



***Power in Numbers:**

A Practical Guide to Understanding and Managing Personal and Non-Profit Project Budgets.

PREPARED FOR ARTREACH TORONTO BY JULIAN CASPARI OF SCHOOLS WITHOUT BORDERS AND RUDY RUTTIMANN OF SKETCH



GOAL Youth Workshop Series

The Grassroots Organizing and Leadership (GOAL) Youth Capacity Building Workshop Series was developed in 2007 by youth-led organizations, funders and other partners to provide access to learning opportunities that can enhance the work of young people, artists and youth-led groups. Through different strategies and in different spaces, young people are working to make change and to have an impact on communities across the city of Toronto. To take this passion and commitment and channel it into a project, individuals or organizations often require training, tools and supports that are not always available to emerging, youth-led groups.

This workshop series provides facilitators (many of whom are young people, or those that have been involved in grassroots organizing and project development) to share their insights and resources. Many groups have struggled to find financial templates that works for them, decode grant guidelines or define what structure works for them as an organization. Accordingly, past topics have included financial management for nonprofits, fundraising, grant-writing, and models of youth work. These free sessions provide an accessible and safe learning space for young people and groups to ask questions, receive support and demystify process.

The workshops are developed based on needs identified by young people in Toronto. Participants who attend 5 or more workshops in the series receive a certificate.

The GOAL Youth Workshop Series is implemented by ArtReach Toronto, in partnership with various organizations and youth groups including; Grassroots Youth Collaborative, Laidlaw Foundation, City of Toronto, Schools without Borders, For Youth Initiative and Toronto Community Foundation.

Special thanks go to the facilitators for sharing their knowledge and expertise, as well as the following partners that have provided funding for the workshops, resource guides and online toolkit:

Canadian Heritage

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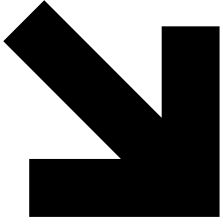
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Power in Numbers:

A Practical Guide to Understanding and Managing Personal and Non-Profit Project Budgets was developed by Julian Caspari and Rudy Ruttimann.

Julian Caspari, Toronto, Canada, 28

Julian Caspari has 9 years of experience working with young people as a facilitator, counselor and youth organizer. Julian is the Managing Director of Schools Without Borders(SWB), supporting young people around the world to create their own platforms for change. Bringing project management skills, organizational leadership and international expertise to his work, Julian is committed to personal growth and collaborative learning alongside the youth that he works with.

Julian has implemented and supported programming including international exchanges, leadership, health and life skills training projects, female-specific programming, youth-led publications, and capacity building modules for emerging organizations. Julian is inspired by music, sport, and urban agriculture given their incredible power to ignite personal growth and strengthen our sense of community.

Julian graduated from McGill University in 2004 with a degree in International Development and Cultural Studies, but recognizes that life's most profound learning experiences happen outside of the classroom.

Rudy Ruttimann, Toronto, Canada, 45

Rudy Ruttimann - Executive Director of SKETCH Working Arts for Street-Involved and Homeless Youth since 2000. SKETCH believes that all people are carriers of unique stories and abilities that can effect personal and social change. A community arts initiative engaging youth who live homeless and street-involved in art making for the last 14 years in Toronto, SKETCH sees all its participants as significant contributors to culture. Based in a cross discipline studio environment SKETCH practices a progressive arts based learning framework that is growing into a movement across the country.

Rudy has worked with communities across North America as an education and community health consultant. Inspired by possibilities, Rudy directs resource development, financial, personnel, evaluation and administration of SKETCH. For over 25 years she has been playing with community development projects, networking, events, community organizing and administration.

Financial Literacy Curriculum

Getting Started:

- **There are two sessions to the Financial Literacy Curriculum. We advise splitting them into two different days. If you do them back to back we advise a solid break in between sessions.**
- **It is crucial to understand the skill level of participants engaging in this curriculum. Most participants who have basic excel training/experience will be able to skip to Session 2, though the games in the beginning of Session 1 can apply to anyone and practice makes perfect!**
- **Create an itinerary for you to follow with specific time lines for each activity.**
- **Give people time to learn excel through trial and error (even though it may be frustrating) – excel is like learning a new language.**

Ensure that you have the following documents:

- **Grant Summary Form**
- **Foundation acceptance letters (Samples)
- Trillium, Laidlaw and United Way**
- **Personal Monthly Budget.xls**
- **Personal Annual Budget.xls**
- **Short Term Project Budget Template.xls**
- **Annual Budget Template.xls**
- ✳ **Make sure that each of your participants has these documents loaded onto their computers. You can use one computer projected onto a screen, but learning is most impactful through trial and error. Learning by doing! If you must do it on a screen, encourage participants to come up and type in some numbers.**

“We buy our way out of jail but we can’t buy freedom. We’ll buy a lot of clothes when we don’t really need ‘em - things we buy to cover up what’s inside. Cause they make us hate ourselves and love they wealth.”

