

How to Utilize Strategic Goals for Effective Budgeting

Vault

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Learning Objectives



Learn how the budget process can make strategic goals actionable

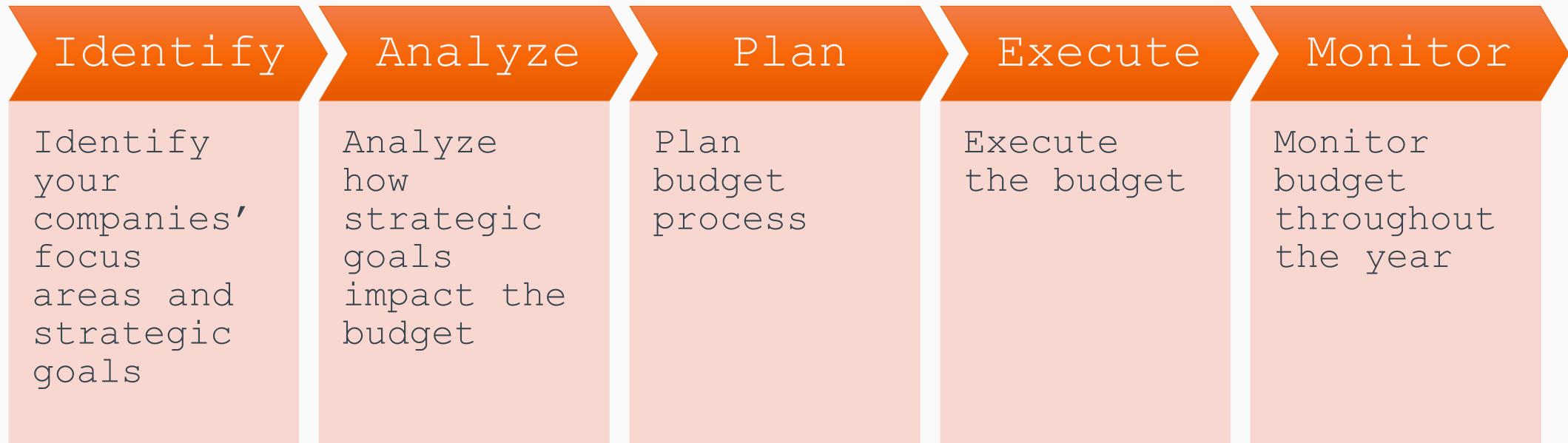


Determine how to plan your budget for successful execution



Understand how monitoring the budget can result in improvements

Strategic Plan & Budget Steps



Step 1:
Identify



KEY FOCUS AREAS



STRATEGIC GOALS

Focus Areas

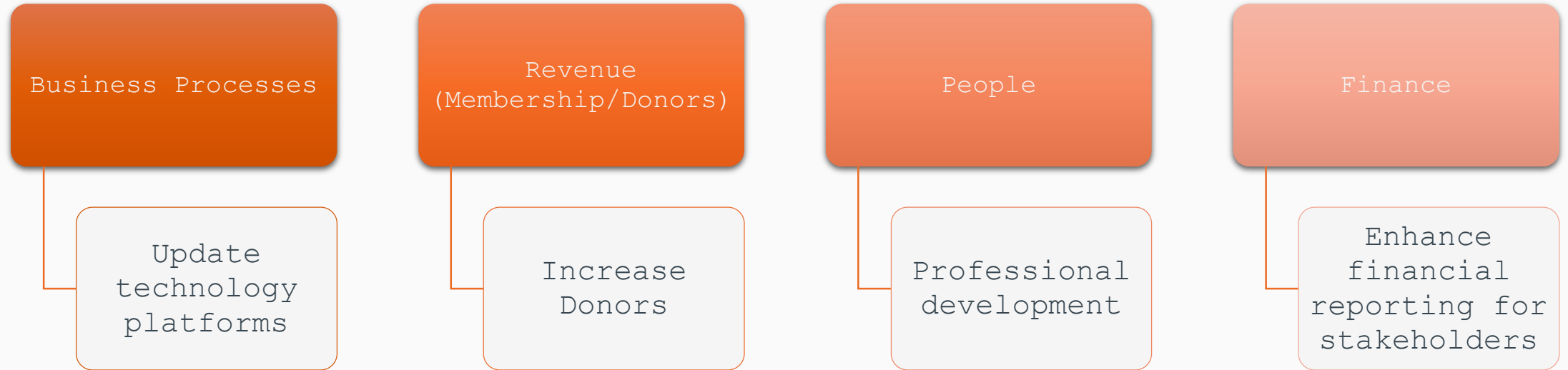
Business Processes

Revenue
(Membership/Donors)

