asia catalyst

Nonprofit Survival Guide
2011

The Nonprofit Survival Guide

Introduction

About the Nonprofit Survival Guide

Asia Catalyst created the Nonprofit Survival Guide website and handbook to provide some basic advice to grassroots nongovernmental organizations (NGOs) on some basics of running a nonprofit or an NGO. Everything in this handbook is provided in Chinese and English, and is also available for free download at www.asiacatalyst.org.

Asia Catalyst is a US-based NGO that provides one-on-one coaching to grassroots health rights groups in China and other parts of East and Southeast Asia to develop organizational management skills. We usually work with groups in their own offices, working alongside them as they develop strategic plans, volunteer management systems and financial management systems.

These materials were developed through our coaching and incubation work, and include tools we often use when coaching groups in these skills. By following the steps in this guide and using the templates and samples provided, you can help to build a solid foundation for your organization. Naturally, each organization has its own unique context and internal culture. We recommend adapting these templates and samples to fit the needs of your organization.

In working with groups, though, we have found that certain things are absolutely essential as a foundation for the growth of a grassroots group. These include

- **A core team**. In our experience, an organization where all power is concentrated in one leader is unstable; vulnerable to poor decision-making, financial mismanagement and abuse; and ultimately, unsustainable. From strategic planning to financial management, it is essential to involve a core group of equals in decision-making—even if some or all of them are unpaid volunteers. This is more than just good management: the process of forming such a group also teaches leadership skills and democratic decision-making, essential skills for promoting progressive social change in the world outside of the organization. The Volunteer Management section of this guide can help you to build such a team over time.

- **A strategic plan**. We use a simple "logic model" form that enables grassroots groups to easily see how their long-term vision relates to medium-term goals and short-term outputs. We strongly recommend creating a new plan once each year, and holding a quarterly meeting to evaluate progress.

- **An organizational budget**. Many grassroots groups do not have a budget for their whole organization, including administrative costs—instead, they create a new budget every time they apply for a grant. Good management requires knowing your organization's financial needs and condition at all times. We provide a simple budget and guidelines for those creating budgets for the first time.

We hope you find these tools useful. Contact us if you have questions or suggestions about these, or about future management tools you would like us to create, at info@asiacatalyst.org.

Strategic Planning

Strategic planning is key to the success of any nongovernmental organization (NGO). Strategic planning involves clearly describing your vision, identifying what you contribute to the work that makes you the best organization to run your projects, as well as laying out your goals and how you plan to get there. To help, we've produced a series of handouts and accompanying templates that will lead you in the process. You can use each of these handouts alone if you have specific needs, or all together to create a strategic plan.

Begin with the handout How to Create a Strategic Plan as a step-by-step guide through the entire process. It will show you how to make use of the Template | Strategic Plan Model at the same time. While you are conducting a strategic planning session, you might also want to use the handout, How to Draft a Vision Statement. The process of writing a vision statement is an important way to unify and focus everyone in the group on a shared goal. How to Map the Field is a group exercise that will help you identify the added value your organization provides, relative to other groups working in the same field. We've also provided a Sample | Map of the Field, so you can see what it should look like.

Next, How to Create a Timeline can be used to outline the main tasks, events, and deadlines that you have coming up. This will helpful you manage your time and responsibilities among the staff throughout the year.

The strategic plan is the most important document of your organization. It clarifies how your everyday activities tie into your vision for the future. When it is done, you should print it out and look at it every day.

It is possible to spend a great deal of time creating a strategic plan. The approach described here is simple and minimalistic. Following these guidelines, a small group can quickly create a workable plan and begin implementing it immediately. Larger organizations may need to spend more time in preparation and planning.

> **Update Regularly** The strategic plan should be a living document. For small groups, we recommend creating a plan annually and updating it every three to six months.

PREPARATION

The organization should prepare for the planning meeting by gathering input into your current work from the community you serve, your donors, your board, and ally organizations. Ask what they see as the major strengths and weaknesses of your group's approach, and the greatest opportunities and risks to your work. You may not agree with all their comments, but this consultation will give you a clearer picture of how others see your work.

Based on their input, you should be able to identify a few key issues that need to be addressed in the planning process. You may even want to invite one or more of those people to come to the planning meeting and to share their thoughts with the whole group.

THE PROCESS

Everyone, including the board, staff, and volunteers, should have input into your organization's plan. This is a chance for everyone to agree on the shared goals, and to understand why everyone should work together as a team for the rest of the year. It is also important because if we want to build a more just and egalitarian society, we have to begin in our own organizations, by valuing and respecting every individual's right to participation and right to freedom of expression. Useful ideas can come from every part of the organization.

Begin the planning meeting with a discussion about the current environment for your organization's work. Ask someone to present briefly on major new developments, such as significant policy changes that affect your work. Have someone else sum up, either in writing or verbally, the programs from the past year and what the organization's experience has been with them. This provides some background so that planning does not happen in a vacuum.

> **The Basics** Set aside time to discuss for at least a few hours or a day. We like to buy food and drink for everyone, ask everyone to turn off cell phones and stop checking email, and post large sheets of paper up on the wall where we draw the plan. We ask someone with good handwriting to fill in the boxes, so that everyone can see the plan as it develops. Ideally, it's best to have an experienced facilitator from outside the organization run the meeting, as she or he will be more objective and can help to resolve any conflicts.

THE LOGIC MODEL

The Logic Model is a conceptual tool that helps you visualize your strategic plan. With it, you can draw the connection from your organization's resources, actions, outputs, and outcomes to the ultimate goal that your group wants to achieve in your community. It is a good way to assess your programs.

Move from right to left, filling in one column at a time. Start by reviewing your Vision and make sure you all still agree with it, then move to the left and discuss Outcomes, then Outputs, and then Actions. Try not to think about the Actions (programs for this year) until you finish the columns to the right of it. The number one mistake most groups make is to make decisions about this year's programs before the other columns on the right are done.

If you find during this planning meeting that you are making tough decisions and deciding not to do certain things that you really wanted to do, then you are doing this correctly. That is at the core of planning: evaluating what resources you have, and making realistic choices.

Vision | 20-Year Goal

This is the ultimate vision of your organization, the thing that motivated you to start doing this work in the first place. It should be even simpler than your mission statement: a short, clear statement of only one or two sentences that describes what you hope will be the end result of your work. It should be ambitious and inspiring. Good examples: "End homelessness in Beijing," "All courts in Indonesia sentence drug users to rehabilitation, not prison." Make sure you have consensus in the whole organization about this statement. If people find it difficult to come up with this statement, ask them to visualize a world in which your group's work is no longer necessary, and describe it in one sentence. See How To Draft A Vision Statement.

Very Important Every single program activity of your organization must be included in the plan. If your executive director spends 50 percent of her time speaking at international conferences, then that should be an Action on the plan and that connects to Outputs and Outcomes. If it doesn't connect, she may need to spend less time traveling. If you're spending half your budget running a shelter for battered women, but all your Outcomes are about something else entirely, you can't just leave the shelter out of the plan. Maybe you need to think of ways that the shelter can help to achieve Outcomes, or maybe you need to add steps in the plan to phase out the shelter. Look at every single thing you do and make sure it is helping you reach your goals.

Outcomes | 5-10 Year Goals

What are the steps that need to happen in five years in order to achieve your 20-year goal? These are big changes, but they are also things that are clear and measurable milestones—a specific change in law or policy, or a new facility established. At the same time, these Outcomes should be realistic. There should be no more than three or four Outcomes, and they should all clearly be steps towards the 20-year Output.

Some poor examples: "More homeless people know about their rights" or "National government improves policies on drug users." Better examples include: "Build new homes for 500 homeless families in New York City," or "All hospitals in our province will provide methadone to patients who are recovering injection drug users." These are statements that are ambitious, but also clearly measurable. This is also a time to return to the inputs you received during the preparation phase and to evaluate your organization's work last year. Are there things your organization does especially well? Are there things you do now that other groups do better? Are the outcomes building on your existing experiences, and your organization's strengths and resources?