– Kanye West



Facilitation Guide: Session 1

1.1 Definitions

- You will revisit these definitions throughout the training so have them handy and ask the participants to have them out too!
- Ask the group what each one means and compliment their definitions with the ones in the curriculum.

1.2 Financial Quotes

- Project the quotes onto a wall or screen, have the class divide up into smaller groups to discuss each one of the quotes. Have one representative from each group present their perspective on their assigned quote.
- Exercise should take about 20 minutes and get the class talking about philosophies on money, value and capital.

1.3 Financial Terms Glossary

- Post the short form for the financial terms on the board and have the participants guess what each one means. You can do this popcorn style.
- You can reward your group with small candies or some kind of point system.
- Exercise should take 10 minutes.

1.4 Bookkeeping and Accounting

- Reading and explanation should take 10 minutes.
- Ask “what does it mean to ‘cook the books’”?
- Refer to GAAP.

1.5 Basics of Excel

1.5.1 Launching and Opening Microsoft Excel

- Have participants learn keystrokes using an empty spreadsheet.
- Develop an activity that incorporates all of the keystrokes.
- Include TIPS

1.5.2 Creating a new Document

- Project template on screen
- Describe what participants are seeing
- Demonstrate each step of how to insert and delete
- Refer to shortcut table on pages 6 and 7 for help
- Include TIPS

1.5.3 The Ribbon

- Project template on screen
- Describe what participants are seeing by using the cursor and pointing to each of the symbols (note: some versions of Microsoft Excel may differ slightly)
- Include TIPS

1.5.4 Contextual Menus

- Using the projected template on screen describe and demonstrate the use of the Contextual Menu.

1.5.5 Navigating the Worksheet

- Using the projected template on screen describe and demonstrate navigating the worksheet.
- Be sure to take time with this step and have participants practice each navigation several times.

1.5.6 Common Keystroke Short Cuts

- Using the projected template on screen describe and demonstrate the use of the use of each keystroke short cut.
- Be sure to take time with this step and have participants practice each short cut several times.

1.5.7 Labels and Values

- This section begins the process of inputting information and it is important that participants have a comfort with moving around the <http://upload.wikimedia.org/wikipedia/commons/b/bb/MapvsInc.JPG> spreadsheet using the above skills.
- Define Labels and Values.
- Using the projected template on screen describe and demonstrate inputting of both Labels and Values.
- Participants should practice.

1.5.8 Formulas and AutoSum

- Define Formulas and AutoSum.
- Using the projected template on screen describe and demonstrate inputting of both Labels and Values.
- Participants should practice.

1.5.9 Undoing, Redoing and Repeating an Action or Multiple Actions

- Using the projected template on screen describe and demonstrate the use of the use of each skill.
- Be sure to take time with this step and have participants practice several times.

IMPORTANT REMINDERS

- For easy access to Microsoft Excel you can put it in your start menu by right clicking Microsoft Excel in the ALL PROGRAMS menu and then selecting PIN TO START MENU.
- Be sure to save often while you work, an easy way to do this is by selecting File, then Save or just by simply clicking Cntrl + S.

1.6 Additional Skill Building in Microsoft Excel (Optional)

- This section is for participants who have grasped the basic skills and are ready to move to the next level.

1.6.1 Autofill

- Using the projected template on screen describe and demonstrate the use of the use of each skill.
- Be sure to take time with this step and have participants practice several times.

1.6.2 Absolute and Relative Cell References

- Using the projected template on screen describe and demonstrate the use of the use of each skill.
- Be sure to take time with this step and have participants practice several times.

Facilitation Guide: Session 2

2.1 Budgeting Terms

- Ask, “what is a budget?” and “why are budgets important?”
- Ask what is revenue, income, expenses, surplus and deficit.
 1. Money coming in is called? Revenue, Income
 2. Money going out is called? Expense, Spending
- Some budgeting terms come from Wikipedia.

2.2 Personal Monthly Budget

➤ Reference Document - “Personal Monthly Budget Template.xls”

Intro: We all have very different needs: medical/health, family, style, debt, recreational needs, student loans.

➤ Who has student loans, who is still in school, who owns a car?

➤ What is your personal spending weakness? tshirts? shoes? cds?

