



Preparing a Budget for a Homeschool Non-profit Organization

By Carol Topp, CPA

Start early

Ideally, your organization should prepare a budget before your program year starts. Some people think that budgets are only for tracking spending, but you must plan for income also. List all the sources of revenue you can think of (dues, class fees, fund-raisers, etc). Don't be too optimistic. Conservative estimates will serve you best.

Predict expenses

Next try to predict expenses such as postage, copying, building use fees, supplies. Think of everything you might spend money on. On the expense side it is better to include too much rather than too little.

Compare and adjust

Compare revenue to expenses and adjust until you have a balanced budget or even a small surplus as protection for the unexpected. If you cannot balance your budget, you have two choices: cut expenses or increase income. Recalculate your income with more membership dues. Try increasing dues until the budget balances.

Here is a sample budget for an organization with dues and co-op fees.

Revenue		
Contributions	\$ 25.00	A generous family made a gift
Program	\$1,000.00	10 families pay \$100 each for a co-op
Member dues	\$ 250.00	25 families pay \$10 per year
Special events		
Fund Raiser	\$ 100.00	We sold candy and the profit is \$100
Parties	\$ 50.00	10 families paid \$5 for a party
Total Revenue	<u>\$1,425.00</u>	
Expenses		
Professional Fees	\$ 100.00	We set up a web site
Rent & Utilities	\$ 500.00	We paid a church to rent space
Printing & Pubs	\$ 150.00	
Other		
Supplies	\$ 225.00	
Insurance	\$ 250.00	Accident insurance
Events	\$ 100.00	The party cost money
Total Expenses	<u>\$1,375.00</u>	
Net Income or Loss	\$ 50.00	

This organization had a \$50 surplus at the end of the year. That's good planning. But if one expense had been more than expected, they would barely be solvent. If this organization doesn't hold a fund-raiser or get a generous donation, they would not be covering their expenses. They should increase their co-op fees or member dues. They can recruit more families or increase the fees for current families.

The Goal

The goal of budgeting is to plan the organization's sources of income as well as their expenses. Plan for a balanced budget, or even a surplus for the unexpected.

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