People

Finance

Strategic Focus Areas



Question #1

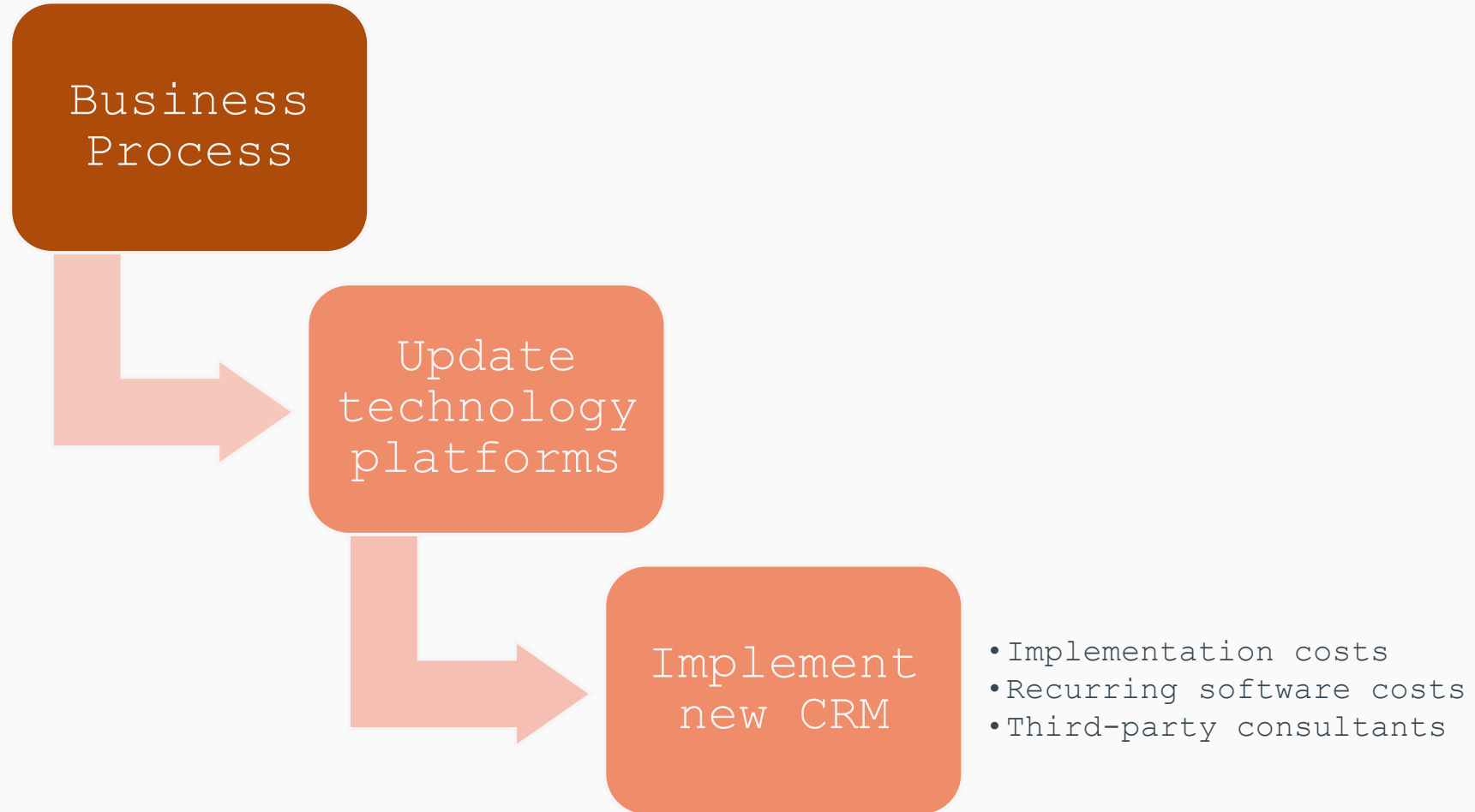
How frequently does your organization create a strategic plan?

