

A mural featuring the word "ARTS" in large, blue, dotted letters. To the left is a partial portrait of a man's face, and to the right is a full portrait of a woman's face. The background is a mix of red, yellow, and blue patterns. In the foreground, there are thin branches with small yellow flowers.

Creating a Budget Non-Profit Track

December 7, 2020

MIT Creative Arts Competition

Introductions

- About the Legatum Center
 - Mission: Build inclusive economies through innovation-driven entrepreneurship
 - Get involved: legatum.mit.edu; @mitlegatum
- Let's Get to Know Each Other
 - Your name, MIT Program, Team
 - What's your favorite creative/artistic activity?



Agenda

- Building a Budget
 - Why is this important.
 - What to include.
- Fundraising
 - What to consider.
- If we have time:
 - Build a budget.
 - Fundraising tips.
- Q&A



Building a Budget

Your budget is the first step in forming an accurate financial picture of your startup.

1. Allocate time to building and maintaining a budget.
2. Include all of your expenses.
3. Maintaining a budget will make it much easier to build a **sources and uses** table and your **financial statements**.

Hannah Regier, “Why are these hats so expensive?”
<https://www.skylikesnow.com/writings/why-are-these-hats-so-expensive>



Expenses

Categories

- Your workspace (rent for co-working or studio space)
- Administrative (Internet, staff computers, G-suite, web hosting, snacks)
- Staff compensation*
- Program/Project expenses (materials, supplies, space)

*Find a way to approximate the value of the time and expertise of unpaid staff members.

A good list is available here: <https://getfullyfunded.com/your-new-nonprofits-first-budget/>



Income

Categories

- Revenues from sales
- Grant funds
- Prize money (taxable?)
- Donations
- Unpaid staff time (donated time)
- Others?

Example: Lending Organization in Oaxaca, Mexico



	July	August	September
Income			
<i>Tours</i>	3000	2500	2500
<i>Donations</i>	1000	1000	1200
<i>Courses</i>	2000	1500	2500
Total:	6000	5000	6200
Expenses			
<u>Staff Salaries</u>			
<i>Executive Director</i>	1800	1800	1800
<i>Administrator</i>	1200	1200	1200
<u>Programs - Tours</u>			
<i>Transportation</i>	150	150	150
<i>Lunches</i>	200	170	170
<u>Programs - Courses</u>			
<i>Transportation</i>	150	150	150
<i>Lunches</i>	100	75	125
<i>Materials</i>	300	230	350
<u>Special Events</u>	750	500	750
<u>Administration</u>			
<i>Marketing</i>	20	20	20
<i>Webhosting</i>	50	50	50
<i>Staff Lunches</i>	400	400	300
<u>Loans to Artisans</u>	880	255	1135
Total:	6000	5000	6200



Fundraising

- Grants and prize funding are great for startups.
- Focus on the sustainability of your model. Non-profits that are successful in the long-term build financial sustainability into their operations.
- Evaluate whether your mission aligns with those of funders/donors.
- Consider reporting requirements and attribution.
- Measure and evaluate the impact of your organization.
- [Times of Entrepreneurship](#) by Elizabeth MacBride is a good resource for local funding opportunities.