- * *While practicing the “balancing the budget” exercise, help participants prioritize their spending in an effort to balance their budget.*
- * *Take five minutes to ensure the numbers are adding up and the sum formulas are working.*
- * *It is crucial that participants take this seriously and draft a REAL reflection of their lives in spending and revenues.*
- * *Financial information can be very sensitive, so please be cautious that some folks would rather draft a make belief budget.*

2.3 Personal Annual Budget

➤ Ask the group what financial goals they have for their own lives.

- * *In two columns write LONG term goals (ex: mortgage on a house, lease a car) and your SHORT term goals (ex: pay off visa debt, buy a new shirt).*
- * *Ask the participants to help fill out the list.*
- * *Ensure participants are using their monthly budgets to fill out their annual budgets.*
- * *Take five minutes to ensure the numbers are adding up properly, the sum formulas are working, and the Cash Flow Running Total Line is functioning properly.*

2.4 Project (or Short Term) Budget

- Encourage the participants to let Excel do the math for them.
- You will take the participants through the process of imagining the cost of their program using this budget.
- Brainstorm with them about the imaginary project itself, and start applying cost to all the things you would like to do in this project: ie. curriculum development, field trips, performances, community bbq, etc.
- Ensure that everyone is using formulas that are aligned with their descriptions so excel does the math.
- Ensure that the admin line is a proper 12% and explain why it is important (because organizations need funds for office space, printing, bookkeeping, etc).

Note on Letters of Agreement and Grant Summary Forms

- This mock project will have funding approved as follows: \$5,000 from Laidlaw, \$5,000 from United Way, \$10,000 from Ontario Trillium Foundation and \$1,600 in-kind in space donations. Total of \$21,600. Define Labels and Values.
- We want to ensure that participants are reading the mock letters of agreement and inputting all the necessary info in the grant summary forms.
- Make sure they fill out the Grant Summary Forms!

2.5 Project Annual Budget

Introduction

- *We will be transferring our project budget numbers onto an annual template so we can map out when money is coming in, and when it is being spent.*

2.4 Project (or Short Term) Budget

- *For this four-month project we will only be mapping the numbers only for four months of the 12 month calendar.*
- *We will say the project starts in March and ends in June.*
- *Ensure that you look at your spending to see what expenses will be spent consistently over those four months, and which expenses will be spent at the beginning and end of the project. For example, you would buy tshirts for the start of the program (include them in the March expense lines) and you would host your community BBQ at the end of the program (be sure to include it in the June expense lines).*

Encourage participants to use short cuts when inputting their numbers:

- *Use formulas in each spending category.*
- *Use the autofill functions to drag formulas across the spreadsheet where they are needed.*
- *Participants will likely have questions on many more related topics around expenses. Be sure to capture their questions for the next session and keep them engaged in the conversation!*



Non-Profit Finance Workshop

Description:

Microsoft Excel is a powerful spreadsheet program that allows you to make quick and accurate numerical calculations. This workshop, using Excel, will support young people to develop skills in the areas of project and organizational budgets, cash flow statements, as well as systems for program spending, invoicing, and petty cash. The templates and systems will span from basic to advanced. Participants will be provided with CDs that contain resources, templates and sample budgets to help build their financial skills.

Objectives:

- 1. To Build Basic Skills in Excel.**
- 2. To Map Personal Expenses through Excel.**
- 3. To Understand the Concepts of Budgeting, Savings, Cash Flow and Financial Management.**
- 4. To Learn Basics of Small to Mid Sized Project Management.**
- 5. To Familiarize Youth with Administrative Documents used for Flowing Money in and out of an Organization.**

Session 1 Intro to Finance and Excel for Beginners

1.1 Definitions

Budget:

A summary of estimated income that will be spent over time. It is often an itemized estimate of income and spending (ex. the spending of an organization, during a specified period).

Savings or Surplus:

An amount of money that is not spent or used (ex. money set aside for future use)

Cash flow:

The pattern of income and expenses, and its consequences for how much money is available within an organization at a given time; the prediction or assessment of an organization's income and expenditure over a period of time.

Financial Management:

Planning, directing, monitoring, organizing, and controlling of the monetary resources of an organization.