Outputs | 2-Year Goals

This is often the most difficult part of the process, because it's the part where vision meets reality. Most organizations spend a lot of time working on this column. In this column, you need to come up with specific, achievable results of your work in the next two years. Each of these should lead clearly to at least one of your 5-year Outcomes. Each Outcome should have at least one Output that connects to it. You will need to make tough choices in this section and be honest about what you can really achieve with the staff and funding you currently have.

What's the difference?
Outcomes are goals that are achievable in 5-10 years, while Outputs are goals you can achieve in the next year or two. Outputs are smaller steps that will lead to the achievement of an Outcome.

You also have to be sure that your Outputs logically result from what your organization actually does. This is where common sense becomes important. For instance, if all your Outcomes (5-10 year goals) are about legal and policy change, but all your current programs are services such as providing food and medical care, then that is not a logical plan, and something will have to change. Some people like to use very specific numbers here. Others prefer to keep it more vague. Either one is fine, but try not to have more than 5-8 Outputs. For a small organization, eight Outputs is a lot to accomplish in two years.

Actions | Next Year
Once the Vision, Outcomes and Outputs columns are done, this part is easy. It's just the programs you will do this year in order to create the 2-year Outputs. For instance, if your Output is "40 people trained in legal rights," your Action may be "two legal rights workshops for 20 people each." Each Action should have at least one arrow pointing to an Output. Try to be as specific as possible, using concrete numbers.

Resources | What You've Got
Writing all these goals can be overwhelming. In this column, you brainstorm about people who can help you get this done: current and potential funders who might support your work, other NGOs that can share resources with you, university programs that might sponsor events, experts who might help with training. List all the people you need to reach out to in order to do the programs. You can also list all the current resources you have: office space, computers, printer, and other items that help you do your work. The nice part about this step is that it is a reminder that while the tasks ahead are ambitious, your organization is not alone.

FINALIZING THE PLAN
Take one more look—does every box have an arrow that points to another box? Is there a logical relationship between each part of the plan? Will the Actions result in the Outputs, and will those lead naturally to the Outcomes? Have you included absolutely every one of your programs?

Boxes and Arrows To create a new box, move the mouse to the box corner. When you see the crossed arrows, click on the box and hit Ctrl+C. Unclick on the box and hit Ctrl+V. You can drag the box around to where you want it using the mouse. To copy an arrow, click on it and hit Ctrl+C, then unclick and hit Ctrl +V. When you click on the arrow, you can click on one of the small circles to change the arrow's shape or direction, and click on the body of the arrow to move it around.

NEXT STEPS
We recommend doing a few drafts of the plan internally, and then showing the plan to a few outside friends to get their feedback before you make the plan official. Finally:

1. Create a monthly timeline. Create a spreadsheet with Actions on the left, and the months across the top. Plan out the steps for each Action each month. Decide who will be responsible for each Action. If no one wants to be responsible for it, it should be removed from the strategic plan. See How To Create A Timeline.
2. Create an annual budget. Create a spreadsheet with Actions on the left and the cost of each Action in the next column. See How To Create A Budget and Template | Budget.
3. Send the plan to your donors. Donors appreciate seeing the big picture of your work and how the projects they support fit into your long-term strategy.
4. Post the plan, budget and timeline in the office where you, your colleagues and visitors can see it each day.
5. Review the plan and see whether you are making progress in six months. Are the Actions leading to the Outputs you planned? Why or why not? If they are not having the result you intended them to have, you may need to reevaluate whether or not these are the right Actions.

For more of the Nonprofit Survival Guide, visit:
www.asiacatalyst.org

WHAT DOES IT MEAN TO "MAP THE FIELD"?

This is a group exercise to help you to identify where your organization fits into the larger "map" of all the organizations working in your field. This visualization tool can be incorporated into your strategic planning session.

THREE REASONS WHY MAPPING IS IMPORTANT

There are three important reasons to spend the time to create your map.

1. It is pointless to duplicate work that is already being done by others. If you just repeat research that other groups are doing already, you will have to compete with them for funding and attention.
2. Stake your claim. The first question donors and the people you take the report to will ask is, "Have you spoken with [X group]? I hear they are working on the same issue." If you have to tell them that you haven't spoken with X group, you will look inexperienced and uninformed about the field. By speaking to other groups, you are also letting them know that your organization plans to join the field.
3. Assess the resources at your disposal. Through mapping the field, you will be able to see how many other organizations already work on the issue, and what your added value can be. This information can also help you decide whether or not you need to or want to partner with another group for specific projects.

THE PROCESS

1. The group should come up with a list of organizations working in your region and that provide related services. Members of the group can call these out as they think of them. One person should write a list of the organizations on the board, so that everyone can see which organizations have been mentioned and which have not. At the same time, a second person writes each organization's name on the front of an index card (one card for each organization). The list should include NGOs, academic institutions, community-based groups, individual experts, and government agencies.
2. Once the group has finished the list, spread all the index cards out on the table where everyone can see them. You can add notes on the cards about what programs each organization offers.
3. Put your organization's card in the middle of the table. Try to group the cards together around it: which organizations are working on similar issues, or use a similar approach? For instance, if you are working on HIV/AIDS prevention among MSM, you may have one section of the table for other MSM groups in your region, one section for academics researching MSM, one section for HIV/AIDS groups working with sex workers (some of whom are MSM), etc.
4. When you are done, glue the index cards on the large sheet of paper and use a marker to draw lines to connect groups that are related to each other. Through this process, you should be able to see how your organization fits into the larger field.

> **For this exercise, you will need:**
> ☑ A stack of index cards
> ☑ Pens or pencils
> ☑ Two large sheets of paper
> ☑ Markers
> ☑ A large table

> **Points for discussion**
> • What service do we provide that other organizations are already doing (as well or better)?
> • What do we do that no one else does as well?
> • What is unique or special about our approach?
> • Is there a service that no one is providing, but that we are well-equipped to provide? Is there a "space" that we should move into?

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HOW TO DRAFT A VISION STATEMENT
Nonprofit Survival Guide

YOUR VISION

Your vision statement is the first piece to create in a strategic plan, and an important way to unify and focus everyone in the organization on a shared goal.

The vision statement describes the change your organization will have on the group you are targeting with your work in the next twenty years. The statement should be even simpler than your mission statement: a short, clear statement of only one or two sentences that describes the end result of your work.

A vision statement has three parts:

1. The group our work hopes to affect. Examples: "women with HIV/AIDS," "Tibetan snow leopards," or "NGOs working on homelessness."

2. The geographic location where your work is focused. Examples: "Bangkok," "Yunnan Province," or "Southeast Asia."

3. The major change this group will experience as a result of your organization's work. Examples: "know and can advocate for their legal rights," or "significantly increase their English literacy." It is okay if this goal is a bit abstract, as the strategic plan will require you to break it down into smaller steps later on. It should be ambitious and inspiring, and there should be a clear group consensus around the statement.

The following exercise is one way to work together with a group to develop a vision statement. If your group is more than four or five people, we recommend that you break the group down into groups of four or five. In a strategic planning meeting where you may have people of many different levels working together, we try to create groups of people who will be comfortable speaking to each other, and assign one person who is good at facilitating discussion to be the group leader.

STEP-BY-STEP

1. Identifying the problems | Ask each small group to create a list of three or four key problems they believe the organization is working to address, and write these down.

What you will need:

- ☑ Large sheets of paper
- ☑ Colored markers – enough to give each small group 4 or 5 colors
- ☑ Tape
- ☑ Enough wall space to post the pictures when they are done

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2. Imagining the future | Ask each group to imagine that they have been out of the country for ten years. They have arrived back to find that their dreams of how the society should be, in terms of the problems they have identified, have been fulfilled. The problems are solved and the society is functioning just as they had always hoped. Give them a few minutes to discuss what that ideal society will be like.

3. Creating a visual aid | Each group should draw a picture of what this ideal future society will look like. Tell them that they can use color, shape, words, and/or images. When the picture is done, each group should also come up with one sentence to describe this ideal future society.

4. Sharing the vision | Have each group present its picture and explain what it represents to the rest of the participants. The facilitator should capture key words, especially anything that is value-related (e.g. equal access, affordable, quality health care, equitable allocation, democratic, etc) and write these on a large sheet of paper or dry erase board where the whole group can see them.

5. Creating the final statement | The whole group studies the words and statements and jointly constructs a vision statement that reflects the range of input.

