

How to Navigate the Budget Rapids

KEY FINANCIAL DOCUMENTS

990s



Annual audit



Annual operating budget



Balance sheet



Operating statement



Statement of cash flows



Utilize [ProPublica's Nonprofit Explorer](#), [Guidestar](#), and [Charity Navigator](#) as resources

KEY FINANCIAL GUARDRAILS TO MAINTAIN

Unrestricted operating cash on hand representing three month of operating costs



Borrowing capacity/ line of credit that has been paid down each year



Year end cash flow projections updated on monthly basis

KEY SIGNS OF ORGANIZATIONAL FISCAL HEALTH

Endowment



Cash reserve



Reliable and diverse funding sources



Track record
(have they been operating in the black or running deficits?)

KEY QUESTIONS TO ASK IN AN INTERVIEW ABOUT BUDGETING PROCESS

What is the role of the board and their expertise?



What is the timeline and process for budget approval?



What is the reliability of annual revenue projections?

KEY QUESTIONS TO ASK YOURSELF ONCE YOU ARE IN THE ROLE

What is our mission?



Does this programming further the mission?

KEY WAYS TO THINK OF BUDGETING

View your budget as an opportunity for creativity



Can special projects be leveraged across multiple programs?



Special project budgets should include a contribution to overhead.