1.2 Financial Quotes

i. *“Think what you do when you run into debt; you give to another power over your liberty.” - Benjamin Franklin*

ii. *“Money made through dishonest practices will not last long.”*

- Chinese Proverb

iii. *“We buy our way out of jail but we can’t buy freedom. We’ll buy a lot of clothes when we don’t really need ‘em - things we buy to cover up what’s inside. Cause they make us hate ourselves and love they wealth.” - Kanye West*

iv. *“If money is your hope for independence you will never have it. The only real security that a man will have in this world is a reserve of knowledge, experience, and ability.” - Henry Ford*

v. *“All nations with a capitalist mode of production are seized periodically by a feverish attempt to make money without the mediation of the process of production.” - Karl Marx*

vi. *“Money never starts an idea. It is always the idea that starts the money.”*

- Owen Laughlin

1.3 Financial Terms Glossary:

(This glossary contains terms used throughout SKETCH’s financial documentation)

A/P **Accounts Payable**

A/R **Accounts Receivable**

BS **Balance Sheet**

CAPEX **Capital Expenditures (things bought for a specific project but can be kept and used again for later projects, ex. digital camera)**

- COS** *Cost of Sales (the cost of which something is sold for)*
- CRA** *Canada Revenue Agency*
- FAS** *Fixed Asset (owning something at a fixed price)*
- GL** *General Ledger (bookkeeping all info done with cheques, money; recording info)*
- GAAP** *Generally Accepted Accounting Principles (this encourages us to keep ALL receipts as a record of every cent we spend, keep these receipts organized and easily accessible... not in a shoe box J)*
- GM** *General Manager*
- GP** *Gross Profit*
- GST** *Goods and Services Tax (Canada)
(NOTE: Not for profit businesses get back 50% of spent taxes)*
- HR** *Human Resources*
- IM** *Income Manager (database)*
- LTD** *Canadian Legal Entity (legal identity; title)*
- NBV** *Net Book Value (cost - accumulated amortization = NBV)*
- P&L** *Income statement (Profit & Loss)*
- PST** *Provincial sales tax (Canada)*
- QB** *QuickBooks*

1.4 Bookkeeping and Accounting (by Darcy Mackenzie, CGA)

The terms bookkeeping and accounting are often used interchangeably, which is unfair to both. A good accountant might bristle at being called a bookkeeper, or a bean counter, but it would be unwise for him or her to be smug about it, for good bookkeepers are often harder to find than good accountants. It is best to fully understand and appreciate the differences.

Bookkeeping is the work or skill of keeping account books or systematic records of money transactions; while accounting is the theory and system of setting up, maintaining, and auditing the books. One might say that the accountant creates the logic for the bookkeeper to follow.

But that is only a start. Bookkeeping is more akin to a discipline – the task of recording transactions on a frequent (and often daily) basis. One is looking for repetition and accuracy not creativity or subjectivity. The accountant on the other hand shapes the data and exercises judgment about how the entity (company, charity, etc.) is doing and gives hints as to where it is going.

There is a lot of focus today on common accounting standards and rightly so – it is a necessary condition for comparing entities and assessing performance. However, there is another role for the accountant: this involves showing the financial results using different accounting practices and assumptions. An example of this is the use of current cost accounting, where all assets and costs are shown at replacement costs rather than historical costs (amounts paid), which is usually the case. By switching methods or assumptions, the accountant can show another picture or tell another tale and in this way aid others in better understanding the true dynamics within the entity.

Both bookkeeper and accountant, however, report to those responsible for the entity, who in fact make (or should make!) its financial decisions.

1.5 Basics of Excel

1.5.1 - Launching and Opening Microsoft Excel:

- Go to **START** menu
- Point to **ALL PROGRAMS**
- Point to **MICROSOFT OFFICE**
- Select **MICROSOFT EXCEL**

Another way to open a new workbook is by pressing **CTRL + O** once **Excel** is already open or **CTRL + N** for an additional blank workbook.

1.5.2 Creating A New Document:

When you open up Microsoft Excel this is the main screen:

- This screen is called a **SPREADSHEET** (useful for data analysis).
- You can put information into each individual **CELL** (seen as outlined box in **COLUMN A** and **ROW 1**).
- Letters are **COLUMNS** (vertical) and numbers are **ROWS** (horizontal).
- Each cell is labeled with a letter and a number (like Battleship).
- Always say letter before number.
- To **INSERT** a **NEW** Column click on the actual letter of the column you want the new column to go right or left of. Then right click to select **INSERT COLUMN** or go to **INSERT** in the **CELLS** group and select **INSERT COLUMN**.
- To delete a **WHOLE** Column click on the actual letter of that column and right click. Entire Column will be highlighted. Select **DELETE** or go to the **CELLS** group and select **DELETE**.

- To insert a **NEW** Row click on the actual number of the row you want the new row to go above or below, and then right click to select **INSERT ROW** or go to **INSERT** in the toolbar and select **INSERT ROW**.
- To delete a **WHOLE** Row click on the actual number of that row and right click to select **DELETE** or go to the **CELLS** group and select **DELETE**.
- It is important to remember when adding/deleting a new column or row that we click on the actual letter or number of the column/row. If we accidentally click on just one cell of the desired column/row it will move only that cell and **NOT** the entire column/row.
- In the upper right hand corner of the screen, there is a box where you can type questions for help.
- Refer to shortcut tables on pages 6 and 7 for help.

