

# CONSTRUCTING AN AGENCY-WIDE BUDGET

CAPLAW 2009 National Training Conference

June 23, 2009  
3:30 P.m. – 5:30 p.m.

Seattle, WA

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**Handouts:**

1. PowerPoint presentation
2. 2009 Budget Example

## Preparing an Agency-Wide Budget

Presented by:  
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## Budgeting

- Why do we prepare budgets?
  - Basis for contract applications
  - Allows agency to formalize financial plans
  - Provides comparison for actual results
  - Allows administration and program managers to react
  - Provides Board and our financial partners our vision of the future

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## BUDGETS

**Who is responsible for budget prep?**

- Program managers
- Planning committee members
- Fiscal staff
- Grant writers
- Executive directors

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**Budgeting**

**What you need for an effective budget:**

- Method of administrative cost allocation
- Any cuts or increases in services
- Programs added or deleted
- Active programs and their fiscal years
- Proposed pay changes
- Payroll fringe costs
- Facilities

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**Budgeting**

**Common chart of accounts**

- Are revenues detailed enough for all programs?
- Are expenses defined sufficiently enough for program managers?

**Non-grant revenue and expenses**

- Interest Expense
- Unused facilities

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**BUDGETS**

**Why can't fiscal just do it?**

- Some of us just aren't that smart!
- Fiscal staff not familiar with program needs.
- Great recorders of the past – lousy predictors of the future.
- Gives program people ownership.

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## Creating Your Budget

How will you present your budget for approval?

- Who is your audience?
- What information do they need?
- What staff will be present?
- What support documentation will you need?
- Will you show a comparison to last year's actual?

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## Problems with Budgeting

- In spite of every effort, it's an estimate.  
(Be prepared for variances.)
- Inconsistencies between grantors regarding budget requirements.
- If something really big (and unforeseen) happens you will have to re-budget

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## Problems with Budgeting

- **Communicating budget changes with grantors:**
  - You send it into the black hole
  - You can't get written confirmation
  - Politics changes things

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**Problems with Budgeting**

- **Costs that are not part of anyone's budget**
  - Non-grant items
  - Non-allowed costs

**What is a plan to cover these costs?**

- Fund raising
- Community partnerships
- Tax credit projects
- Agency investments

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**Problems with Budgeting**

- Using an indirect cost rate demands all programs pay.  
What if grant "X" doesn't allow indirect costs?

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**Agency-Wide Budget**

**Should be part of a strategic plan**

- Can we afford everything we are doing?
- Are we applying for grant \$ just because we need revenue?
- We might co-op our efforts with another local group.

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**Agency-Wide Budget**  
***Should be part of a strategic plan***

- Who is making the decision about what is applied for?
- Is anyone adding all these grants up to see if we're OK?

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**Agency Wide Budget**

- Lets look at a completed budget

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**Agency Wide Budget**

**Topics for consideration:**

- The board is considering increasing the retirement benefit to 5%. What do you think?
- Medicaid has announced a 2% increase in funding levels effective July 1<sup>st</sup>, 2006.
- Your tenant's lease is up January 1<sup>st</sup>, 2006 and the rent hasn't changed in 3 years.

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## Agency Wide Budget

- What changes if any do you recommend to the budget?
- What questions do you have about the information provided?

