

CHICAGO CULTURAL ALLIANCE

MEETING THE MOMENT



BUDGETING FOR GRANTS

Presented by:

Yvonne P. Afable

Managing Partner, Afable Consulting



John Bateman

Founder, Nonprofit Sanity



SESSION GOALS

- Discuss an organizational budget vs a grant budget
- Things to consider when creating a budget
- How to track and monitor grant expenses
- How to report on grants after the grant period is over



RECAP PAST SESSIONS



1. Best Practices

- Chart of Accounts – Revenue & Expenses

2. Financial Storytelling

- Budget vs Actuals
- Surplus & Deficits

BUDGETS: ORGANIZATIONAL BUDGET



Museum Y Budget vs Actuals January - December 2025

	Total			
	Actual	Budget	Remaining	% Remaining
Revenue				
4000 Contributed Support	404,018	400,000	-4,018	-1.00%
4300 Earned Revenue	8,550	2,500	-6,050	-242.00%
4350 Contract Services	323,440	500,000	176,560	35.31%
4400 Program Income	18,500	60,000	41,500	69.17%
4500 Investment Income	26,759		-26,759	
4600 Other Revenue	499		-499	
4900 Restricted Grants Released	921,765	921,000	-765	-0.08%
Total Revenue	\$ 1,703,532	\$ 1,883,500	\$ 179,968	9.55%

- ONE FISCAL YEAR
- ESTIMATES REVENUE SOURCES AND CATEGORIES OF EXPENSES
- CAN BE A BALANCED, SURPLUS OR DEFICIT BUDGET

BUDGETS: ORGANIZATIONAL BUDGET



Museum Y Budget vs Actuals January - December 2025

	Total			
	Actual	Budget	Remaining	% Remaining
Expenditures				
5000 Personnel	575,153	575,000	-153	-0.03%
5100 Employee Benefits	30,000	25,900	-4,100	-15.83%
5200 Professional Service Fee	348,768	400,000	51,232	12.81%
5300 Facilities and Equipment	141,068	150,000	8,932	5.95%
5400 Insurance	13,441	15,000	1,559	10.40%
5600 Exhibitions/Program	320,660	341,798	21,138	6.18%
5700 Operations	19,050	24,737	5,687	22.99%
5800 Advertising	9,922	46,500	36,578	78.66%
5900 Travel and Meetings	50,160	34,600	-15,560	-44.97%
6000 Other Expenses	8,043	6,441	-1,601	-24.86%
7000 Depreciation Expense	23,632	25,000	1,368	5.47%
Total Expenditures	\$ 1,539,896	\$ 1,644,977	\$ 105,080	6.39%
Net Operating Revenue	\$ 163,635	\$ 238,524	\$ -74,888	31.40%
Other Revenue				
8000 Grants Restricted for Future FYs	1,582,014		-1,582,014	
Total Other Revenue	\$ 1,582,014		\$ -1,582,014	
Other Expenditures				
9000 Offset to Restricted Grants Released	921,765		-921,765	
Total Other Expenditures	\$ 921,765		\$ -921,765	
Net Other Revenue	\$ 660,248	\$ 0	\$ -660,248	
Net Revenue	\$ 823,884	\$ 238,524	\$ -585,360	-245.41%

The budget stops at the Net Operating Revenue line and does not include the restricted activity below this line.



BUDGETS: GRANT BUDGET

- For unrestricted or general operating grants, use the organizational budget, aka operating budget.
- For purpose-restricted grants, create a grant-specific budget. This is a subset of the operating budget.
 - Programs (i.e. education, outreach)
 - Projects (i.e. capacity building, strategic planning, capital campaign)



BUDGETS: PLANNING & STRATEGY



Tips from a former Executive Director

- Don't be afraid
- Logistics – timing, board approval, grant submissions.
 - Show that you know how to plan & spend money.
- Provide your accountant:
 - All confirmed awards
 - Pending grants & applications
 - Don't count on winning all submissions
 - Which ones are new? renewals?
 - Specific reporting requirements

BUDGETS: PLANNING & STRATEGY



Tips from a former Executive Director

- How are programs & expenses organized?
 - Projects / programs: don't forget salaries, websites, etc
- Can larger grants cover multiple initiatives?
- *RECAP Organizing Programs for Strategic Grant Writing*
 - Identify overlaps & related expenses
 - Organize aligned efforts under a larger umbrella
 - Seek funding at that umbrella level
 - Share with accountant

BUDGETS: PLANNING & STRATEGY



Tips from a former Executive Director

- Keeping Board-only / internal notes
- Itemize grants by name
 - Connect the board to specific applications.
 - Specificity gives clarity.
- How do I plan pending grants?
 - Is the funder new? Existing relationship?
 - What if you don't get *that* grant?
- Identify shortfalls
 - Specificity helps strategy.