1.5.3 The Ribbon:

The **RIBBON** is the set of tabs, groups and buttons found at the top of your program window.

- Commands are shown as **TABS** in the ribbon and there are **3 types of TABS**: Command Tabs (appear when you open Excel and they are Home, Insert, Page Layout, Formulas, Data, Review, and View tabs). Contextual Tabs (appear by performing specific tasks like, inserting a table, which then causes a Design tab to appear in the ribbon) and Program Tabs (replace the Command Tabs when you switch to a different authoring mode or view such as opening Print Preview).
- On each tab you can find commands that are organized into **GROUPS** (you can display more commands by clicking the Dialogue Box Launcher (between Alignment and Number tabs).

- To issue a command you simply click it's **BUTTON** (the smallest element of the ribbon) and it opens up.
- The **TITLE BAR** is the place where the title of your worksheet is located (seen here as "Book 1 – Microsoft Excel").
- Worksheet Tabs are seen at the bottom of your worksheet as "Sheet 1, Sheet 2 and Sheet 3".
- A **WORKBOOK** contains 3 of these worksheets by default.
- To hide the ribbon double click the command tab, to make it appear again click any tab. **VOILA!!!**

Contextual Menus:

- A Contextual Menu displays a list of commands relating to a specific object or area.
- This menu is opened by right clicking on the area or object of interest located in the worksheet or program window.
- To close the contextual menu just click anywhere outside the box.

1.5.5 Navigating the Worksheet:

- To make a cell 'active' (or able to receive information) we click on that individual cell which then highlights it.
- After we are done entering information we can hit **ENTER** or **TAB** to close the cell and move to the next.
- To move from cell to cell you may use the **ARROW KEYS** which move to the cells 'left, right, above or below' the selected cell or you may use the **ENTER** key to move down a column and the **TAB** key to move horizontally to the right.

- We can also select a Range of cells by clicking a cell, holding down that click and then dragging our mouse across the page to highlight all other desired cells (this can also be done by clicking a cell and then pressing shift and clicking other desired cells).
- To select **ALL CELLS** select **ALL** button where the row and column headers meet or press **CNTRL + A**.
- To select multiple Sepearate cells that are not next to one another on the worksheet, click one of the cells, then press the **CNTRL** button while selecting the other cells.

1.5.6 Common Keystroke Short Cuts:

Keystroke	Function
<CTRL> + <O>	OPENS THE WORKBOOK
<CTRL> + <N>	CREATES A NEW WORKBOOK
<CTRL> + <S>	SAVES THE CURRENT WORKBOOK
<CTRL> + <P>	PRINTS THE WORKSHEET
<CTRL> + 	TOGGLES BOLD FONT FORMATTING
<CTRL> + <I>	TOGGLES ITALIC FONT FORMATTING
<CTRL> + <C>	COPIES THE SELECTED CELL, TEXT OR OBJECT
<CTRL> + <X>	CUTS THE SELECTED CELL, TEXT OR OBJECT
<CTRL> + <V>	PASTES THE SELECTED CELL, TEXT OR OBJECT
<CTRL> + <HOME>	MOVES THE CELL POINTER TO THE BEGINNING OF THE WORKSHEET
<CTRL> + <END>	MOVES THE CELL POINTER TO THE END OF THE WORKSHEET

Keystroke	To move (Navigational Shortcuts)
<OR <TAB>	ONE CELL TO THE RIGHT
<OR <SHIFT > + <TAB>	ONE CELL TO THE LEFT
<OR <SHIFT> + <ENTER>	ONE CELL UP
<OR <ENTER>	ONE CELL DOWN
<HOME>	TO COLUMN “A” IN THE CURRENT ROW
<CTRL> + <HOME>	TO THE FIRST CELL “A1” IN THE WORKSHEET
<CTRL> + <END>	TO THE LAST CELL WITH DATA IN THE WORKSHEET
<PAGE UP>	UP ONE SCREEN
<PAGE DOWN>	DOWN ONE SCREEN
<F5> OR <CTRL> + <G>	OPENS THE “GO TO” DIALOG BOX WHERE YOU CAN GO TO A SPECIFIED CELL ADDRESS

1.5.7 Labels and Values:

The 2 types of information that can be entered into a cell are called LABELS and VALUES

EXAMPLE: Monthly Expenses (LABEL)

Item (LABEL)	Description	Cost
A. Housing, Food, Bills (LABEL)		
RENT (LABEL)		\$550.00 (VALUE)
HYDRO (LABEL)		\$0.00 (VALUE)
PHONE (LABEL)		\$120.00 (VALUE)

Labels: any text or information not used in calculations.

