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Your Organization's Budget as a Community Engagement Tool

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If your organization is not using your budget as a tool for telling your story, you are overlooking a huge opportunity.

Yes, the budget. And no, we're not kidding.

The budget is all about the future. The budget is evidence of the board's priorities. It is your organization as it hopes it can be - all its aspirations for the coming year are noted in the budget.

And with all those hopes and dreams and priorities, the budget has quite a story it can tell!

Use It Today

One of the many ways to tell your organization's story is to use the budget to tell how much you really will be doing, and how you really will do it. The full extent of that story can only be told by showing not just the items you will pay for in cash, but the value of in-kind gifts as well.

Note the following sample line items:

Line item	In-kind value	Cash	Total Budget	NOTES
Goods for Mama's Pantry	\$25,000	0	\$25,000	All goods for Mama's Pantry program are donated by local retailers
Printing	\$5,000	\$5,000	\$5,000	XYZ Printer provides a 50% discount!
Secretary	\$ 8,000	\$35,000	\$ 43,000	½ time volunteer clerical assistance, valued at \$8/hour, plus FT secy (cash)
Total	\$38,000	\$40,000	\$73,000	

These 3 columns show the real value of the work you do, as well as the many partners who make that work possible.

- ✓ They show what you will be receiving in-kind through donations of goods and service.
- ✓ They show what you will be receiving through deep discounts by folks who support your mission.
- ✓ They show the enormous support provided by your volunteers.

✓ They show the extent to which your work is engaging all the resources your community has to offer.

THAT is the real story of your organization's work.

You can then not only say, "We provide \$1million of service to the community, on a cash budget of \$500,000," but you can back that up with real numbers!

A great example of this is Food Banks, who learned a long time ago that the value of what they receive in donated goods far outstrips their cash donations. Food Banks know that their real story is all of what they receive, combined.

Summary

Once you are showing the in-kind portion of your budget, then you can branch out to ensure the budget shows what you're proud of. Do you have a new program? Have you incorporated your Community Impact Plan into the budget? Note those things, and make them show! Or if you have donors or funders who want to know about admin / program ratios, consider making that the format of your budget. There are all sorts of ways to prepare the budget to provide a more accurate story of the organization's plans.

And then, when you are done adjusting the budget, it will be time to move on to the other financial statements your organization produces. A great place to start is your 990 - the form you file with the IRS. There are a number of places on the 990 that actually ask organizations to tell their story. And while the budget talks about your plans for the future, the 990 talks about what you actually did accomplish. Use that opportunity to crow!

From there? The Profit and Loss statement. The balance sheet. You may want to look into the burgeoning field of Social Accounting.

The more we consider the possibilities these reports have for showing our real story - **not** just the story of our financial effectiveness, but the more important story of our mission effectiveness and how we are engaging the community in that work - the more we will see what incredible tools we already have for adding to the dialogue as we engage our communities in our missions and our work.

* For more about budgets and other financial matters, see "**The Dirty Little Secret of NonProfit Boards**" CLICK:


http://www.help4nonprofits.com/NP_Bd_DirtyLittleSecrets_Art.htm

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