- **Every year**
- **Five years**
- **Other timeframe**
- **Never**

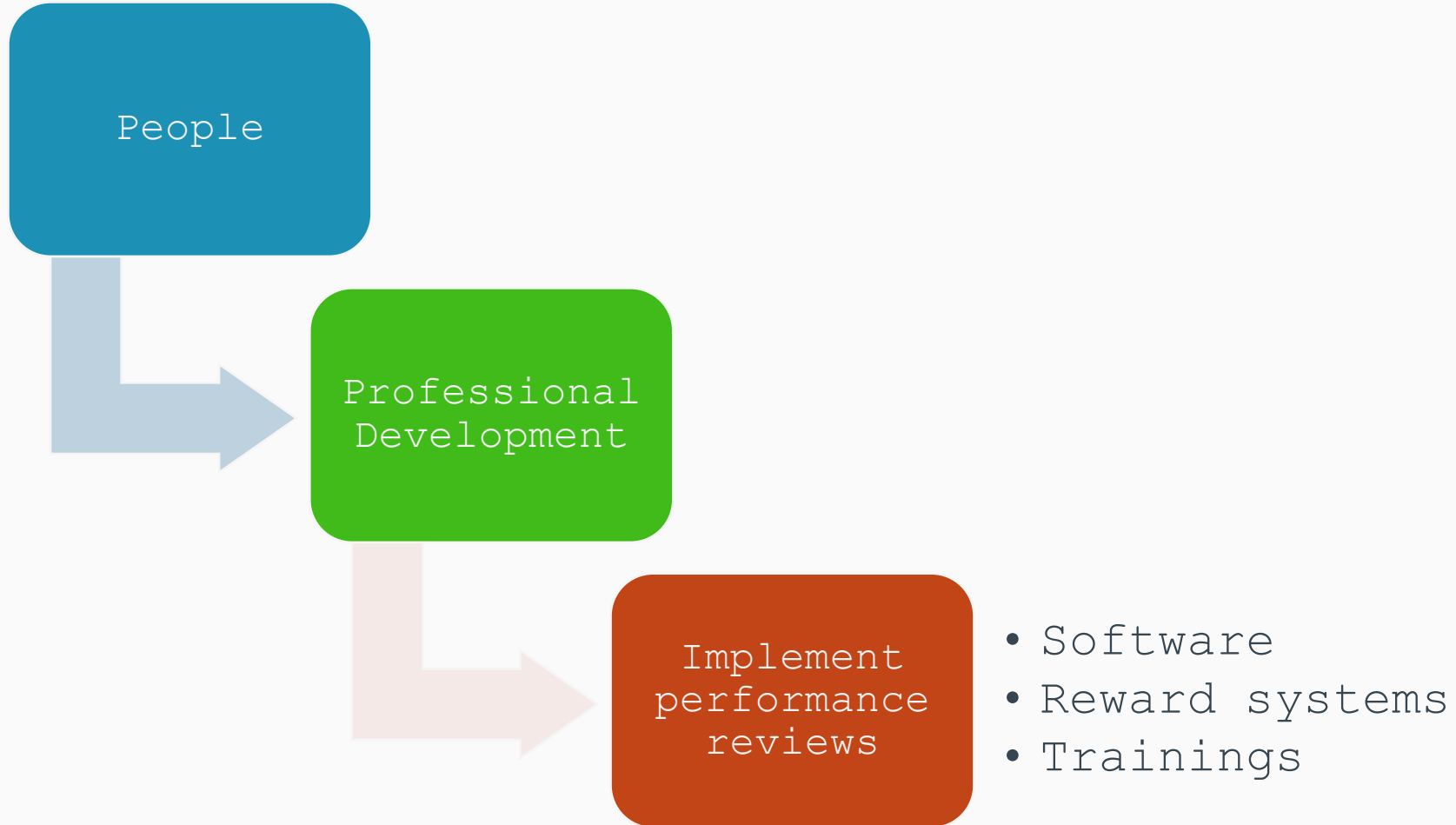
Step 2:
Analyze



Analyze: Example 1



Analyze: Example 2



Step 3: Plan

Select budgeting method

Determine level of involvement