> Begin the vision statement with phrases such as:
>
> ☑ We strive for …
> ☑ We believe that …
> ☑ We are committed to …

6. Delegating to a committee | If the large group is finding it difficult to agree on a joint statement, we sometimes create a committee with one representative from each group that works together separately to draft a vision statement while other members work on other parts of the strategic plan. (Also see How To Create A Strategic Plan.) The committee can then present the statement to plenary and invite the whole group to edit it.

Good examples of vision statements include: "End forced eviction in Phnom Penh," "All people with HIV/AIDS in China know and can advocate for their legal rights," or "All courts in Indonesia sentence drug users to rehabilitation, not prison."

Once you have reached a consensus among the participants in the large group, your organization will have a vision statement to guide its work.

For more of the Nonprofit Survival Guide, visit:
www.asiacatalyst.org
HOW TO DRAFT A VISION STATEMENT
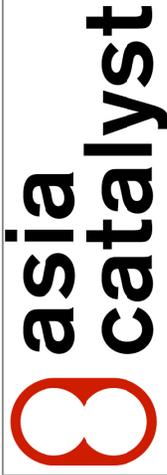
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WHY DO WE NEED A TIMELINE?

Once you have finished the Strategic Plan (see How To Create A Strategic Plan), we recommend putting the Actions from the plan into a year-long timeline. Mapping out the timeline helps you see what events, deadlines, and tasks are coming up, so that you can plan adequately for each Action. This helps to plan out the full length of your programs and to think through each step, how long it will take, and who should be responsible. This way, you can also see if there are times there is too much going on and make adjustments to avoid overloading your staff and volunteers.

Very Important If no one wants to be responsible for a particular Action that is listed on the timeline, it should be removed. The purpose of mapping a timeline out is so you can see what is feasible for your organization.

For this exercise, you will need:
☑ 1 large sheet of paper (annual timeline)
☑ Markers
☑ A large table

STEP-BY-STEP

1. Draw a chart on the large piece of paper, horizontally from left to right.
2. List the Actions on the left, and the months across the top.
3. For each Action (or project), think about how much time is needed to prepare, and write the steps into the appropriate months.
4. Decide who will be responsible for each Action and label it on the timeline after the task.

SAMPLE TIMELINE: AIDS EDUCATION ORGANZATION

ACTIONS	January	February	March	April	May	June	July	August	(Continue through December)
Action 1: Report on Rights Discrimination		Consult with allies and other organizations (Mei)	Map the project (Mei)	Conduct research and interviews (Mei and Kairu)			Create outline (Mei and Kairu)	Begin report writing (Mei)	
Action 2: Legal workshops	Create legal rights manual (Bob)		Legal rights workshop 1 (Bob and Neila)	Follow up with workshop participants (Neila)	Continue follow up with workshop participants (Neila)				
Action 3: Outreach to PLWHA	Party at local community center (Kairu and Bob)	Street outreach (Kairu)	Street outreach (Kairu)	Second party at local community center (Kairu and Bob)	Street outreach (Kairu)	Street outreach (Kairu)	Workshop on living with HIV (Kairu and Bob)	Street outreach (Kairu)	
Action 4: Fundraising		Small dinner for potential donors (Gao)		Deadline for Ford Foundation grant application (Gao)		Ford Foundation grant report due (Gao and Bob)		PLWHA Panel and reception (Mei)	

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TEMPLATE | STRATEGIC PLAN MODEL
Nonprofit Survival Guide

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RESOURCES
Current or potential donors, allies, experts who can help you this year

ACTIONS
Specific activities or programs for this year

OUTPUTS
Short-term measure of strategy success (1-2 yrs)

OUTCOMES
Medium-term milestones (5 to 10 years)

VISION
Long-term impact (20+ yrs)

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SAMPLE | MAPPING THE FIELD
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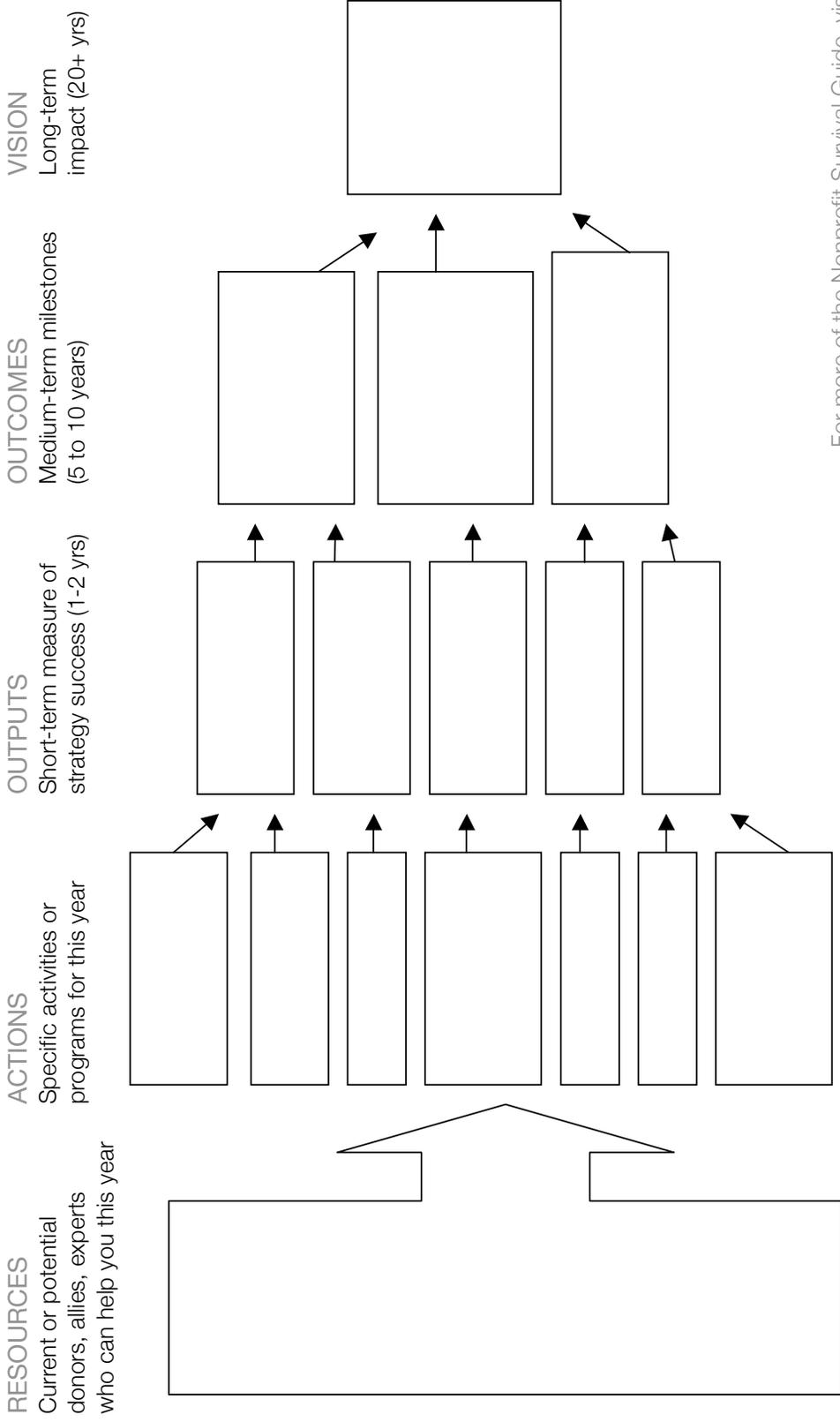
How to use the map | Put your own organization in the middle of the map, and identify other groups who work on similar issues. Note that the organizations closest to you on the map are not the organizations with whom you have the closest relationship, but ones that do work most like yours. Also, put groups together based on what they do (advocate for children's rights), not who they are (government, NGO). Once you have created a basic map, discuss what tactic or issue makes your organization unique.