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**XYZ Inc.**  
**2009 Proposed Agency-Wide Budget**  
**For FY Ending 12/31/09**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>Indirect</b>	<b>Total</b>	<b>Total</b>	<b>%</b>
	<b>Grant</b>	<b>Grant</b>	<b>Grant</b>	<b>Corporate</b>	<b>Tenant</b>	<b>Contract</b>	<b>Cost</b>	<b>FY 06</b>	<b>FY 05</b>	<b>Change</b>
<b>Revenues</b>									<b>Actual</b>	
Grants-federal	\$ 1,020,000.00	-	-	\$ -	\$ -	\$ -		\$ 1,020,000.00	\$ 1,040,000.00	-1.9%
Grants-state		\$ 134,000.00	\$ 23,000.00					\$ 157,000.00	\$ 165,000.00	-4.8%
Contract Income	-	-	-	-	-	55,000.00		\$ 55,000.00	\$ 50,000.00	10.0%
Local Funds	-	-	-	39,215.00	-	-		\$ 39,215.00	\$ 39,000.00	0.6%
Donations	4,000.00	-	-	1,000.00	-	-		\$ 5,000.00	\$ 4,000.00	25.0%
Cofunding		57,178.47	7,573.08	7,561.17	11,683.73	7,018.01		\$ 91,014.46	\$ 72,000.00	26.4%
Rental	-	-	-	-	40,000.00	-		\$ 40,000.00	\$ 40,000.00	0.0%
Interest	-	-	-	125.00	-	-		\$ 125.00	\$ 120.00	4.2%
Transfers from Indirect Cost							168,033.89	\$ 168,033.89	\$ 132,550.00	26.8%
Misc	-	-	-		6,000.00	-		\$ 6,000.00	\$ 5,000.00	20.0%
<b>Total</b>	<b>\$ 1,024,000.00</b>	<b>\$ 191,178.47</b>	<b>\$ 30,573.08</b>	<b>\$ 47,901.17</b>	<b>\$ 57,683.73</b>	<b>\$ 62,018.01</b>	<b>\$ 168,033.89</b>	<b>\$ 1,581,388.35</b>	<b>\$ 1,547,670.00</b>	<b>2.2%</b>

<b>Personnel Expenses</b>										
Salaries and Wages	\$ 424,549.78	\$ 93,657.45	\$ 13,632.88	\$ 28,663.59	\$ 26,779.66	\$ 25,534.23	\$ 90,995.69	\$ 703,813.29	\$ 690,525.00	-1.9%
Retirement Plans	13,460.24	2,513.71	-	1,003.23	760.70	-	1,080.00	\$ 18,817.87	\$ 18,465.00	-1.9%
FICA	32,478.06	7,164.79	1,042.92	2,192.76	2,048.64	1,953.37	6,961.17	\$ 53,841.72	\$ 52,825.00	-1.9%
Workmans Comp	16,981.99	3,746.30	545.32	1,146.54	1,071.19	1,021.37	3,184.85	\$ 27,697.55	\$ 27,620.00	-0.3%
Other Benefits	82,124.36	18,704.45	2,290.32	4,815.48	5,038.98	6,989.75	18,927.10	\$ 138,890.46	\$ 138,105.00	-0.6%
<b>Total</b>	<b>\$ 569,594.44</b>	<b>\$ 125,786.70</b>	<b>\$ 17,511.44</b>	<b>\$ 37,821.61</b>	<b>\$ 35,699.17</b>	<b>\$ 35,498.72</b>	<b>\$ 121,148.81</b>	<b>\$ 943,060.88</b>	<b>\$ 927,540.00</b>	<b>-1.7%</b>

	<b>Common Cost</b>									
<b>Operation Expenses</b>										
Rent - Property-Serv office	\$ 12,517.00	\$ 19,230.00	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 34,747.00	\$ 34,747.00	0.0%
Rent - Equipment	10,147.00	225.00	-	-	-	-	500.00	\$ 10,872.00	\$ 10,872.00	0.0%
Utilities										
Trash										
Removal	4,200.00	900.00	-	-	-	-		\$ 900.00	\$ 5,450.00	83.5%
Electric/Gas	33,100.00	5,500.00	-	-	6,000.00	-		\$ 11,500.00	\$ 38,000.00	69.7%
Supplies	23,500.00	3,750.00	1,873.00	-	-	-	2,000.00	\$ 31,123.00	\$ 34,000.00	8.5%
Legal Fees		-	-	-	-	-	2,500.00	\$ 2,500.00	\$ 4,000.00	37.5%
Insurance/Bonding	35,000.00	-	-	-	-	-	4,000.00	\$ 4,000.00	\$ 37,000.00	89.2%
Repairs and Maintenance	36,050.75	5,250.00	-	-	13,000.00	-		\$ 18,250.00	\$ 52,000.00	64.9%
Client Payments	9,500.00						4,000.00	\$ 13,500.00	\$ 13,000.00	-3.8%