Identify income and expenses

Provide budget timeline

Select Budgeting Method



Income-
based



Zero-based



Incremental



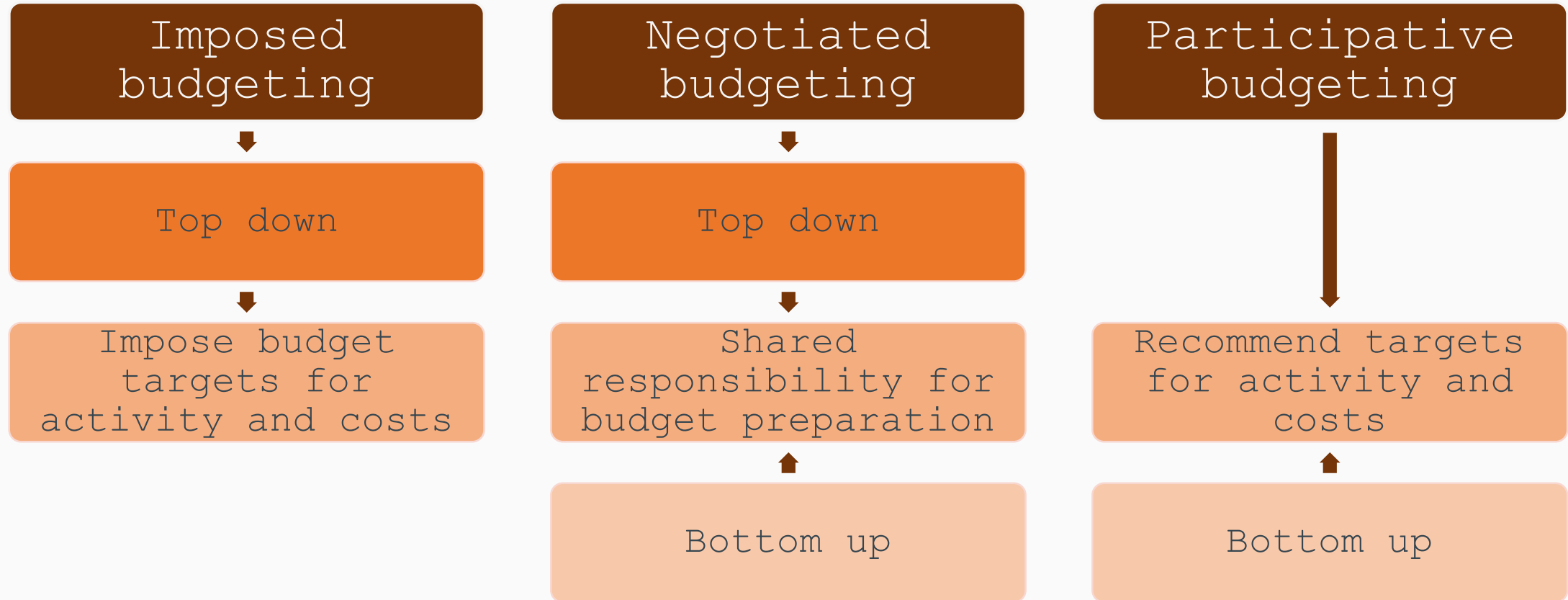
Value
proposition

Question #2

What type of budgeting method does your company utilize?