Children's health center

Home for runaway children

Groups providing frontline services to children

Group conducting advocacy on access to pediatric treatment for children living with HIV/AIDS

Groups advocating for children's rights

Save the Children

UNICEF

Local NGO advocating for migrant children

National network of people living with HIV/AIDS

Groups advocating for treatment access

Doctors Without Borders

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Volunteer Management

In our experience, establishing a system for managing volunteers and giving them an opportunity to develop new skills and responsibilities will strengthen your organization and make it more stable in the long run. Before you begin recruiting volunteers, consult How to Plan Volunteer Projects to outline the projects you need help with, and use the Template | Volunteer Project Chart to help with this step. When you have an idea of what you need help with, go to How to Recruit Volunteers for advice on how to find a good fit. You can also use the Template | Interview Questionnaire to lead you through an interview with a candidate.

A volunteer orientation establishes the nature of the relationship you are beginning between your organization and its volunteers. How to Conduct A Volunteer Orientation shows you how to break the ice, what you should cover, and how to integrate volunteers into your group. If you have several volunteers, it is helpful to create a system, and How to Manage Volunteers can help you do that. The Template | Volunteer Database will help you keep track of important information about your interns.

Your volunteers may become future NGO leaders, or leaders in your own organization. How to Develop Future Leaders is a tool to use in identifying who may become a future leader, preparing them for leadership, and helping volunteers to grow within the organization. When volunteers leave, you can ask them to give you feedback via the Template | Volunteer Exit Memo, so you can learn from the experience and improve it for future volunteers.

WHY VOLUNTEERS?

There are many reasons to include volunteers in your organization. Your staff may be overloaded and need some extra hands, or you may want to expand the base of support in your community. You may also be interested in training members of your community to address their own issues and in empowering them to speak out, or in developing the next generation of leaders.

It is important to have a good system for recruitment and management of volunteers so that the organization's needs are met, and the volunteers feel that they have a good learning experience. A well-managed volunteer program enables volunteers to feel successful and enhances your organization's reputation.

> **Very Important** Never just bring someone into your organization without thinking it through. We've learned this one the hard way: it ALWAYS matters who it is. An organization is a living organism made out of people, and every single person in your organization is important. In a few months, when you are stressed out over managing a difficult person, you might regret that you weren't more careful. Be objective during your interview, and don't let yourself be charmed too easily just because someone has a nice personality. If you're not sure, ask another colleague to give you his/her opinion.

THE PROCESS

How do you find volunteers? You can promote your volunteer program in social situations, distribute flyers, send out emails, post an ad on your website and other recruitment websites, and hold volunteer recruitment meetings. To get a wide pool of volunteer candidates, we suggest doing all of the above.

You should have an internal system for interviewing and hiring each volunteer. It should be a systemic approach: the steps you take should be a procedure that is the same for each person, whether the volunteer is someone you just met on the street, or a friend you've known for 20 years. Making everyone follow similar steps for recruitment, and having everyone begin and start at the same time, creates an ethic of fairness in the organization and avoids the impression that the organization is run by cliques (more about that in our section on management).

Keep in mind that the people you are asking to volunteer have needs too, and they may be different from yours. They could be looking for a supportive community, a chance to contribute something positive, and a way to empower and express themselves. They could also be looking for work experience, a recommendation for a future employer, or a way to get into this professional field. You need to have a way of assessing whether their reasons are compatible with your organization's methods, mission, and work environment.

STEP-BY-STEP

Job Description: You should create some short job descriptions that you can show to potential volunteers. It is best if these are tailored to specific programs, so that it is clear what you expect volunteers to do. You can also include any special skills or experience required, and how much time volunteers commit to giving. This helps the potential volunteer to decide whether one of the jobs is appropriate for her.

Application Form: We recommend creating a simple application form for volunteers to fill out which includes the basic information you need to follow up with people: name, address, phone number(s), email address, areas of interest, skills to offer, hours of availability, some relevant work or volunteer experience, and emergency contacts. This will make it easier for you to assess the right person for each job, and will also make it easier for you to find someone if a volunteer doesn't show up when she is supposed to, or if there is an emergency.

Sample | Volunteer Job Descriptions

Title | Give the position a short title that indicates what the volunteer will do.

Major Objectives | Describe the goals that the volunteer will work towards.

Major Responsibilities | List specific duties and responsibilities, including any regular volunteer meetings.

Qualifications | List any skills, education or personal qualities needed to perform the job.

Time and Place | The number of hours and days of the week the volunteer is needed, and the place where the volunteer will perform the job.

Length of Commitment | Give the start and end date for the volunteer position. If you both want to extend it, you can always do so later.

On-the-job Supervision | State which person each volunteer reports to, and how often the volunteer will see each supervisor.

Benefits | List any expenses that will be paid or materials provided.

Interview: A short interview, one on one, gives you an opportunity to talk to the potential volunteer about her interests and experience and assess whether or not she are the right fit for your organization. You should also take the opportunity to really listen to the person and hear what her concerns and interests are. Listen to see if she sounds reliable and sensible. Does the person really understand and care about the mission of your organization? What is it that she needs or wants from the experience? Can she explain how she would implement a difficult task? Does she have a good understanding of what your organization does, and how she can help? Give her a chance to ask questions too. If you're not sure about whether or not to bring someone into the organization, ask one of your colleagues to interview her too. Also, some organizations that work on political issues may need to be careful about troublemakers who come in with the intention of disrupting the work or inciting conflict. This is an old tactic used by many countries, and is yet another reason to start off new volunteers with very minimal levels of responsibility, so that you can learn about new people and build trust gradually over time.

References: If the volunteer job involves any special responsibility or experience, especially handling money or working with vulnerable people, ask for references, and call the references to ask about the person. The references can be a former boss, colleague, or someone else who can speak to the candidate's relevant experience. Listen for what the referee does not say, as well as what she or he does say. If your program provides services or help to children, find out what the legal requirements are for volunteers who have contact with children in your town or state. In many countries, staff and volunteers who work with children may need to go through background checks and register with the authorities.

Decision: Once you have made a decision, inform the applicant quickly. If you find someone good, get them involved early and often. The longer you take to involve them, the greater the chance that they will change their minds about volunteering. Even if you don't have a volunteer orientation right away, maybe you have some events coming up that volunteers can participate in.

BUILDING A FOUNDATION

When you design a volunteer management system, you are building the foundation of new relationships. You don't know where those relationships will lead when you start: some volunteers will drop out after a month, while others may become involved for years and could eventually become leaders in the organization. One of the first things to think about before recruiting volunteers is what everyone involved needs from the relationship. Let's take a look at what your organization might need, versus what a potential volunteer might need.

Your organization's needs:	The volunteer's needs:
☑ More hands to get work done	☑ A supportive community
☑ A larger network of supporters/members to develop the work	☑ A chance to contribute to something constructive
☑ To empower members of the community to address their own problems	☑ Empowerment and self-expression
☑ A core team to grow the organization	☑ To have a good time
☑ A pool from which you can develop new leaders	☑ Work experience that can lead to other professional opportunities
	☑ New skills/knowledge

Creating a volunteer system, with regular practices and tools, is an important way to ensure that the organization runs smoothly even if there are people coming and going every few months. The structure provided by an established system will enable volunteers to be and feel successful.

EVALUATION

With volunteers, periodic evaluations are very important. You need a way to evaluate whether or not they are succeeding as part of your organization, and they need constructive feedback and to know that you appreciate what they are contributing. If someone is getting off track, you need to be able to stop the problem at the outset, before it gets out of control.

Therefore it's important to have private meetings, away from other staff or volunteers. We recommend a check-in meeting halfway through the volunteer's committed term, where the volunteer coordinator meets with each volunteer and asks:

1. How is it going for you so far?
2. Are you doing what you thought you would be doing?
3. What are you enjoying about volunteering?
4. What do you find challenging, or what do you wish was different?

The nature of volunteers is that they come and go. Most of the people who start volunteering with your organization will not stay forever—in fact, some may drop out before they finish the period they have committed to. This is part of why it's important to have new volunteers joining regularly, and also why it's important to focus on selecting and nurturing people who are involved so that their needs get met, as well as the needs of your organization. To accomplish this, we recommend evaluation meetings, and taking steps to make sure volunteers' needs are met. With volunteers who get REALLY involved, you should also take steps to avoid burning them out.

Let the volunteer speak first, then you share your feedback about how they are doing. It's a good idea to let them go first, because some of what you have to say may be things that the volunteer already knows, and it may be easier for the volunteer to discuss the problem if she has raised it first.