Values: numerical data including numbers, percentages, fractions, formulas, calculations, currencies, dates and or times.

1.5.8 Formulas and AutoSum:

- **FORMULAS** are **VALUES** (see Labels and Values section for definitions) ‘but’ they are values which contain information we can use to perform calculations such as adding (+), subtracting (-), multiplying (*) and dividing (/).
- To **CALCULATE** any number of values we must start by choosing the cell we want our total to appear in.
- Our formula can begin one of two ways: with an = **sign** (ex: =A1+A2+A3...) or with =**SUM** followed by parentheses containing function arguments (ex: =SUM(A1:A9) which will add all numbers in cells from A1 to A9).
- Once we have determined the cells we are calculating we get the total by pressing **ENTER** or the **AUTOSUM** button.
- Once we have our total and our equation/formula is in place, we are free to change the numbers (in this case, A1 to A9) because our formula will adjust to the new numbers and change the total (A10) accordingly (this will happen until we change the formula itself).
- To calculate different numbers that are spread out on your worksheet, first highlight the cell you want the total to be in. Next hit the autosum button and then proceed to click on each cell you want to be part of the equation. Hit enter or autosum to finish.
- We can also enter formulas into the formula **BAR** which is found in the ribbon.
- The **NAME BOX** displays the object name or active cell address.
- **FUNCTIONS** are pre-made formulas that can be used for shortcuts or perform more complicated calculations (For example: **SUM** adds all numbers in a range, **AVERAGE** calculates the average of all numbers in a range, or **COUNT** which counts the number of items in a range).
- To enter a function select the cell you want the function to be in and then click **INSERT FUNCTION** in the formula bar or click the formulas tab in the ribbon and select insert function.
- Next, choose what function you want to use and click **OK**. Then enter the function arguments and click **OK** once again.

1.5.9 Undoing, Redoing and Repeating an Action or Multiple Actions:

- To **UNDO** an action click the undo button on the **QUICK ACCESS TOOLBAR** or press **CNTRL + Z**. This will undo your last action.
- To **UNDO MULTIPLE** actions, click the **UNDO BUTTON LIST ARROW** in the **QUICK ACCESS TOOLBAR** and a list of actions will appear.
- Select the action you want to undo. Remember every action before it will undo as well.
- **REDO**ing an action lets you bring back actions you have undone (like “un” deleting a value for example).
- To **REDO** click the **REDO BUTTON** on the **QUICK ACCESS TOOLBAR** or press **CNTRL + Y**.
- Click the **REDO BUTTON LIST ARROW** in the **QUICK ACCESS TOOLBAR** to **REDO MULTIPLE ACTIONS**.
- **REPEAT** applies the last action to any selected area on the worksheet (ex. instead of constantly clicking to underline an area you can do the process once and then click the repeat button to continue to underline in different areas).
- To use the repeat button press **F4** (or you can add the repeat button to the **QUICK ACCESS TOOLBAR**).

1.6 Additional Skill Building In Microsoft Excel (OPTIONAL):

Autofill:

- **AUTOFILL** is a quick and easy way to enter continuous numbers, months and days and can also be used to copy cells.

The best part is that we only have to enter the first few numbers, dates or months ourselves (Example: 1,2,3) and then we can turn it over to autofill to finish what we started (Hey! No sleeping, lets get to work here!).

- To get autofill working we simply select the cell or range of cells that contain the data and increment we want to use, and then position our mouse arrow over the fill handle (the little box in the lower right corner of the cell), until it becomes a plus sign (+).
- We then click and drag the fill handle over the cells that we want to be autofilled which causes a screen tip to appear previewing the information that will be put into the new cells once we release the mouse.
- If autofill is used to copy a cell or cells which contain a formula with a cell reference, the information will carry over and update the formula relative to the new location (Example: if we autofill the formula =A1 from cell B5 and autofill that formula into C5 then cell C5 will be filled with the formula =B1).
- Autofill can also be used in increments such as 3,5,7 or Monday, Wednesday, Friday, for example.