- **Income based**
- **Zero-based**
- **Incremental**
- **Value proposition**
- **A blend**

Determine Level of Involvement



Identify Income & Expenses



Realistic revenue goal



Stretch revenue goal



Staffing expectations

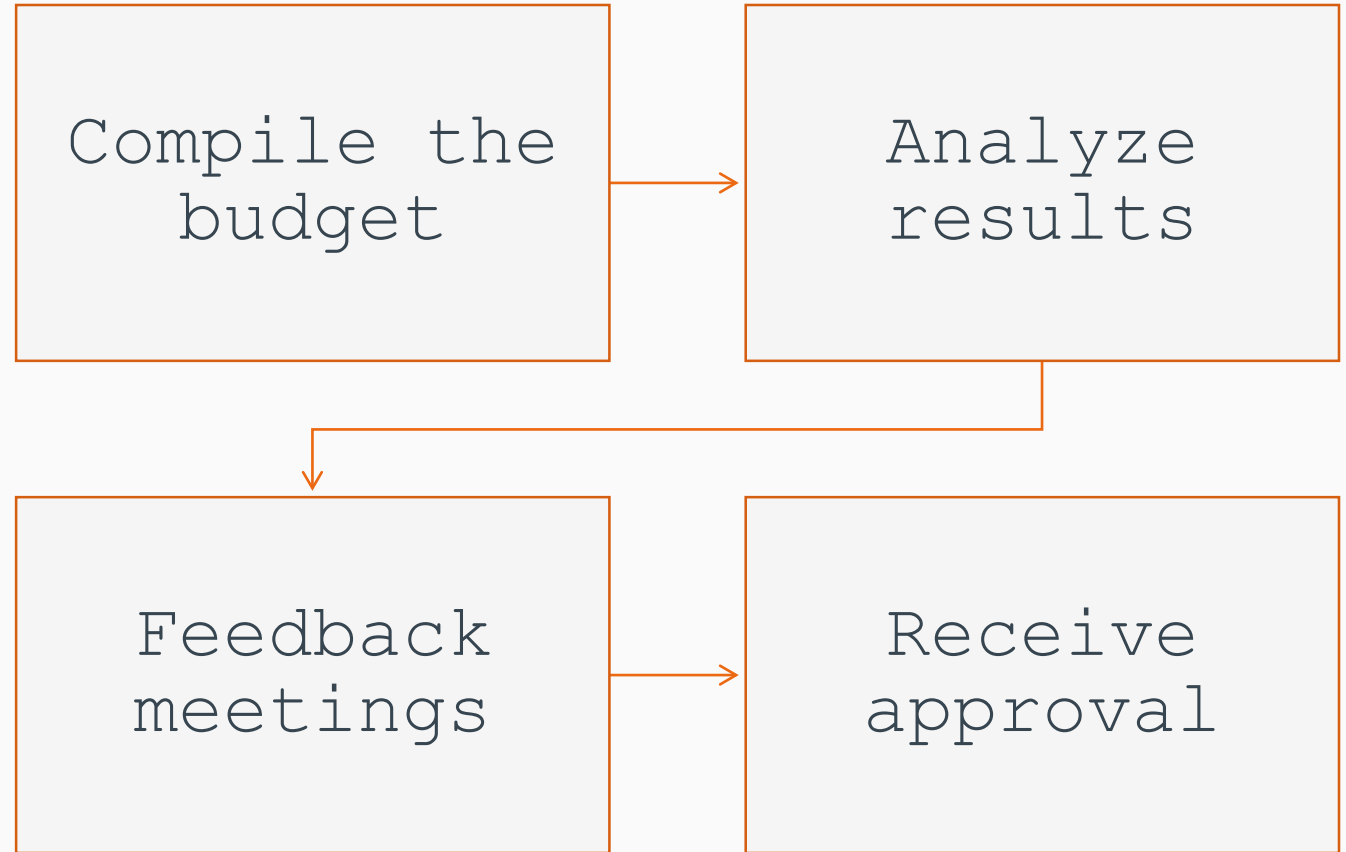


Required vs. nice to have expenses

Provide Budget Timeline



Step 4:
Execute



Budget Template

FY23 Budget						
				FY 23 Budget	FY 22 Budget	Variance from Prior FY Budget
Income						
Dues		Schedule 1		1,173,000	1,148,500	24,500
Corporate Sponsors		Schedule 2		62,500	71,500	(9,000)
Management Fees		Schedule 3		190,000	215,000	(25,000)
Meeting Income		Schedule 4		160,000	156,000	4,000
President's Reception		Schedule 5		20,000	20,000	-
Conference Registration				15,000	25,000	(10,000)
Total Income				1,620,500	1,636,000	(15,500)
Expenses						
Payroll		Schedule 6		957,440	971,252	(13,812)
Professional Fees/Consultants		Schedule 6		148,500	170,000	(21,500)
Operating Expenses		Schedule 7		146,850	160,350	(13,500)
Travel		Schedule 8		52,175	52,175	-
Meetings		Schedule 9				-
	Fall Board Meeting			54,000	41,200	12,800
	Winter Board Meeting			67,500	55,500	12,000
	Summer Meeting			68,750	77,780	(9,030)
						-
Communications/Coalitions		Schedule 10		111,080	89,850	21,230
Total Expenses				1,606,295	1,618,107	(11,812)
Net Income				14,205	17,893	(3,688)

Program Budget Template

					Program Budgets				
					Administrative	Program 1	Program 2	Program 3	New Program
	2021-2022	2022-2023	Variance \$	Variance %	001-0	002-1	002-2	002-4	
REVENUE									