In giving a volunteer feedback, start with the positive feedback before raising the critical feedback. Most people find it easier to hear something critical about themselves if they have heard something

complimentary first. If you can't think of anything positive to say, you can always tell the person that you really appreciate the time they are donating!

If you have to give critical feedback, don't spend a lot of time going over what went wrong—instead, focus on finding solutions that will enable the volunteer to succeed. For instance, if someone seems unable to show up on time, you could suggest that you or another volunteer will call that person to remind them, or give them a ride to the office. Ask the volunteer for ideas for solutions also. People are more likely to actually do something if they feel they have thought of the solution themselves.

DEALING WITH CONFLICT

Humans sometimes have conflicts—it is normal. Sometimes people get frustrated when they have to work with one another. It's natural, but it can also be corrosive and destructive of the team if conflict is not managed well. Your organization should have a policy to deal with conflict. Some elements you might consider including in that policy are:

- Encouraging people who are in conflict to talk to one another, face to face, at the earliest opportunity, in order to come up with a solution to the problem.
- No nasty emails. If you see a volunteer is sending emails that attack or are angry at others, tell that person to first try to sit down with the person they have a problem with, and try to talk it through. It is very difficult for most people to discuss anything complex or emotional through email.
- If the attempt to talk it through in person doesn't work, the manager should meet with each side to fairly and objectively hear their side of the problem.
- Then, having heard both sides, the manager should get the two people into the same room and mediate a discussion in which they try to reach a solution. Encourage the two people not to focus on blame, and make it clear that personal comments or insults are absolutely never tolerated.

> This is a very simple approach to conflict management and the one that we use; some situations are much more complex, and may require multiple meetings, or difficult decisions by the manager that involve separating people who cannot work together.

- Once a solution has been reached, reinforce to both people that you value them both, but that working together collaboratively is essential to the organization, and you expect them both to make a reasonable effort to be part of the team. Keep a close watch after the meeting on how the solution works out.
- If the conflict is between the manager and a volunteer, then you may need to find someone outside of the organization to mediate.

It is the job of the manager to create a positive and constructive work environment. Managing conflict between people is the least fun part of the job, but it is the one thing that cannot be delegated.

The key in most situations is to tackle the problem as soon as it comes up. Don't procrastinate or hope it will just go away. If a problem is addressed in a calm and fair way early on, you have a much better chance of resolving it with a minimum amount of effort than if everyone avoids dealing with it.

MEETING THE NEEDS OF VOLUNTEERS

Here are some tips on how to make sure that your volunteers have a good experience with the organization and are equipped to continue making positive contributions.

1. Give volunteers recognition and let them see their impact. Most people need to feel recognized for what they do, especially if they are donating their time (but even if they are not). You can do this by throwing a party to thank volunteers, listing their names on your newsletter, annual report, or website, celebrating their anniversaries as volunteers with the organization, and giving volunteer awards. Informal recognition is important also: saying thank you, taking a volunteer out for tea or coffee, giving them a good recommendation if they apply for a paying job, or just pointing out in a meeting what someone has

accomplished. Small acts of recognition will buy you a lot of goodwill from someone who is working hard for little or no pay.

2. Help to build connections among volunteers, and between volunteers and other organizations. One of the main reasons people volunteer is to make new friends and connect with a community. Building those community connections also helps you to build the base of your organization. Create opportunities for volunteers to meet one another and work collaboratively. If you are going out for lunch or coffee with staff or visitors, invite volunteers to join you. If someone interesting is visiting your organization, invite volunteers to come into the office to meet that person for a chat over lunch.

3. Give volunteers a chance to build their skills. Find out what skills or knowledge would be interesting or useful for volunteers, and create some opportunities for learning. This could take the form of a workshop, or you could just partner one volunteer who is interested in a subject with another volunteer or staff person who knows a lot about that subject. Create a space in the office to share books and reports and other information that comes into your office that volunteers can read. Give volunteers an opportunity to represent your organization by attending public meetings or discussions.

4. Give volunteers an opportunity to have input. We strongly recommend a monthly meeting where volunteers and other members can evaluate recent projects, and discuss next steps. Volunteers are working at the grassroots, and they may see things about the organization that the directors never see—this is the opportunity for directors to learn from them. Treat everyone with respect and listen to what they have to say, even if what they have to say makes you uncomfortable. Some people may feel uncomfortable sharing their opinions in public—creating a suggestion box, or a work diary that anyone can write in, is a way to let people share their thoughts more privately. We especially recommend inviting volunteers to your annual strategic planning meeting, if you have one, and actively soliciting their input at the meeting.

AVOIDING BURNOUT

Burnout is a problem at all nonprofits and grassroots organizations. If your volunteers complain all the time, if they seem lacking in energy, if they seem pessimistic and unmotivated, and if they stop showing up for tasks, it's possible that they may be burned out.

The nature of this work is that people make huge personal sacrifices, giving their own time, energy, money, as well as the time and energy and money of their loved ones. These are not infinite resources, though unfortunately the need is infinite, and it is natural that after a while people get tired and depleted, and want to do something else.

Volunteers in particular are likely to get very enthusiastic in the beginning, over-commit themselves, and then become disillusioned or tired and quit. Some of this is the nature of the work, but we should encourage people not to be martyrs for a cause. Burnout can be avoided—or at least, slowed down.

Set realistic goals | The quickest way to burn people out is by overloading them with tasks, or assigning them projects that are too large. Be sure that you are gathering input from volunteers, especially in the beginning, about how long it takes them to do certain tasks. If it takes longer than they have committed to work for the organization, you need to adjust the task so that they can do it in the time they promised to spend. Some people work faster than others, and while you can push people to work faster, you may also have to adjust to reality.

> You should often revisit your project plan and re-evaluate your goals for each week based on the number of people you have, the amount of time it takes them to do the work, and the amount of work to be done. Do not let one person take on all the work for the whole group; encourage everyone to do their part equally.

Human rights starts at the office | People who are really committed to the work may not be good at taking breaks. They may just work and work without even stopping to eat until they're exhausted. As a manager, what you do will set the expectations for everyone else. If you take a lunch break, others will take a lunch break. If you never leave your desk, your volunteers will feel guilty about slacking off if they need to leave to get a cup of coffee. That guilt will quickly become resentment.

This is about respecting the human rights of people in our own organizations, and about thinking of volunteers as a long-term investment. People will appreciate your consideration and are more likely to return later, and recruit their friends to volunteer, and speak well of you to other supporters, if they believe you honestly have their best interests at heart.

We try to have regularly scheduled breaks that everyone takes together, where we actually leave the office for a bit, and we remind each other to leave the office promptly at quitting time. We take breaks on the weekends and on holidays, and if someone has to work long hours on one day because of a deadline or an important meeting, we encourage them to work shorter hours the next day. We also encourage volunteers to monitor what they are doing and let us know when it is too much, to adjust their work plan if they have a crisis in some other area of their lives (for instance, a sick child, a major exam), or to take a break from volunteering if they just feel burned out and need to do something else for a while.

Help to set priorities | Volunteers may feel pressured to take on more than they can handle. While your organization may genuinely have a lot of work that needs to get done, you need to be able to set priorities. What things really need to get done this week? What things really have to get done today? What things could be postponed until later? Involve the volunteers in setting priorities and help them to break projects down into tasks. When each task is done, then they move onto the next task. Emphasize what they have accomplished before tackling what still needs to be done.

Manage time effectively | If you have a volunteer who is an expert at legal research or at bookkeeping, it probably is not a good use of her time to make photocopies. Before each volunteer comes in, prepare with a list of things for her to do that are an effective use of her time. Ensure that she doesn't waste her time doing something unimportant.

Make it fun | Remember that people are donating their time, and some of it should be energizing and fun for everyone. Cooking dinner together, a group trip to the movies or to an event, or a celebration of a volunteer's birthday—these are all ways to celebrate and enjoy your team. Give volunteers a chance to express themselves, for instance by designing posters or banners or t-shirts together, working on shared projects, or creating a public display that showcases your work and everyone's comments about it. This gives volunteers something to remember their experience—which hopefully was a positive one.

