



or “I can’t be broke, I still have checks left!”

What is it, and why do I need it?

- ▶ Cash flow forecasts break your annual budget down into months (or quarters for smaller organizations).
- ▶ They give you a clearer picture of your income and expense each month.
- ▶ They identify months when your expense exceeds your income or vice versa.
- ▶ They help you plan where to place fundraisers or programs so you don't run into problems.

What It ISN'T

- ▶ A cash flow forecast is NOT the same as a cash flow statement.



Two Ways to Do It

- ▶ Option 1: You can use the cash flow forecast to create your annual budget.
- ▶ Option 2: You can use your completed annual budget as the basis for your cash flow forecast development.
- ▶ I like the latter, but you can do either.

What It Looks Like

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | TOTAL Jan - Dec |
|-------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------------|
| Revenue | | | | | | | | | | | | | |
| Earned Income | | | | | | | | | | | | | 0 |
| Grants | | | | | | | | | | | | | 0 |
| Board Donation | | | | | | | | | | | | | 0 |
| Ind. & Business Contributions | | | | | | | | | | | | | 0 |
| Sponsorships | | | | | | | | | | | | | 0 |
| Interest | | | | | | | | | | | | | 0 |
| In-Kind | | | | | | | | | | | | | 0 |
| Misc. Revenue | | | | | | | | | | | | | 0 |
| Total Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expense | | | | | | | | | | | | | |
| Personnel | | | | | | | | | | | | | 0 |
| Salaries | | | | | | | | | | | | | 0 |
| Fringe | | | | | | | | | | | | | 0 |
| Health Insurance | | | | | | | | | | | | | 0 |
| Retirement | | | | | | | | | | | | | 0 |
| Subtotal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contracted Services | | | | | | | | | | | | | 0 |
| Artist Fees | | | | | | | | | | | | | 0 |
| Fundraising Expense | | | | | | | | | | | | | 0 |
| Marketing & Communications | | | | | | | | | | | | | 0 |
| Website | | | | | | | | | | | | | 0 |
| Prof. Speakers & Service | | | | | | | | | | | | | 0 |
| Payroll Service | | | | | | | | | | | | | 0 |
| Subtotal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Personnel | | | | | | | | | | | | | 0 |
| Rent & Utilities | | | | | | | | | | | | | 0 |
| Telephone | | | | | | | | | | | | | 0 |
| Internet | | | | | | | | | | | | | 0 |
| Parking | | | | | | | | | | | | | 0 |
| Supplies | | | | | | | | | | | | | 0 |
| Postage | | | | | | | | | | | | | 0 |
| Equipment & Software | | | | | | | | | | | | | 0 |
| Equipment Maintenance | | | | | | | | | | | | | 0 |
| Travel & Meeting Expenses | | | | | | | | | | | | | 0 |
| Staff Development | | | | | | | | | | | | | 0 |
| Professional Memberships | | | | | | | | | | | | | 0 |
| Insurance | | | | | | | | | | | | | 0 |
| Printing | | | | | | | | | | | | | 0 |
| Legal & Audit | | | | | | | | | | | | | 0 |
| Bank Fees | | | | | | | | | | | | | 0 |
| Misc. Expense | | | | | | | | | | | | | 0 |
| Subtotal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Surplus/Deficit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

[illegible]

Putting It Together

- ▶ Start with your monthly expenses, things like:
- ▶ Personnel:
 - ▶ Salaries and fringe (but don't forget about the two "extra" pay periods); etc.
- ▶ Non-Personnel:
 - ▶ Rent and utilities;
 - ▶ Legal and audit;
 - ▶ Leases or loans or bank fee, etc.



Putting It Together

- ▶ Next enter your once a year expenses, things like:
- ▶ Insurance;
- ▶ Audit;
- ▶ Professional Memberships;
- ▶ Bonuses.
- ▶ Think about what month you pay those bills.

Putting It Together

- ▶ Entering all the rest, there are two good options:
 - ▶ Go line by line on your budget, or
 - ▶ Enter by program.
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- ▶ I like going line by line as I find it easier to keep track and “close out” lines, but for smaller organizations it could be easier to go by program.

Putting It Together

- ▶ Don't forget the nuances of your budget. For instance:
- ▶ If you have a fundraiser in May, income will also arrive in April and maybe even June, and expenses might need to be prepaid - it's not as simple as housing everything the month of the event.



Some Tips

- ▶ Understanding your budget and your programs are key to this process, so take time to research - look at last year's bills, talk to program coordinators, review contracts.
- ▶ This is a planning document, *so it will definitely change in practice*. We can't control whether a payment comes in late or whether a bill comes early.
- ▶ Use this as a way to review your programs and events through a lens of finances, and you'll avoid being broke even with a balanced budget.

CONTACT US



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