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**2009 Proposed Agency-Wide Budget**  
**For FY Ending 12/31/09**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>Indirect</b>	<b>Total</b>	<b>Total</b>	<b>%</b>
	<b>Grant</b>	<b>Grant</b>	<b>Grant</b>	<b>Corporate</b>	<b>Tenant</b>	<b>Contract</b>	<b>Cost</b>	<b>FY 06</b>	<b>FY 05</b>	<b>Change</b>
<b>Revenues</b>	<b>Actual</b>									
Dues	3,000.00	-	-	-	-	-		\$ 3,000.00	\$ 3,000.00	0.0%
Printing	1,500.00	-	-	-	-	-		\$ 1,500.00	\$ 1,485.00	-1.0%
Freight/Postage		-	-	-	-	-	1,350.00	\$ 1,350.00	\$ 1,300.00	-3.8%
Advertising	1,424.00	-	-	-	-	-		\$ 1,424.00	\$ 1,425.00	0.1%
Accounting/Audit Services		-	-	-	-	-	18,500.00	\$ 18,500.00	\$ 18,500.00	0.0%
Consultants	43,730.00	-	4,000.00	6,000.00	-	8,000.00		\$ 61,730.00	\$ 80,000.00	22.8%
Dues & Subscriptions	2,000.00	-	-	-	-	-	500.00	\$ 2,500.00	\$ 2,500.00	0.0%
Communications	14,000.00	500.00	200.00	150.00	300.00	400.00	2,000.00	\$ 17,550.00	\$ 16,900.00	-3.8%
Cofunding Exp	91,014.46	-	-	-	-	-		\$ 91,014.46	\$ 72,000.00	-26.4%
Indirect Cost	116,411.07	25,680.77	3,738.12	7,859.52	7,342.95	7,001.46		\$ 168,033.88	\$ 132,550.00	-26.8%
Common Cost	89,931.12		3,250.52			4,334.03	10,835.08	\$ 108,350.75		
Other Expenses	19,800.16	-	-	1,824.00	1,500.00	783.81		\$ 23,907.97	\$ 33,005.00	27.6%
<b>108,350.75</b>	<b>\$ 438,474.81</b>	<b>\$ 61,035.77</b>	<b>\$ 13,061.64</b>	<b>\$ 15,833.52</b>	<b>\$ 28,142.95</b>	<b>\$ 24,519.30</b>	<b>\$ 45,185.08</b>	<b>\$ 626,253.06</b>	<b>\$ 591,734.00</b>	<b>-5.8%</b>
<b>Employee Travel</b>										
Lodging	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ 2,500.00	\$ 1,850.00	-35.1%
Food	1,000.00	-	-	-	-	-	200.00	1,200.00	955.00	-25.7%
Transportation	2,035.00	2,000.00	-	-	-	-	-	4,035.00	3,850.00	-4.8%
Mileage	652.00	-	-	-	-	-	-	652.00	600.00	-8.7%
Conference Registrations	1,000.00	500.00	-	-	-	-	-	1,500.00	1,350.00	-11.1%
Other Travel	1,010.00	1,309.00	-	-	-	-	1,000.00	3,319.00	2,300.00	-44.3%
	<b>\$ 7,697.00</b>	<b>\$ 3,809.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,700.00</b>	<b>\$ 13,206.00</b>	<b>\$ 10,905.00</b>	<b>-21.1%</b>
<b>Board Travel</b>										
Mileage	\$ 250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250.00	\$ 225.00	-11.1%
Other	250.00	-	-	-	-	-	-	250.00	200.00	-25.0%
	<b>\$ 500.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500.00</b>	<b>\$ 425.00</b>	<b>-17.6%</b>
<b>Capital Expenditures</b>										
Office Equipment	\$ 5,255.00	\$ 547.00	\$ -	\$ -	\$ -	\$ 2,000.00	\$ -	\$ 7,802.00	\$ 11,400.00	31.6%
	<b>\$ 5,255.00</b>	<b>\$ 547.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000.00</b>	<b>\$ -</b>	<b>\$ 7,802.00</b>	<b>\$ 11,400.00</b>	<b>31.6%</b>
<b>TOTAL EXPENSE:</b>	<b>\$ 1,021,521.25</b>	<b>\$ 191,178.47</b>	<b>\$ 30,573.08</b>	<b>\$ 53,655.13</b>	<b>\$ 63,842.13</b>	<b>\$ 62,018.01</b>	<b>\$ 168,033.89</b>	<b>\$ 1,590,821.95</b>	<b>\$ 1,542,004.00</b>	<b>-3.2%</b>
<b>Net</b>	<b>\$ 2,478.75</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ (5,753.96)</b>	<b>\$ (6,158.40)</b>	<b>\$ (0.00)</b>	<b>\$ 0.00</b>	<b>\$ (9,433.60)</b>	<b>\$ 5,666.00</b>	

