



Nonprofit Budget Template: Frequently Asked Questions

This document provides answers to user questions we have often received since the launch of the [Nonprofit Budget Template](#). Questions about the basic functionality of the tool and budgeting concepts are also discussed in the [accompanying video demonstration](#).

Q. I HAVE SEASONAL STAFF WHO WORK FOR ONLY PART OF THE YEAR (E.G. DURING A SUMMER PROGRAM). HOW DO I LIST THEM IN THE PERSONNEL PORTION OF THE BUDGET TEMPLATE?

A. Generally, seasonal staff are considered part-time for purposes of benefits—in other words, your organization pays payroll taxes and other mandatory personnel costs but does not provide them with other company fringe benefits (health insurance, retirement, etc.). If this is the case, enter seasonal staff as a line in the “Part Time” section of the template (section following row 64). You can enter each staff member individually or have one or more lines for seasonal staff as a group. Enter the number of months that each seasonal staff member or group will be employed in Column D. Then enter the “% of full time” (column E) that each individual or group will work during those months. For example, if you have a summer program that employs seasonal staff for 40 hours per week in June, July, and August, enter 3 months in column D and 100% of full-time in column E.

List your non-seasonal part-time staff in this section too. However, enter 12 months in column D (or the number of months the staff will be employed if hired mid-year) and the “% of full-time” in column E based on the regular hours that person will work. As an example, you would enter 50% of full-time for a permanent staff member working 20 hours/week in a 40-hour work week.

Here is an example of how this may look in the template:

Position	Annual Salary	Additional \$ Increase	# of months to be employed	% of full time	New FY Base Salary	Education	Outreach	Program 3	M&G	Fundraising	Total
Part Time or Temporary (Ineligible for Benefits)											
<i>Enter Fringe Rate for PT Staff Here:</i>	10.0%					%	%	%	%	%	
Instructor	\$ 22,000	\$ 2,000	3	100%	\$ 24,000	60%	20%	20%	0%	0%	100%
Operations Coordinator	\$ 25,000	\$ 2,000	12	50%	\$ 27,000	0%	0%	0%	100%	0%	100%

Q. HOW CAN I ENTER THE VALUE OF VOLUNTEER LABOR INTO THE BUDGET TEMPLATE?

A. The budget template is meant to parallel the presentation of nonprofit financial statements according to U.S. generally accepted accounting principles (GAAP). In most cases, volunteer services are not recorded as revenue and/or expense, unless those services are provided to the organization by someone with specialized skills (such as an attorney, accountant, IT professional, architect, etc.) in their area of specialty, and would typically have to be purchased otherwise. In such cases, the “fair market” value of the services (based on hourly rates or market rates for similar services) should be budgeted and reported as an expense and a corresponding (in-kind) revenue.

But most standard volunteer work within an organization’s programs or administration—such as individuals serving food at a soup kitchen, staffing a crisis hotline, stuffing envelopes for a mailing or helping to set up for a fundraising event—is not recorded or reported in nonprofit financial statements, so it generally is not included in budgets either.

Nonetheless, volunteer support may be a significant part of a nonprofit’s business model. If that is the case for your organization, you may want to consider estimating the financial impact of volunteering on your organization apart from what is formally reported in financial statements, perhaps in an annual report or notes to financial reports. Estimates of the value of volunteer hours are calculated annually by Independent Sector (see <https://www.independentsector.org/resource/the-value-of-volunteer-time/>).

The following article provides additional detail on the benefits of tracking and reporting on volunteer time and ideas for doing it within financial reporting practices: <https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/>

Q. HOW SHOULD I INCORPORATE FUNDING THAT IS RESTRICTED TO FUTURE YEARS INTO THE REVENUE PORTION OF THE TEMPLATE?

A. The template is designed to allow a comparison of budgeted revenues and expenses by program/function, so the most meaningful approach would be to only include funds which will be *unrestricted* as of the end of the budget year in the revenue calculations. The “bottom line” in the budget (specifically row 91 in the “Revenue and Summary” tab) would therefore be the budgeted *change in unrestricted net assets* for your organization and would reflect each program and function’s impact on that amount. Including revenue that is restricted to future years could give an unrealistic estimate of the financial impact of particular programs in the current year, as well as making it difficult to see the result of the current year’s planned activities on the organization’s unrestricted net asset position.

Funding restricted to future years could simply be noted in the template or budgeted in a separate spreadsheet.

Q. SHOULD FUNDS THAT ARE NOT EARNED BY OR RESTRICTED TO A SPECIFIC PROGRAM (E.G. GENERAL OPERATING SUPPORT) BE BUDGETED TO THE “ADMINISTRATION” OR TO THE “FUNDRAISING” COLUMN OF THE “REVENUE AND SUMMARY” TAB?

A. There is no GAAP requirement for allocating revenue (as opposed to expenses) to programmatic and functional areas, so either option is fine. Some organizations choose to budget general operating income to Fundraising since it is the result of fundraising efforts, and this allows them to see the bottom-line impact of the fundraising function. Others choose to budget this type of income to Administration, since administrative costs are typically covered by general operating support. Either of these approaches is appropriate, as would be a hybrid approach (e.g. assigning some revenue, such as income from a special event or annual appeal, to Fundraising, and other revenue, such as investment income, to Administration). Users of the template should simply determine the approach most meaningful and appropriate for their budget process and apply it consistently.