Absolute and Relative Cell References:

- **AUTOFILL** is a quick and easy way to enter continuous numbers, months and days and can also be used to copy cells.
- Relative cell references tell Excel how to get from one cell containing a formula to another cell.
- When that formula is moved to a new cell it will reference new cells in relation to the location of the original formula.
- It is like getting directions from where you are now to where you are going (Picture a nice sandy beach in Florida. Awwww...).
- An example of this is if cell A1 contained the formula =C2 and it was copied and pasted to cell B1 the formula in B1 would be =D2 because the equation is relative to the formula.
- **ABSOLUTE CELL REFERENCES** always refer to the same cell even if the formula is moved.

Session 2 **Creating Personal and Project Budgets and Excel for Beginners**

2.1 Budgeting Terms

Budget:

A summary of estimated income that will be spent over time.

- * Budgeting is a KEY tool for managing money.
- * It is a representation of where money will come from and how it will be spent.
- * Budgeting lets you keep track of how much is coming in and how much is going out.
- * Budgeting helps to guide your income and spending over time.

Revenue:

Money coming in. In business, revenue or revenues is income that a company receives from its normal business activities, usually from the sale of goods and services to customers. In the non-profit sector, revenues tend to come from grants, fundraising initiatives or income generating projects.

Income:

Cash or capital received from work (wage or salary), capital (interest or profit), or land (rent).

Expenses:

Money expended or cost incurred by an organization. Representing the cost of “doing business”. ex. Cash payments for salaries, payments for office supplies, program materials etc...).

Surplus:

Extent to which generation of goods, services, and resources exceeds their consumption. ex. What is left over when the program is over!

Deficit:

Occurs when an entity spends more money than it takes in.

2.2 – The Personal Budget – Monthly

In this section we are going to chart out your personal spending on a monthly basis. We will learn how to balance a budget using these tools. You will be your own example!

Building A Budget From Scratch you need to think about:

What are your needs (medical, style, recreational, aesthetic, etc.)?

What do you owe (loans, school, home, car)?

What are your financial pressures (debt, siblings, children, bills)?

How do you manage your debt?

Open up the document, “Personal Monthly Budget.xls” to get started

Expenses

Lets put all of your expenses/spending into the following categories:

A. Housing/Food/Bills, **B.** Transportation, **C.** Personal, **D.** Miscellaneous.

Using the template “Personal Monthly Budget.xls” insert how much you spend on each of the indicated categories. If there are categories missing, please add lines to the spreadsheet.

Note: Click on the formula embedded in the “Sub-total” and “Total” lines to ensure that it is capturing(adding) the appropriate numbers into the sum.

The spreadsheet should be doing the math for you!

Revenues

Now lets insert your monthly revenues.

- In the monthly revenues section you will insert your monthly salary, and the average amount of money you make from your part time work.
- If there are any other revenues streams you have, you need to include them as well. (ex. Consulting)
- Ensure the Sub-Totals add up properly and accurately reflect your total revenues.

Balancing your budget

- Now look at the budget line **Total Revenues – Total Expenses**. This is what you will have remaining at the end of the month. Revenue minus expenses is commonly referred to as the “**Net**”. You will often hear someone asking, “What did you net?” meaning, “How much did you make after all of your spending?”
- If someone says they are “in the black”, they have netted a positive number and they are running a **surplus**.
- When someone says that they are “in the red”, they have need a negative number and they are running a **deficit**.
- If you’re running a deficit, you will need to make cuts to your spending/expenses in order to bring yourself back to the black (or a positive net). Alternatively you can somehow increase your revenue/earnings, to claw back to a balanced budget.
- This is what we call “Balancing the Budget”. You cannot responsibly move forward with a budget if you are forecasting a deficit. You need to shave pieces of your spending until you are back to at least zero (Balanced Budget). Alternatively, you need to find money in other places to include in your budget.
- Go ahead with this exercise to see where you’re financial situation lands.

Cash Flow

The amount of money remaining at the end of your month (and cumulative months) is what we call Cash Flow. It’s how much you have on hand carried over from previous month(s). It can be credited to your next month or deferred, however you prefer. If your cashflow is negative you will have to make it up in the coming months! It is best to plan for a healthy cashflow.

2.3 Personal Annual Budget

Introduction

Now that you’ve learned how to plot your personal expenses and revenues on a monthly basis, lets apply the same numbers to an **Annual Budget**.

- Using an **Annual Budget** to chart out your spending and income is a great way to visually interpret your finances.
- Seeing how your money flows also allows you to begin developing financial goals. If someone says they are “in the black”, they have netted a positive number and they are running a surplus.

Savings and Personal Financial Goals

- What are your personal goals related to finance?
- At the beginning of each year, decide what you want for yourself, what sacrifices you will need to get it and integrate your planned savings into your spending habits.
- Be sure these goals are reflected in the year long personal financial plan.
- Open up “Personal Annual Budget.xls” to get started.