Be inclusive and watch out for cliques | In some organizations, leaders or long-term volunteers who get to know each other will begin to feel a sense of privilege and membership. They may also become close friends with other staff or volunteers, and may socialize together outside of the office. This isn't a bad thing, unless new people feel that it's impossible for them to become "one of the club" and be accepted at the same level. This is the quickest way to kill the organization, by driving away your newest members.

Make sure that the way you select leaders is transparent and accessible. Anyone with the qualifications who makes the necessary effort should be eligible. Be sure that leaders of the organization understand that they need to include everyone in their work and report back to everyone about what they do. Encourage more experienced volunteers to mentor new volunteers, and strongly discourage group social events that do not include everyone.

REMEMBER WHY YOU HAVE VOLUNTEERS

While it is important to meet the needs of volunteers, the main benefit of their work should be to the organization and the community as a whole. In the beginning, when a new volunteer starts work, she may need extra help and support to master basic tasks. But after a few months, if you are spending more time managing a difficult volunteer than it would take for you to do the task yourself, it might be time to question whether that volunteer is in the right job, or at the right organization.

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HOW TO MANAGE VOLUNTEERS

WHY IT'S IMPORTANT

The volunteer orientation establishes the nature of the new relationship you are beginning between your organization and volunteers. It is your chance to make sure that all the volunteers know your organization's mission, what you are about, and what you expect from them.

For the volunteers, the orientation is a way to feel confident about what they have committed to, and a way to prepare to do their work. They learn how what they do fits into the big picture of everything the organization does. They learn how decisions are made, and what it will feel like to be a part of this group.

STEP-BY-STEP

For orientation, we recommend setting at least a few hours aside and providing some drinks and snacks. We also hand out a short manual for volunteers with all the information they hear in the orientation, for future reference.

Our orientation agenda includes:

1. Getting to know you: A chance for each person to introduce him or herself, and learn who is in the room.

2. Overview: A history of the organization, the mission, and the programs.

> **Keeping Track of Time** We try very hard to end all our meetings at the scheduled time – especially the volunteer orientation. Our volunteers have other commitments in their lives, including work, school and family. By respecting the schedule, we show that just as we expect volunteers to respect their time commitment to the organization, we will respect their time also.
>
> If it looks like a meeting may run late, we stop and ask everyone if they have time to stay for another half hour. If that is inconvenient for a majority of people, we reschedule the meeting for another time. This helps to build trust and mutual respect with your volunteers.

3. Discussion: Some group discussion of the issues the organization deals with, and what the organization's views or philosophies are about those core issues.

4. Policies: An overview of our organization policies (on sexual harassment, anti-discrimination, how to handle conflicts between volunteers, etc.) and volunteer policies (call the team leader if you have to cancel, no talking to media on behalf of the organization, no plagiarism, etc.)

5. Icebreaker: A team-building game, to practice and get a feel for what it's like working together as a team.

6. Getting down to business: We always end the orientation with a short ten-to-fifteen-minute team meeting, in which the volunteers talk about what they will do in the next week on their projects. In this way, the meeting ends with everyone feeling energized about the future. If your volunteers will need to learn to do special tasks, or need special knowledge, you may wish to set up a separate time to train them.

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HOW TO PLAN VOLUNTEER PROJECTS
Nonprofit Survival Guide

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HOW TO START

Before you begin recruiting volunteers (see How To Recruit Volunteers), you should come up with an outline of the projects you need help with, and create a schedule that involves a few different volunteering opportunities.

Volunteer Schedules

Different organizations have different schedules for their volunteer programs. Because Asia Catalyst volunteers are mostly students, we usually follow a four-month term. Whichever time period works for your organization, it's a good idea to make it a set term with a beginning and end, and include the following:

1. A recruitment period, where you reach out to new volunteers
2. An orientation, when all new volunteers are trained
3. A regular schedule of projects
4. A mid-term evaluation meeting with each volunteer
5. An end-of-term exit interview
6. A meeting or event to thank everyone

Benefits Of A Scheduled Cycle for Volunteers

- It's a good bonding experience for new volunteers to start and go through orientation together.
- If the volunteer is not a good fit for any reason—for example, she may be unsuited to the job or cannot get along with others—you have a chance to end the relationship naturally at the end of the term.
- If the volunteer is great, you can offer her a promotion or new responsibilities at the end of the term.

Designing A Schedule

If your organization has never had a structured volunteer program before, we recommend designing a volunteer schedule with just one or two weekly projects that require small groups of volunteers.
Perhaps a few times a year, add on a work party or public event/action where all the volunteers and other supporters are invited to participate.

An example of a simple program for a new group of sex workers
- ☑ Street-level outreach to sex workers | A group of volunteers commits to spending two or three hours on one night a week talking to sex workers on the street and in their work places, and distributing condoms and health and safety information.
- ☑ A weekly activity night for kids | One evening a week, the office is open to anyone who wants to bring children by for group activities, while the parents have tea and chat. A group of volunteers is responsible for opening the office, buying refreshments, planning activities for kids, and coordinating the activities.
- ☑ A monthly meeting | Once a month, all members and supporters of the organization meet to discuss what happened in the past month, what could have been done better or differently, and what they will do for the next month.
- ☑ An annual night of commemoration | Once a year, all volunteers come together to light candles and remember colleagues and friends who have been lost in the past year.

These projects do not require a high level of expertise and can be taught in one-day training. Volunteers who do well at the basic tasks can take on more responsibility, or leadership roles by becoming more vocal and active in the monthly meetings.

A Few Things To Keep In Mind
- Set a clear time commitment. Discuss with the volunteer how much time she can commit, and encourage her to be realistic. Give her a lighter load to start with to assess how fast and how well she works, and adjust accordingly.
- Make it easy for volunteers to succeed. Make it very clear what the goals are for each project, and set goals that are easy to achieve. This will make it easier for volunteers to feel successful.
- Set clear guidelines and steps for the project. This will help everyone to keep up with what is happening and who is responsible for what.

> Volunteers who feel that they have failed, or that they have taken on more responsibility than they can manage, will stop coming in.

- Include gradual steps in which volunteers can take on greater responsibility and develop new skills. Let new volunteers know that if they are successful, there are opportunities for them to grow in the organization and take on more leadership. Someone who comes often and contributes a lot could become the head of a volunteer project later, or could have the opportunity for special training or travel.

This exercise should result in a volunteer projects list that includes the following:
- A greater number of volunteer jobs requiring minimal skills and short, concentrated effort with a clear goal.
- A smaller number of volunteer jobs that involve more challenging tasks, and more responsibility for coordinating other people.
- Clear time slots for each volunteer so that the work is shared and scheduled in advance.

DESIGNING A PROJECT
Begin by assessing what areas you need help in, and what skills are needed for each area. This will determine the kinds of people you need to recruit. For instance, if you are publishing a magazine, you may need people to help with planning the issue, writing articles, editing them, designing the magazine, finding pictures and getting permission to use them, and distributing the magazine. You may need people who are good writers, or who are very detail-oriented.

A very different project would involve visiting women at home who have health problems and giving them support and assistance. For that project, you might need people who are empathetic, who know a little bit about medicine, who know something about the local hospital system, and who can help women to get the medical care they need.

> For each project, you should be able to answer the following questions:
>
> ☑ What is the project, and why does it need to be done?
> ☑ What are the steps involved in getting it done? ("First we need to do X, then we need to do Y…")
> ☑ How many people do you need for the project, and what skills do they need to have?
> ☑ How much time each week does each person need to spend to get the project done?
> ☑ Is there an end date for this project, or is it an ongoing service?
> ☑ Do you need security checks for the volunteers (for instance, if they will be working with children, or handling funds)?
> ☑ Will you have to provide transportation for volunteers?

Based on your answers to the questions in the box, you will be able to fill out the Template | Project Chart. You will also want to keep track of your volunteers with the Template | Volunteer Database.

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HOW TO PLAN VOLUNTEER PROJECTS

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CULTIVATING LEADERSHIP

Training volunteers and employees to develop strong leadership skills will create new opportunities for growth for your organization. When you encourage leadership in your organization, you make the organization more sustainable and make the quality of your work more consistent.

Most directors find this easy to say and hard to do. It's normal for new directors to attempt to maintain total control over their organization. In practice, maintaining a one-person image gives the impression that the organization lacks a core team.

