the rules.** Restricted grants usually cover specific direct costs tied to a funder's mission, while unrestricted grants allow broader use for operating expenses—so aligning your budget to each funder's guidelines is essential to covering your whole budget.
- **Clear budgets strengthen grant applications.** Separating and explaining direct and indirect costs, including in-kind support, helps funders understand how dollars are used and increases the likelihood of funding.

## How We Can Help

- Review established goals and outcomes (any record of success)
- Examining where your budget may be missing key items to sustain goals
- Organizing documents before you request funding
- Having a dedicated grant writer versus a volunteer increases your success rate in receiving grant awards
  - Established relationships with funders
  - Broad understanding of best practices in budgeting
  - Sound reporting after an award is granted, increasing your chance to repeat or continue funding with a donor
- Most nonprofits report that 30-60% of their income is from grant funding. Grant writing and development are our sole focus, and not one of many tasks to juggle of staff.

## Let's Connect

Reach out now to find out more:

[resolutenpconsulting.com](http://resolutenpconsulting.com)

[Let's Chat - Schedule Here](#)