Financial Mapping on the Personal Annual Budget

- Take the figures from your **Personal Monthly Budget** and copy them into your **Personal Annual Budget**.
- Be sure to include additional revenues and spending for months that may fluctuate. For example, you might receive a cheque on your birthday, or you may go on a date for your anniversary. Have these things reflected in the “other” and “miscellaneous” lines. These are known as **Irregular Incomes and Spending**.
- You will see on the spreadsheet below that the figures input on the **MONTHLY** budget are also reflected in the **ANNUAL** budget under the same categories.

Cash Flow

- You will see that every month this individual will have a **Cash Flow** of \$436. If they continue to save \$436 each month, by the end of June (six months later) they will have saved \$2,616!

- Our process of structuring our personal finances is very similar to the process of structuring our project or organizational finances. Your revenues will be composed of Grants, Fundraising dollars and In-Kind donations, while your expenses will be made up of Coordinator fees, program expenses and office expenses, lets see how they work in a similar way.

2.4 Project Monthly (or Short term) Budget

Definitions:

- **Petty Cash:** Petty cash is often a small amount of discretionary funds in the form of cash. This money is used for expenditures where it is not sensible to make the disbursement by cheque, because of the inconvenience and costs of writing, signing and then cashing the cheque.

Introduction

- Look at the template document: “Short-Term Project Budget Template.xls”.
- A budget like this is used for a small/mid-sized projects(under \$50K), happening over a short period of time (ex. less than a year).
- Like our personal budget, we need to think of everything that is required in our program each will be different.
- Funders appreciate seeing that you have found multiple funding sources for your work, so make sure you include them.

Letters of Agreement and Grant Summary Forms

- When your project is approved for funding, the supporting agency will send you a **Letter of Agreement** that tells you what the funding is for, when the money will be released, when your reports are due and any other information regarding the use of the funds.
- You need to keep these letters on file and synthesize the information in a “Grant Summary Form.doc” (see template document). The Grant Summary Form is a one-page breakdown of all the details of your approved grant. It will help you plan your spending, know when to expect money and know who to call at the foundation if need be. It is an essential document to keep you organized.

Using the Short-term Project Budget

- Using the template “Short-Term Project Budget Template.xls” fill in each of your spending categories according to your planned project.
- Make sure that you fill out the description line, which helps you understand how you arrived at the figure.
- For example, for the Salary line, type in “2 facilitators x \$500/person x 4 months”. This allows you to see how you arrived at the final number, \$4,000.
- When you are inserting the number in the budget, make sure that you do so using a formula that does the math for you. The formula will reflect the “description” line. For example, in the cell you will type, “=2*500*4”. Press enter and excel will complete the math.
- If you need to change the description and the numbers, it is much easier than recalculating everything.
- Have a look at the below spreadsheet for an example budget. Use the budget template to start playing with the numbers!

2.5 Project Annual Budget

Introduction and Financial Mapping

- We will be transferring our project budget numbers onto an annual template so we can map out when money is coming in, and when it is being spent.
- For this 4 month project we will only be mapping the numbers for 4 months of the 12 month calendar.
- For the purpose of this exercise, let’s say the project starts in March and ends in June.

Expenses

- Ensure that you look at your spending to see what expenses will be spent consistently over those four months, and which expenses will be spent at the beginning and end of the project.

- For other less consistent spending, you will place spending at the beginning or end of the project, depending on the item. For example, you would buy t-shirts for the start of the program (include them in the March expense lines) and you would host your community BBQ at the end of the program (include it in the June expense lines).

Revenues

- Based on the Letter of Agreement from your supporting foundations, and the Grant Summary Forms you have created from these letters, you will insert when the cheques or other funds are expected to arrive.
- If you are planning a fundraiser in April, you should project how much you think you will raise in the “Fundraising Initiatives” line of the revenues section.

Cashflow

- At the bottom of the spreadsheet you will see what you are left with on a month-by-month basis. The numbers will tell you whether you end up with a positive or negative number at the end of the month, based on expenses and revenues.
- The spreadsheet will calculate your monthly statement CULMULATIVELY to show you what your financial position will be like at the end of each month.
- The Cash Flow line should NEVER go below zero dollars, as it means you will either be operating with **credit** and going into **debt**.
- This **Financial Map** helps you to see your money come in and go out in a way that keeps you in the black and keeps your project managed responsibly.

Now we've learned the basics of both personal and project financial planning. The following workshops will look at the logistics of making funds available for projects and best-practice reporting procedures. We will also touch on pieces around Operational Budgets, Financial Statements, Human Resources, Benefits and Donor Stewardship.