IDENTIFYING LEADERS

Leadership development includes these steps: identifying leaders, giving them leadership training, sharing power, preparing them to represent the organization, and evaluating their performance.

In your day-to-day work, you can identify potential leaders by analyzing volunteers' skills in terms of leadership qualities. Once you know what these are, you can strengthen these skills and address any weaknesses in order to help the individual develop and flourish within the organization.

DESIRABLE LEADERSHIP QUALITIES

Reliability | A volunteer who is dependable and honors her working commitments.

Willingness and Ability to Speak Up | Someone who is able to vocalize her views and opinions on your organization's matters in a constructive way. A person who is articulate and can make her views clear through effective and memorable communication techniques.

Compatibility with Others | A person who can relate to others and participates in teamwork constructively.

Ability to Mobilize | A leader with potential who can mobilize others for organization events and activities.

A Range of Skills | Someone with a variety of skills that she can use to further the organization's mission.

There are all kinds of leaders. In order to increase the likelihood of successful leadership, try to provide guidance to bring out individual leadership styles. If you find any particular leadership skill in one of your volunteers, the next step is to sit down in a one-on-one meeting to see how she envisions herself growing within your organization. Encourage the individual by pointing out the qualities you see in her and discussing ways she can take on new responsibilities or help the organization to grow. Once you have agreed on the new responsibilities, write up a short job description and invite her to discuss with you or make any edits, so that you are both clear about the expectations.

Hard work alone does not automatically qualify someone as a leader. Don't give too much responsibility to someone who is not ready yet. To make up for missing leadership skills, you can counsel the individual on specific weaknesses and give her an opportunity to improve.

LEADERSHIP PREPARATION

As the volunteer begins to take on these new responsibilities, help her to prepare for new challenges. For example, before a volunteer speaks publicly on behalf of the organization, you can go over some of the items to highlight in the talk together, and discuss what to expect from the event. If a new leader in your organization is planning an event in which several groups will work together, it is a good idea to have a one-on-one meeting with each leader, a meeting with all the leaders together, and then a larger group meeting with all people involved in the event, to ensure everyone is on the same page.

REFLECTION AND EVALUATION

After you have seen your organization's new leader use her skills, have a one-on-one meeting with her to discuss their performance, point out things that she did well, and give feedback on any areas where there is room for improvement.

Always start with positive input before anything negative. As the volunteer begins to gain more confidence in the new role, you can consider letting her work more independently with less direction.

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WHY INTERVIEW?

A short interview, one on one, gives you an opportunity to talk to the potential volunteer about their interests and experience and assess whether or not he/she is the right fit for your organization. You should also take the opportunity to really listen to the person and hear what her concerns and interests are. Listen to see if she sounds reliable and sensible. Does the person really understand and care about the mission of your organization? What is it that she needs or wants from the experience? Can she explain how she would implement a difficult task? Does she have a good understanding of what your organization does, and how she can help? Give her a chance to ask questions too. If you're not sure about whether or not to bring someone into the organization, ask your colleagues to interview her too. Also see: How To Recruit Volunteers.

SOME SAMPLE QUESTIONS

These are sample questions to ask potential volunteers interviewing for a position at a Chinese AIDS organization.

1. How did you hear about our organization?

2. Tell me about how you became interested in China/AIDS/human rights issues.

3. What specific China/AIDS/human rights issues are you interested in?

4. What do you hope to learn from this volunteer position and what skills do you hope to acquire?

5. Tell me about other internships, leadership roles, or special projects you've worked on.

6. Tell me about your experience(s) working in an office setting.

7. How many hours a week can you work, and for how many months?

How to use the database | This database will help you keep track all the volunteers who have come through the organization. It is a good idea to keep a database because a record will ensure that even if there is staff turnover, everyone will still have the information. A comprehensive database will benefit future staff in the event that former volunteers approach them with requests to volunteer again, or to get a recommendation from your organization. They can refer to the record to see the organization's previous experience with this person.

Volunteer Name	Contact Information	Job title and description	Start/End Dates	Weekly Schedule	Short Bio	Internal Notes/ Recommendation?
Lin Sample	Lin.sample@gmail.com	Events Coordinator	June 1-Aug 30, 2010	10 am-6 pm; Tues-Thurs	Lin Sample has worked with grassroots AIDS groups for 5 years. She is a former sex worker and is a member of the Asian Sex Workers' Alliance.	Great volunteer, would welcome back for another term. Yes on recs.

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TEMPLATE | PROJECT CHART
Nonprofit Survival Guide

How to use the chart | Fill in the information based on the answers you created with How To Plan Volunteer Projects. This chart will assist you in keeping track of what projects the volunteers have been assigned to, and how much time they have committed. An overview in chart form will allow you to see at a glance what everyone is working on.

Project Title and Description	Start/End Dates	Total Hours p/w	Total Volunteers Needed	Volunteer 1 (name, hours p/w, job title/description)	Volunteer 2 (name, hours p/w, job title/description)	Volunteer 3 (name, hours p/w, job title/description)

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Please take a few moments to answer the following questions about your internship experience at [your organization's name]. We appreciate your honest and candid feedback.

1. Please list and provide a short description of the projects/tasks that you completed during the term.

2. Please specify any projects/tasks you left unfinished/in progress. Please also note where this work is saved and at what stage of completion it is in.

3. What was your best experience working at [your organization's name]?

4. What did you learn from this internship?

5. What was your biggest frustration working at [your organization's name]?

6. What could we have done to alleviate this frustration?

7. How might we improve the internship experience?

8. Did you feel that the workload was appropriate to your scheduled hours?

9. Did you feel that the orientation was comprehensive? If not, what additional areas should we cover?

10. Additional comments

Financial Management

Sound financial management is another building block to a strong organization, and it begins with an organizational budget.

Begin with How to Create a Global Budget, which will guide you through the steps using Template | Global Budget and Template | Project Budget. After you've created your budget, visit How to Maintain Financial Records for some helpful tips on how to preserve and organize your physical and electronic documentation of expenses and income. Lastly, learn to create report summaries of your income and expenses over a specific period of time with How to Generate Financial Reports. All of these financial tools can help inestablishing accountability, eliminating the risk of financial mismanagement, and maintaining good relationships with donors.

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HOW TO CREATE A BUDGET
Nonprofit Survival Guide

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WHY DO WE NEED A BUDGET?

A budget is one of the foundational documents for planning and managing your organization's activities. It will allow you to see whether you have the resources to complete your proposed projects, and will also force you to think through how you will actually carry out your programs.

Transparency is a core principle in human rights, and it begins within our organizations. Your organizational budget and your financial reports must be available to your staff so that they understand the financial situation of your organization and can help to monitor that funds are spent appropriately. In some countries, nonprofit organizations are required to have their annual budgets, and any changes to that budget, approved by their board of directors.

GLOBAL VS. PROGRAM BUDGETS

A **global budget** is a comprehensive organizational budget that includes everything that your organization does. This will include administrative expenses such as rent, utilities, and printing, as well as costs for specific programs.

A **program budget**, on the other hand, provides a view of just one of the organization's programs. When you apply for grant funds, your donors usually ask to see a budget for the program. Some may also ask to see your organizational or global budget.

Since global budgets can get very cumbersome (especially as your organization grows), it is sometimes preferable to have separate program budgets to work with on a regular basis. This handout will show you how to create both.

SETTING UP THE SPREADSHEET

Once you have finished the Strategic Plan (see How To Create A Strategic Plan and Template | Logic Model), you can fill in the organizational budget, putting your Actions—that is, your activities for the coming year—under "Program Costs." These costs should correspond to the Actions in your Strategic Plan as well as your Timeline.

We recommend you include the following columns when you set up your budget:

- Expenditures | List each item on a separate line
- Calculation or Units/Cost per Unit | Explain how you calculate each cost
- Need | the total amount needed

You may also want to include a separate column for each source of income that is confirmed, and one at the end showing the total balance that you still need to raise.

> You can create the budget manually with pen and paper, or you can use computer software. Microsoft Excel is an excellent tool for simplifying the calculations. For a free version, visit www.openoffice.org. A spreadsheet will help you keep things more organized, and reduce the possibility of calculation errors. See Template | Global Budget and Template | Program Budget for a detailed Excel chart you can adapt for your organization.

