

Contingency planning will help you make informed budget and management decisions. This resource will help you think through possible reductions in income and expenses, and then consider the impact on your programs and organization.

USING THIS BUDGET SCENARIO PLANNING WORKSHEET

The worksheet was developed using income and expense line items frequently used by nonprofit organizations. It will require modification to match your organization's financial situation.

GENERAL GUIDELINES

Before using the worksheet, decide what types of scenarios will be helpful for budget planning. One approach is to develop scenarios that gradually change assumptions. For example, a 10% reduction in grants for Scenario 1, then a 20% reduction in Scenario 2. Another approach is to try different kinds of changes, such as reducing grants and individual contributions in Scenario 1 and Government funds in Scenario 2. The same is true for the Expense worksheet. Expense changes can be cumulative or you can try different expense budgets. Any approach that is helpful will work.

Consider the goals for the scenario plans. Do you want expense reductions to match income reductions, or will you seek to reduce expenses more to allow for unknowns, or reduce expenses less and operate with an intentional deficit?

Review the example budget scenario worksheet to see how another nonprofit used this tool.

STEP 1 - INCOME SCENARIOS (GREEN TAB COLOR)

There are three worksheets included in the workbook for income scenarios. These worksheets have commonly used categories of income listed but should be modified to match the organization. List the most important income types in as much detail as is helpful. Input the amounts from the original budget.

The yellow highlighted cells will fill based on information you enter and formulas in the worksheets. You can change the formulas, but we recommend that you save a blank worksheet before you make changes to formulas.

Note that you **MUST** enter the total income budget number at the bottom of column C.

STEP 2 - EXPENSE SCENARIOS (RED TAB COLOR)

The expense worksheet provides three columns for different scenarios. The expense categories and types listed are commonly used line items but should be modified to match the organization. Use as much detail as will be helpful.

The yellow highlighted cells will fill based on information you enter and formulas in the worksheets. You can change the formulas, but we recommend that you save a blank worksheet before you make changes to formulas.

Note that you **MUST** enter the total expense budget number at the bottom of column C.

STEP 3 - SUMMARY OF SCENARIOS (ORANGE TAB COLOR)

The top half of the summary worksheet (Budget Impact) will automatically fill using data from the income and expense scenario worksheets. This section will help you verify that the income and expense assumptions balance out for each scenario.

The bottom half (Programmatic and Organizational Impact) provides space for a brief narrative. This summary enhances the value of these worksheets for reporting and discussion.

This worksheet has been made available as a convenience for nonprofit managers. Nonprofits Assistance Fund makes no assurances or guarantees of the accuracy of the formulas or the information. Please review all input and calculations carefully before relying on this worksheet for financial management.

Scenario Planning Income Worksheet Scenario 1

9/25/2009

Income Type	Source of income (by category or specific)	Budget	Estimated likelihood %	Scenario Budget	Potential budet reduction	Comments and strategies
<i>Individual contributions</i>	Annual fund			-		
	Board giving			-		
				-		
				-		
Subtotal		\$ -	\$ -	\$ -		
<i>General operating grants</i>	Grant from Foundation A			-		
	Grant from foundation B			-		
	Unidentified foundations			-		
				-		
Subtotal		\$ -	\$ -	\$ -		
<i>Program grants</i>	Grant from Foundation C			-		
	Grant from Foundation D			-		
	Unidentified foundations			-		
				-		
Subtotal		\$ -	\$ -	\$ -		
<i>Government funding</i>	Dept of Corrections			-		
	Dept Human Services			-		
	County Human Services			-		
	Federal HHS			-		
Subtotal		\$ -	\$ -	\$ -		
<i>Program service fees</i>	Contract with Agency A			-		
	Program fees for east side site			-		
	Summer program			-		
				-		
Subtotal		\$ -	\$ -	\$ -		
<i>Other types</i>	Special event			-		
	Interest income			-		
	Sublet rent & concessions			-		
				-		
Subtotal		\$ -	\$ -	\$ -		
Total Income				\$ -	\$0	
Scenario reduction in total income					#DIV/0!	