TOTAL REVENUE	\$ 4,400,250	\$ 4,992,000	\$ 591,750	13%	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENSES									
Sub-Total Personnel	\$ 1,850,000	\$ 2,100,000	\$ 250,000	14%	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-Total Contract Services	\$ 2,000,000	\$ 2,336,000	\$ 336,000	17%	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-Total Travel & Meeting	\$ 222,000	\$ 270,690	\$ 48,690	22%	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-Total Other Expenses	\$ 280,000	\$ 263,000	\$ (17,000)	-6%	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Expenses	\$ 4,352,000	\$ 4,969,690	\$ 617,690	14%	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 4,352,000	\$ 4,969,690	\$ 617,690	14%	\$ -	\$ -	\$ -	\$ -	\$ -
EXCESS REVENUE OVER EXPENSES	\$ 48,250	\$ 22,310	\$ (25,940)	-54%	\$ -	\$ -	\$ -	\$ -	\$ -

Step 5:
Monitor

Compare budget to
actuals

Perform reforecast

Software
considerations

Question #3

How often do you reforecast?

- **Monthly**
- **Quarterly**
- **Yearly**
- **Never**

Compare Budget to Actuals



Analyze



Document



Communicate

Perform Reforecast



Quarterly or semi-annually



Apply changes from the budget vs. actual analysis

Question #4

Does your company utilize budgeting software?

- **Yes**
- **No**

Software Considerations

Software
integrations

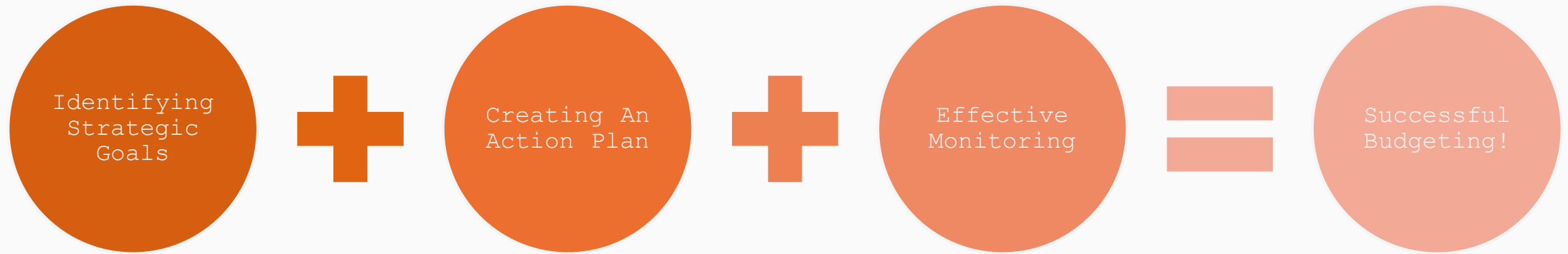
Comprehensive
reporting

Budget vs.
actual
capabilities

Employee
level
planning

Multiple
budgets

What We've Learned



Thank you!

Vault

**DUE TO RECENT
BUDGET CUTS, THE LIGHT
AT THE END OF
THE TUNNEL HAS BEEN
TURNED OFF.**