BUDGETS: WHAT TO CONSIDER

- Contributed Revenue
 - Build a **Development Pipeline**
 - Fundraising Event
- Earned Revenue (Mission-related, Programs)
- Payroll Costs: Salaries & Wages, Payroll Taxes & Employee Benefits
- General increase of other expenses if there are no changes for the new FY (3-5%)
- Insurance costs 10%+ increase



BUDGETS: DEVELOPMENT PIPELINE



FUNDER	PURPOSE	GRANT PERIOD	STATUS	CONFIDENCE LEVEL	ASK	AWARDED	100%	75%	50%	FY27 BUDGET
Multiyear Awards										
Mellon Foundation	Gen Op	1/1/27-12/31/29	Awarded	Medium - 75%	\$ 300,000	\$ 300,000	\$ 100,000			\$ 100,000
Pipeline										
Driehaus Foundation	Gen Op		Submitted	Medium - 75%	\$ 30,000			\$22,500		\$ 22,500
Gaylord & Dorothy Donnelley Foundation	Gen Op		Submitted	Low - 50%	\$ 25,000				\$12,500	\$ -
Woods Fund	Gen Op		Declined	Medium - 75%	\$ 35,000					\$ -
Arts Work Fund	Gen Op		Submitted	Medium - 75%	\$ 10,000			\$ 7,500		\$ 7,500
Reva and David Logan Foundation	Gen Op		Open	Medium - 75%	\$ 20,000			\$15,000		\$ 15,000
Voqal Foundation	Gen Op		Open	High - 100%	\$ 250,000		\$ 250,000			\$ 250,000
Other/New Foundations	Gen Op		N/A		\$ 250,000					\$ -
Total Grants					\$ 920,000	\$ 300,000	\$ 350,000	\$45,000	\$12,500	\$ 395,000

BUDGETS: PLANNING & STRATEGY



How do grants fit into overall fundraising? Remember other forms of revenue.

- *The Four Rs of Fundraising* recording is available on CCA's website
- Upcoming Meeting the Moment sessions may help:
 - *Building a Strong Foundation for Sustainable Fundraising* on June 25
 - *Using a Simple Grant Strategy* on July 16
 - *Diversifying Revenue* on August 27

Grant Approved: Next Steps



After receiving written communication on the approved grant (email, notice, agreement), review the language and determine if it's conditional or not.

- Only record **unconditional** grants.
- Is it restricted by time or purpose or both?
- Do grant-related expenses need to be tracked against an approved budget?



TRACKING GRANT EXPENSES



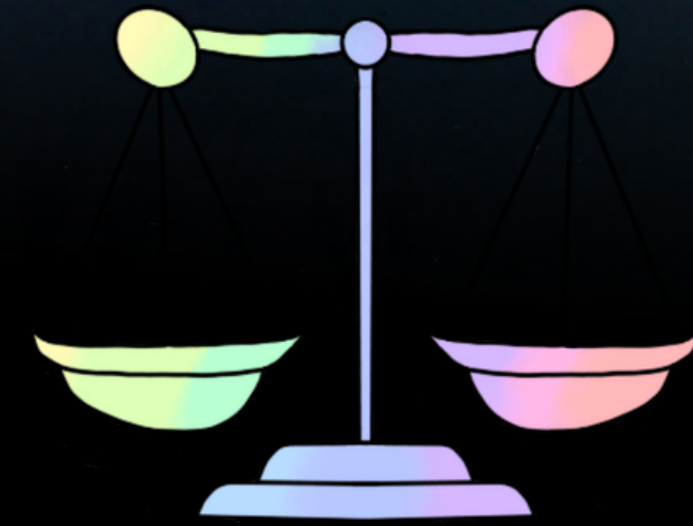
- Use an accounting system
 - QuickBooks Online from TechSoup (\$80/year)
- Enter the grant budget for comparison to actuals
- Monitor actual expenses against the approved budget **monthly** and ensure that all the funds are used.
 - Some funders allow adjustments to budget lines during the grant period.
- Allocate salaries to grants
- Allocate other indirect costs to grants

BUDGETS: GRANT REPORT



Museum Y Budget vs. Actuals: Pua Foundation July 2024 - December 2025 (Jul24-Jun26)

	Total			
	Actual	Budget	over Budget	% of Budget
Revenue				
4000 Contributed Support	249,587	325,000	-75,413	76.80%
Total Revenue	\$ 249,587	\$ 325,000	\$ -75,413	76.80%
Expenditures				
5000 Personnel	187,490	240,000	-52,510	78.12%
5100 Employee Benefits	15,100	20,000	-4,900	75.50%
5200 Professional Service Fee	518	5,000	-4,482	10.36%
5300 Facilities and Equipment	38,000	50,000	-12,000	76.00%
5600 Exhibitions/Program	7,681	8,500	-819	90.37%
5900 Travel and Meetings	798	1,500	-702	53.20%
Total Expenditures	\$ 249,587	\$ 325,000	\$ -75,413	76.80%
Net Operating Revenue	\$ 0	\$ 0	\$ -0	



POST GRANT CYCLE

CASE STUDY – Impact on Reporting

- Manual review vs QBO-generated report
- Reviewing a Statement of Activities at the end of the fiscal year to parse out program and project-specific expenses OR assign expenses each month and spend 15 minutes running a report for a funder.



ADDITIONAL RESOURCES

- Budgeting for Nonprofits (National Council of Nonprofits)
- 10-Step budgeting checklist (Propel Nonprofits)
- The Art of Forecasting Contributed Revenue (Nonprofit Finance Fund)
- The Wallace Foundation's Nonprofit Budgeting Toolkit offers free guides and templates.





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