

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

| Venue Earned Income Grants Board Donation Ind. & Business Contributions Sponsorahips Interest In-Kind Misc. Revenue Total Revenue Personnel Salaries Fringe Retirement Subtotal | 0 | Feb 0 | 0 | <u>Apr</u> | <u>May</u> | Jun | | Aug | Sep | Oct | Nov | Dec | Jan - Dec |
|---|---|-----------------|---|------------|------------|-----|---|-----|-----|-----|-----|-----|-----------|
| Earned Income Grants Board Donation Ind. & Business Contributions Sponsorships Interest Int-Kind Misc. Revenue Total Revenue Pense Personel Salaries Fringe Health Insurance Retirement | | | 0 | 0 | | | | | | | | | |
| Grants Board Donation Ind. & Business Contributions Sponsorahips Interest In-Kind Misc. Revenue Total Revenue Personnel Salaries Fringe Health Insurance Retirement | | 0 | 0 | 0 | | | | | | | | | |
| Board Donation Ind. & Business Contributions Sponsorships Interest In-Kind Milsc. Revenue Total Revenue Pensor Personel Salaries Fringe Health Insurance Retirement | | 0 | 0 | 0 | | | | | | | | | |
| Ind. & Business Contributions Sponsorships Interest In-Kind Misc. Revenue Total Revenue Personnel Salaries Fringe Health Insurance Retirement | | 0 | 0 | 0 | | | | | | | | | |
| Sponsorships Interest Interest Interest Interest Interest Interest Total Revenue Personel Sataries Fringe Health Insurance Retirement | | 0 | 0 | 0 | 0 | | | | | | | | |
| Interest In Kind Misc. Revenue Total Revenue Personel Salaries Fringe Health Insurance Retirement | 0 | 0 | 0 | 0 | | | | | | | | | |
| In-Kind Misc. Revenue Total Revenue Penso Personnel Salaries Fringe Health Insurance Retirement | 0 | 0 | 0 | 0 | | | | | | | | | |
| Misc. Revenue Total Revenue Personnel Salaries Fringe Health Insurance Retirement | 0 | 0 | 0 | 0 | 0 | | | | | | | | |
| Personnel Salaries Fringe Health Insurance Retirement | 0 | 0 | 0 | 0 | 0 | | | | | | | | |
| Personnel Salaries Fringe Health Insurance Retirement | | | | - | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Personnel Salaries Fringe Health Insurance Retirement | | | | | _ | | | | | | | | |
| Salaries Fringe Health Insurance Retirement | | | | | | | | | | | | | |
| Fringe Health Insurance Retirement | | | | | | | | | | | | | |
| Health Insurance Retirement | | | | | | | | | | | | | |
| Retirement | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Subtotal | | | - | - | - | | | | | | | | - |
| oubtolui. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Contracted Services | | | | | | | | | | | | | |
| Artist Fees | | | | | | | | | | | | | |
| Fundraising Expense | | | | | | | | | | | | | |
| Marketing & Communications | | | | | | | | | | | | | |
| Website | | | | | | | | | | | | | |
| Prof. Speakers & Service | | | | | | | | | | | | | |
| Payroll Service | | | | | | | | | | | | | |
| Subtotal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Non-Personnel | | | | | | | | | | | | | |
| Rent & Utilities | | | | | | | | | | | | | |
| Telephone | | | | | | | | | | | | | |
| Internet | | | | | | | | | | | | | |
| Parking | | | | | | | | | | | | | |
| Supplies | | | | | | | | | | | | | |
| Postage | | | | | | | | | | | | | |
| Equipment& Software | | | | | | | | | | | | | |
| Equipment Maintenance | | | | | | | | | | | | | |
| Travel & Meeting Expenses | | | | | | | | | | | | | |
| Staff Development | | | | | | | | | | | | | |
| Professional Memberships | | | | | | | | | | | | | |
| Insurance | | | | | | | | | | | | | |
| Printing | | | | | | | | | | | | | |
| Legal & Audit | | | | | | | | | | | | | |
| Bank Fees | | | | | | | | | | | | | |
| Misc. Expense | | | | | | | | | | | | | |
| Subtotal | 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 | |
| | Ū | | | | - | 2 | | | | 5 | 5 | - | |
| | | | | | | | | | | | | | |



| | | | | | | | | | | | | | | TOTAL |
|---------|-------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----------|
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | 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 |
| | inise, nevenue | | | | | | | | | | | - 21 | | |
| Total | Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| Expense | | | | | | | | | | | | | | |
| | Personnel | | | | | | | | | | | | | 0 |
| | Salaries | | | | | | | | | | | | | 0 |
| | | | | | | | | | | | | | | 0 |
| | Fringe | | | | - | - | - | | | | - | | | 0 |
| | Health Insurance | | | | | | | | | | | | | 0 |
| | Retirement | | | | 1 | | | | - | - | - | | | 0 |
| S | Subtotal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| c | Contracted Services | | | | | | | | | | | | | |
| | Artist Fees | | | | | | - | | | | | | | 0 |
| | Fundraising Expense | | | | | | | | | | | | | 0 |
| | Marketing & Communications | | | | | | | | | | | | | 0 |
| | Website | | | | | | | | | | | | | 0 |
| | Prof. Speakers & Service | | | | | | | | | | | | | 0 |
| | Payroll Service | | | | | | | | | | | | | 0 |
| s | Subtotal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| N | Non-Personnel | | | | | | | | | | | | | |
| | Rent & Utilities | | | | | | | | | | | | | 0 |
| | Telephone | | | | | | | | | | | | | 0 |
| | Internet | | | | | | | | | | | | | 0 |
| | Parking | | | | | | | | | | | | | 0 |
| | Supplies | | | | | - | | | | | | | | 0 |
| | | | | | | | | | | | | | | 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 |
| S | Subtotal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| Total | I Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Total | I Surplus/Deficit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

- 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.





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



- Entering all the rest, there are two good options:
- Go line by line on your budget, or
- Enter by program.
- 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.



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.





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