



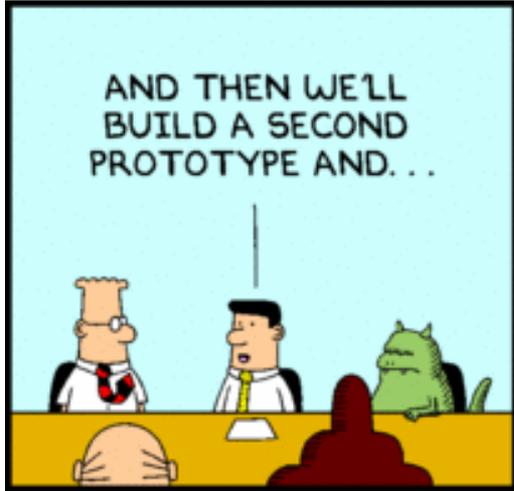
# How to Create a Simple Budget

Presented by:

**Fong Yee**

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www.dilbert.com scottadams@aol.com

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# Budgeting

Title VI programs do not require budget, but... money does not grow on trees



# Your Income

- Grant awards:
  - Part A
  - Part C
  - NSIP
- Tribal funds?
- Voluntary Contribution?
- Donation?
- Others?



# Sample

|                                      |                        |            |                   |
|--------------------------------------|------------------------|------------|-------------------|
| Annual income                        |                        |            |                   |
|                                      | Grant awards           |            |                   |
|                                      | Part A                 | \$ 107,430 |                   |
|                                      | Part C                 | \$ 34,550  |                   |
|                                      | NSIP                   | \$ 8,230   |                   |
|                                      | Total grant awards     |            | \$ 150,210        |
|                                      | Tribal fund            |            | \$ 135,346        |
|                                      | Voluntary contribution |            | \$ -              |
|                                      | Donation               |            | \$ -              |
|                                      | Others                 |            | \$ -              |
| <b>Total estimated annual income</b> |                        |            | <b>\$ 285,556</b> |
| <b>Estimated monthly income</b>      |                        |            | <b>\$ 23,796</b>  |

# Fixed Costs

- ✓ Rent
- ✓ Salaries
- ✓ Benefits
- ✓ Telephone
- ✓ Insurance
- ✓ Indirect
  - Find out what indirect cost your tribe charged to the program; and
  - Understand what is included in the indirect cost so you will not charge the amount twice



# Sample

|   |               |    |                   |
|---|---------------|----|-------------------|
| Annual fixed costs                        |               |    |                   |
|   | Rent          | \$ | 26,000            |
|   | Salaries      | \$ | 36,000            |
|   | Benefits      | \$ | 9,750             |
|   | Telephone     | \$ | 5,600             |
|   | Insurance     | \$ | 4,200             |
|   | Indirect cost | \$ | 21,086            |
| <b>Total estimated annual fixed costs</b> |               |    | <b>\$ 102,636</b> |
| <b>Estimated monthly fixed costs</b>      |               |    | <b>\$ 8,553</b>   |

# Variable Costs

- ✓ Raw materials and supplies
- ✓ Wages (hourly)
- ✓ Utilities
- ✓ Repair and maintenance
- ✓ Fuel
- ✓ Supplies
- ✓ Travel & events
- ✓ Advertising/printing services



# Sample

| Annual variable costs                   |                        |           |                  |
|---|------------------------|-----------|------------------|
|   | Raw materials/supplies | \$ 43,780 |                  |
|   | Hourly wages           | \$ 810    |                  |
|   | Utilities              | \$ 8,700  |                  |
|   | Repair/maintenance     | \$ 1,980  |                  |
|   | Fuel                   | \$ 2,950  |                  |
|   | Supplies               | \$ 7,300  |                  |
|   | Travel and events      | \$ 14,500 |                  |
|   | Advertising/printing   | \$ 250    |                  |
| <b>Total estimated variable costs</b>   |                        |           | <b>\$ 80,270</b> |
| <b>Estimated monthly variable costs</b> |                        |           | <b>\$ 6,689</b>  |

# Know Your Numbers

Compare your numbers:

|                                     |             |
|-------------------------------------|-------------|
| Actual monthly income               | \$ 20,132   |
| Minus actual monthly fixed costs    | \$ (10,895) |
| Minus actual monthly variable costs | \$ (21,360) |
| Shortage                            | \$ (12,123) |

1. If budget is over, find out why and adjust your activities
  - Temporary fixes, i.e. avoid expensive entrees
2. If budget is under, find out why and adjust your activities
  - Temporary fixes, i.e. provide more roast beef lunch!

# Best Practice

1. Keep good records
2. Keep copies of all invoices/receipts
3. Coordinate with your finance office
4. If budget is over or under, find out why and adjust your activities
5. Avoid the need for carry over and loss of funds!!!