**XYZ Inc.**  
**2009 Proposed Agency-Wide Budget**  
**For FY Ending 12/31/09**

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>Indirect</i>	<i>Total</i>	<i>Total</i>	<i>%</i>
	<i>Grant</i>	<i>Grant</i>	<i>Grant</i>	<i>Corporate</i>	<i>Tenant</i>	<i>Contract</i>	<i>Cost</i>	<i>FY 06</i>	<i>FY 05</i>	<i>Change</i>
Revenues										
Percentage of floor space consumed	83.00%	Separate bldg	3.00%	in indirect	separate	4%	10%			
Percentage of Budget spent on wages and fringe								0.593	0.602	

**XYZ, Inc. Wages**

Job Titles	Salary	Hourly Rate	% to A	FTE	Annual Wages	Increase= Wages X .03 X .643	Total	Amount Charged to A	Amount Charged to B	Amount Charged to C	Amount Charged to D	Amount Charged to E	Amount Charged to F	Indirect Cost	Total
1	1,176.77	-	80%	100%	30,596.02	590.20	31,186.22	24,948.97			6,237.24				31,186.22
2	1,346.54	-	80%	100%	35,010.04	675.34	35,685.38	28,548.31			7,137.08				35,685.38
3-part time	2,275.00		0%		2,275.00	43.88	2,318.88						2,318.88		2,318.88
4	1,049.00	-	100%	100%	27,274.00	526.12	27,800.12	27,800.12							27,800.12
5	1,153.84		50%	100%	29,999.84	578.70	30,578.54	15,289.27			15,289.27				30,578.54
6-Part year	1,442.30	21.51	100%	100%	25,001.12	482.27	25,483.39	25,483.39							25,483.39
7	461.52		100%	25%	6,389.00	123.24	6,512.24	6,512.24							6,512.24
8	-	7.73	100%	100%	16,078.40	310.15	16,388.55	16,388.55							-
9	1,530.50	-	84%	100%	39,793.00	767.61	40,560.61	34,070.91		6,489.70					40,560.61
10	-	7.50	100%	65%	10,140.00	195.60	10,335.60	10,335.60							10,335.60
11	-	11.67	100%	100%	24,273.60	468.24	24,741.84							24,741.84	24,741.84
12	2,500.00	-	100%	100%	65,000.00	1,253.85	66,253.85							66,253.85	66,253.85
13	-	8.53	75%	75%	13,306.80	256.69	13,563.49	10,172.62				3,390.87			13,563.49
14	-	14.42	25%	80%	23,994.88	462.86	24,457.74	6,114.44				18,343.31			24,457.74
15	1,018.46	-	100%	100%	26,479.96	510.80	26,990.76	26,990.76							26,990.76
16	1,672.96	-	100%	100%	43,496.96	839.06	44,336.02	44,336.02							44,336.02
17	1,180.81	-	100%	100%	30,701.06	592.22	31,293.28	31,293.28							31,293.28
18		12.25	100%	100%	25,480.00	491.51	25,971.51	25,971.51							25,971.51
19	-	13.27	100%	75%	20,701.20	399.33	21,100.53	21,100.53							21,100.53
20	-	10.91	100%	100%	22,692.80	437.74	23,130.54	23,130.54							23,130.54
21		12.00	100%	50%	12,480.00	240.74	12,720.74	12,720.74							12,720.74
22		10.82	100%	100%	22,505.00	434.12	22,939.12	22,939.12							22,939.12
23		8.50	50%	56%	9,900.00	190.97	10,090.97	5,045.49				5,045.49			10,090.97
24		10.50	15%	50%	8,840.00	170.52	9,010.52	1,351.58		1,802.10			5,856.84		9,010.52
25		8.50	15%	50%	8,840.00	170.52	9,010.52	1,351.58		1,802.10			5,856.84		9,010.52
26		9.50	15%	50%	8,680.00	167.44	8,847.44	1,327.12		1,769.49			5,750.83		8,847.44
27		9.50	15%	50%	8,680.00	167.44	8,847.44	1,327.12		1,769.49			5,750.83		8,847.44
28	1,188.46				30,900.00	596.06	31,496.06		31,496.06						31,496.06
29		9.75	0%	100%	20,280.00	391.20	20,671.20		20,671.20						20,671.20
30		9.27	0%	100%	19,281.00	371.93	19,652.93		19,652.93						19,652.93
31		8.50	0%	50%	8,840.00	170.52	9,010.52		9,010.52						9,010.52
32		8.50	0%	50%	8,840.00	170.52	9,010.52		9,010.52						9,010.52
33		9.00	0%	20%	3,744.00	72.22	3,816.22		3,816.22						3,816.22
<b>Total</b>					<b>690,493.68</b>	<b>13,319.62</b>	<b>703,813.30</b>	<b>424,549.78</b>	<b>93,657.45</b>	<b>13,632.88</b>	<b>28,663.59</b>	<b>26,779.66</b>	<b>25,534.23</b>	<b>90,995.69</b>	<b>703,813.29</b>