Scenario Planning Income Worksheet Scenario 2

9/25/2009

Income Type	Source of income (by category or specific)	Budget	Estimated likelihood %	Scenario Budget	Potential budget reduction	Comments and strategies
<i>Individual contributions</i>	Annual fund			-		
	Board giving			-		
				-		
				-		
Subtotal		\$ -	\$ -	\$ -		
<i>General operating grants</i>	Grant from Foundation A			-		
	Grant from foundation B			-		
	Unidentified foundations			-		
				-		
Subtotal		\$ -	\$ -	\$ -		
<i>Program grants</i>	Grant from Foundation C			-		
	Grant from Foundation D			-		
	Unidentified foundations			-		
				-		
Subtotal		\$ -	\$ -	\$ -		
<i>Government funding</i>	Dept of Corrections			-		
	Dept Human Services			-		
	County Human Services			-		
	Federal HHS			-		
Subtotal		\$ -	\$ -	\$ -		
<i>Program service fees</i>	Contract with Agency A			-		
	Program fees for east side site			-		
	Summer program			-		
Subtotal		\$ -	\$ -	\$ -		
<i>Other types</i>	Special event			-		
	Interest income			-		
	Sublet rent & concessions			-		
Subtotal		\$ -	\$ -	\$ -		
Total Income				\$0	\$0	
Scenario reduction in total income					#DIV/0!	

Scenario Planning Income Worksheet Scenario 3

9/25/2009

Income Type	Source of income (by category or specific)	Budget	Estimated likelihood %	Scenario Budget	Potential budet reduction	Comments and strategies
<i>Individual contributions</i>	Annual fund			-		
	Board giving			-		
				-		
Subtotal		\$ -		\$ -	\$ -	
<i>General operating grants</i>	Grant from Foundation A			-		
	Grant from foundation B			-		
	Unidentified foundations			-		
				-		
Subtotal		\$ -		\$ -	\$ -	
<i>Program grants</i>	Grant from Foundation C			-		
	Grant from Foundation D			-		
	Unidentified foundations			-		
				-		
Subtotal		\$ -		\$ -	\$ -	
<i>Government funding</i>	Dept of Corrections			-		
	Dept Human Services			-		
	County Human Services			-		
	Federal HHS			-		
				-		
Subtotal		\$ -		\$ -	\$ -	
<i>Program service fees</i>	Contract with Agency A			-		
	Client fees at east site			-		
	Summer program			-		
Subtotal		\$ -		\$ -	\$ -	
<i>Other types</i>	Special event			-		
	Interest income			-		
	Sublet rent & concessions			-		
				-		
Subtotal		\$ -		\$ -	\$ -	
Total Income				\$ -	\$0	
Scenario reduction in total income					#DIV/0!	

Scenario Planning Expense Worksheet Scenarios

9/25/2009

Expense type	Expense item (list only line items subject to reduction)	Original Budget	Reduction - level 1	Reduction - level 2	Reduction - level 3	Comments and potential impact
<i>Salaries & wages</i>	Senior team salaries					
	Program lead salaries					
	Health program staff					
	Development assistant					
	Site program staff					
Subtotal of reductions			-	-	-	
<i>Benefits and other</i>	FICA & Medicare					
	Health insurance					
	Staff training					
	Recognition and staff events					
Subtotal of reductions			-	\$ -	\$ -	
<i>Occupancy</i>	Rent					
	Janitorial					
	Landscape & snow removal					
Subtotal of reductions			-	\$ -	\$ -	
<i>Consumables</i>	Supplies					
	Meals and annual meeting					
	Printing					
Subtotal of reductions			-	\$ -	\$ -	
<i>Program contracts & services</i>	Contracted client assistance					
	Program development					
	Evaluation					
Subtotal of reductions			-	\$ -	\$ -	
<i>Professional fees</i>	Accounting services					
	Legal					
	Strategic planning					
	Marketing & PR					
Subtotal of reductions			\$ -	\$ -	\$ -	
Total of reductions			\$ -	\$ -	\$ -	
Grand total expenses						
Scenario reduction in total expenses			#DIV/0!	#DIV/0!	#DIV/0!	

Scenario Planning Summary

9/25/2009

		Income Scenario 1	Income Scenario 2	Income Scenario 3
BUDGET IMPACT	If income is reduced by	#DIV/0!	#DIV/0!	#DIV/0!
	The budget gap would be	0	0	0
	Expense reductions Level 1 Reduces expenses by	0	0	0
	Would result in budget gap of	0	0	0
	Expense reductions Level 2 Reduces expenses by		0	0
	Would result in budget gap of		0	0
	Expense reductions Level 3 Reduces expenses by			0
Would result in budget gap of			0	
PROGRAMMATIC AND ORGANIZATIONAL IMPACT	Proposed Expense Reductions	Scenario 1 0	Scenario 2 0	Scenario 3 0
	Programmatic impact narrative			
	Organizational impact narrative			