



SUSTAINABILITY
ACTION FUND

BUDGETING AND ACCOUNTING 101

TIPS, TRICKS & TEMPLATES

This document will map out the road for emerging projects to draft their budgets, utilize their resources, and implement reporting and accountability measures based on SAF's and Budgeting and Accounting 101 Workshop.



WHAT IS A BUDGET?

- A budget is a financial plan for a defined period of time that takes into account current and future expenses, or costs, as well as expected revenue or sales depending on the type of project
- A budget is a living, breathing document that will be subject to adjustments based on the evolving needs of your project
- It is important to try to anticipate all of the stages and needs of your project as early as possible as this will guard you from unexpected costs and drastic changes in your budget



WHY DO YOU NEED A BUDGET?

- **A budget is important because it is one of the main frames of reference points as a project manager for the status of your project**
 - **A strong budget will ensure that you always have the resources (or at least a plan to get the resources) for the things that your project needs in order to fulfill its objectives**
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MAPPING YOUR PROJECT

- **What is your main idea?**
 - what is the ultimate goal of this project?

- **What is the timeline of your project?**
 - What are the stages of your project? Does it have a one year timeframe?
 - A project with a long time frame may require a multiphase budget
 - How will your needs change over the first few years
 - the budget will need to reflect these changes!



RESOURCES AND FEASIBILITY

- **What kind of resources does your project need?**
 - Financial, Material (printing, equipment rentals), Human Resources (team members), Intellectual Resources (expert fees)
- **Prioritization**
 - Think about what the most pressing needs are
 - Your project may have a long term outlook but in the first year you have to acquire resources that'll be key for your project to get started
- **Draft your budget year by year to show comparison of how financial needs evolve over time - keep it up to date!!**



MAPPING THE LANDSCAPE- UTILIZING RESOURCES

- **Use your network...**
 - ... to find costs
 - obtaining invoices for large costs is good evidence
 - ... for potential collaboration with team members/other projects or organizations to effectively utilize resources
 - ... to relationship-build with solidarity organizations
 - increases likelihood of in kind donations
- **Bottom-up price estimating**
 - Start with the components of each task you wish to accomplish in order to have a successful project



MAPPING THE LANDSCAPE- UTILIZING RESOURCES CONT'D

- Keep resources in one single pool
- Upkeeping financial transparency among team members
- Prioritization of tasks and resources needed
 - wants vs. needs
 - determine all the important resources, the time period in which they will be acquired, and the amount of work that can be accomplished with them
- Creating a contingency plan and attempting to forecast any disruptions in planned expenses
 - If you make any assumptions in your initial budget make a Plan B



HOW TO MANAGE CHANGE

- **Flexibility**
 - recognize when your financial plan needs to change
 - Keep funders and team members informed
 - Re-visit, re-view, re-forecast
 - budgets vs. actuals, tracking cost variances

COMMON MISTAKES

- Forgetting the small stuff
- Delayed tracking of expenses
- Centralization of purchasing/spending
- "Guesstimating"
- Lack of recognition of human labour
- Vagueness
- Project description scope and budget do not align



REPORTING AND ACCOUNTING

Accounting controls at SAF



Internal controls at SAF

- Dual Signing Authority on all disbursements
- Expense Reimbursement forms
- Payroll timesheets
- Finance committee spot audits
- Quarterly budget to actuals
- Year-end audited financial statements
- Frequently changed passwords and locked cabinets



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REPORTING AND ACCOUNTING CONT'D

Internal Controls for your Project

- Oversight of a finance committee comprised of fellow team members relevant to the size of your project
- Create internal methods of transparency
- Consensus approval for new purchases
- Create your own expense reimbursement form to keep internal records
- Track teammates hours and tasks online



REPORTING AND ACCOUNTING - TOOLS

Excel

- **Pros**
 - Excel or similar software is free to use and can create the formulas you need
- **Cons**
 - Harder to track expenses for ongoing work and more prone to human error

Quickbooks/Sage

- **Pros**
 - Links with bank accounts
 - Tracks expenses and creates reports
 - therefore better for longer term projects
- **Cons**
 - Monthly running costs
 - Time spent to learn new software



RESOURCES AND TEMPLATES

Here are some resources and budget templates that could help you develop a clear and concise budget!

- [Click for SAF's list of Funding Resources](#)
- SAF's Budget Templates
 - [General project budget template](#)
 - [Multi-Phase budget template](#)





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GOOD LUCK BUILDING YOUR BUDGETS!