## XYZ, Inc. Wages

Job Titles	Salary	Hourly Rate	% to A	FTE	Annual Wages	Increase= Wages X .03 X .643	Total	Amount Charged to A	Amount Charged to B	Amount Charged to C	Amount Charged to D	Amount Charged to E	Amount Charged to F	Indirect Cost	Total
Unemployment 6% on first 9000								10,800.00	2,970.00			540.00	2,700.00	\$ 1,080.00	<b>18,090.00</b>
FICA-7.65% of wages								32,478.06	7,164.79	1,042.92	2,192.76	2,048.64	1,953.37	6,961.17	<b>53,841.72</b>
Pension 3.5% of full time wages								13,460.24	2,513.71		1,003.23	760.70		3,184.85	<b>20,922.72</b>
Medical, Dental, Life 16.8% of full time wages								71,324.36	15,734.45	2,290.32	4,815.48	4,498.98	4,289.75	15,287.28	<b>118,240.63</b>
Workers Comp 4% of wages								16,981.99	3,746.30	545.32	1,146.54	1,071.19	1,021.37	3,639.83	<b>28,152.53</b>
								569,594.44	125,786.70	17,511.44	37,821.61	35,699.17	35,498.72	121,148.81	<b>943,060.88</b>
Indirect Cost = % of total direct wages								0.693	0.153	0.022	0.047	0.044	0.042		1.000

**XYZ, Inc.**  
**FY09 Proposed Budget**  
**Detail of Other Expense**

<b>Category</b>	<b>Grant A</b>	<b>Grant B</b>	<b>Grant E</b>	<b>Grant F</b>	<b>Total</b>
Program Supplies	\$ 15,200.00	\$ 1,000.00	\$ 500.00	\$ 500.00	\$ 17,200.00
Licensure	\$ 1,900.00	\$ 100.00	\$ 300.00		\$ 2,300.00
Employee Recruitment	\$ 1,800.00				\$ 1,800.00
Misc.	\$ 900.16	\$ 724.00	\$ 700.00	\$ 283.81	\$ 2,607.97
	<u>\$ 19,800.16</u>	<u>\$ 1,824.00</u>	<u>\$ 1,500.00</u>	<u>\$ 783.81</u>	<u>\$ 23,907.97</u>