At Asia Catalyst, our global budget includes a column with the costs we applied for in each grant proposal, but we format that column in *italics* to remind us that this income is not yet confirmed. We do this so that if we are applying for multiple grants to support a single project, we can see which items still need funds, and in this way we also avoid raising more for a specific item than we need. Once the proposal is granted, we make any changes required by the donor to the budget and change the column from *italics* to regular font so that we can see we now have this money to spend. We check the budget every time we need to spend funds.

About the calculation column: this is a column that lists exactly how you came up with each cost. It is very important to be specific. For instance, if the total amount we're budgeting for rent is $6,000, the "calculations" column says "12 months x $500/mo." If we're budgeting $720 for office supplies for one year, the "calculations" column says "$60/month x 12 months." This makes it easier to remember and update the number later if we find out our calculations were not correct. It also clarifies to our donor how we arrived at each amount.

The reason to spend the time going into such detail in the beginning is that later on, your estimates of what things cost may change. You want to make it as easy as possible to go back and remember how you came up with each number without having to recalculate it again each time you look at the budget—or worse, to constantly bug your colleagues with questions like, "what on earth were we thinking when we allocated only $1,000 for hotel rooms?" If your budget is detailed enough in the beginning, you can easily see what you were thinking.

For each expenditure, you should take the time when you draft your budget to research what the likely cost will be. This may involve calling some companies and doing some research online. This is how it could look in your budget:

Expenditure	Calculation	Need
Rent	12 months x $500/mo.	$6000
Office supplies	$60/month x 12 mos.	$720

Another way to do this is to break the calculation into two columns, so that you have only one set of numbers in each column. In this approach, instead of a "Calculation" column, you would have a "Units" column and a "Cost Per Unit" column. Here's an example:

Expenditure	Units	Cost per Unit	Need
Rent	12 months	$500	$6000
Office supplies	12 months	$60	$720

Depending on your preference or needs, you can use one style or the other.

EXPENDITURES

The two major categories in your expenditures column are **administrative expenses** and **program expenses**. What's the difference?

Administrative expenses include expenses that are shared across all of your programs. This includes the rent for your office, office utilities, salary for the bookkeeper or administrative assistants, and so on. Most donors prefer to see administrative costs that are less than 20 percent—ideally 15 percent or so—of your total project budget. In the real world, few of us are able to meet this arbitrary percentage—so when you actually apply for funds, you may need to leave a few admin expenses off your proposal in order to keep this category low.

Program expenses are any funds that you only spend on this project. That includes program staff such as a person you hire just to help with this program, things you buy for the project (such as a computer or supplies), travel for this program, and space you rent just for the program.

PROGRAM EXPENSES

The largest expenditure in your program expenses may be program staff. Let's say you're going to hire a program officer to work on the project. Her salary, health insurance, and any other benefits should all go in the program section of your budget.

If her supervisor is a program director who supervises other projects as well, then you should estimate the average number of hours a week the program director will spend supervising this program officer. Perhaps it's going to mostly be about one day a week, except when there's a big meeting or workshop, when it will be forty hours. You can estimate about ten hours a week as an average. In that case, the program director is spending 25 percent of her time supervising this project, and 25 percent of her salary, health insurance, and social security should go into the program section of your budget.

If you are planning a conference or workshop, here are some costs you'll need to include. Remember to include budget amounts for staff in each of these categories as well.

1. Travel for participants. Estimate the airfare. In the calculation column, put [the estimated airfare x number of participants].

2. Ground transportation. Each participant may need to take a taxi to get to and from the airport—especially if the airport is in another town. In the calculation column, put the [allowance per person x number of participants]. You may want to reimburse people based on how much they actually spend, but you can also just tell each participant what their ground transportation allowance is and give each person the same amount.

3. Accommodations. Estimate what a hotel room will cost for one night, how many people will stay in each room, and in the calculations column, put the [estimated cost of the room x number of rooms x number of nights]. If you don't know what a hotel will cost, look online or call a few hotels and ask them. Remember people may need to arrive a day early if your workshop starts in the morning. If participants want to stay longer than you have budgeted for them to stay, they will need to pay for those nights themselves. Book hotel rooms that are comfortable, but be frugal.

4. Per diems. Anyone who is traveling for a program should get a per diem allowance, or be reimbursed for items such as meals, water, internet, and taxis that they would only have to spend money on when traveling for your program. It's best if your organization has a policy on how much you pay for per diems, and pay everyone the same amount. At Asia Catalyst, we have a policy that all staff and program participants are given a $50/day per diem and $80/night for hotel rooms when traveling, regardless of who they are and where they are traveling. (This is relatively low for a U.S.-based organization, as you will see if you visit the U.S. State Department's recommended per diems by location, here: http://aoprals.state.gov/web920/per_diem.asp.)

> A word about per diems. A per diem is not payment for someone's time. The purpose of a per diem is to keep staff and participants from having to spend their own money in order to participate in your program. It is unprofessional to ask others to pay for these costs out of their own small incomes.

Once you have settled on a per diem and hotel rate policy for your organization, put the [amount x number of people in the program] in the calculations column.

Additional things to include	Things NOT to include
If you are running workshops: • Visas • Meeting room fees • Group meals • Coffee/tea breaks • Cost of a projector • Interpreter's hourly rates *If you are producing a research report*: • Design and layout • Editing • Translation (of drafts and final draft) • Printing • Shipping/postage (to send to donors, supporters, etc.)	• Miscellaneous or unidentified expenses *There are often unexpected costs in a project, but you should try to plan for everything in detail when drafting a budget. Donors, bookkeepers, and auditors will never allow you to have a "miscellaneous" category because it's a red light signaling possible fraud.* • Bribes *Although this may be common practice in many countries, bribes are not a legitimate expense for NGOs.*

ADMINISTRATIVE EXPENSES

Your administrative expenses are the "overhead" costs—the cost of running the organization that is sponsoring the program. To figure out how high administrative expenses will be for each project, you should estimate what percentage of the organization's resources the project will require. (It will be a lot easier to figure out the percentage if you have created an annual strategic plan and this program is one part of that strategic plan. But even if you don't have such a plan, you can still develop a rough idea of what percentage of everyone's time it will take to run the project from beginning to end.)

Let's say you estimate the project will take about 25 percent of your organization's total staff time and resources. The administrative expenses for the project can then each be broken down to 25 percent of the total annual administrative costs. In other words, if your organization's office rent for one year is $6,000, then in the "calculations" column you can put "$6,000 x 25%" and in the needs column you can put $1,500.

Expenditure	Calculation	Need
Rent	12 months x $500/mo. = $6000 x 25%	$1500
Office supplies	$60/month x 12 mos. = $720 x 25%	$180

Other expenditures to include in the administrative expenses section can be: telephone, Internet service, utilities, photocopies, computer hardware, computer software, payroll expenses (if you use a payroll company), insurance costs and other employer liabilities (e.g. workers compensation insurance for employees) and bank fees (if you're sending or receiving money by wire transfer, you will definitely need to include a hefty sum in this category).

How about administrative staff? This may include bookkeepers, the cost of an annual audit, office assistants, and the executive director. How do you include these in the project budget?

Here's how we do it: Individual administrative salaries are allocated based on the amount of time each individual will spend on the project (for our executive director, usually about 10 percent, unless she's really involved in implementing the program). Other costs, such as audit and so forth, can be split up using the same percentages that you use to budget other administrative costs.

SAMPLE GLOBAL BUDGET

Administrative expenses	Calculation	Need	Generous Foundation	*Request from Family Trust*	Balance
Executive director	$50,000/yr x 10%	$5,000	0	*$5,000*	0
Rent	12 months x $500/mo. = $6000 x 25%	$1,500	$500	*$1,000*	0
Subtotal - admin		*$6,500*	*$500*	*$6,000*	*0*
Program expenses					
Program officer	$40,000/yr x 100%	$40,000	$5,000	*$15,000*	$20,000
Report translation	$5,000 flat fee	$5,500	0	*$5,500*	0
Report design	$1,000 flat fee	$1,000	$1,000	*0*	0
Report printing	1000 copies x $5 each	$5,000	0	*$2,500*	$2,500
Postage	$1000 copies x $2 each	$2,000	0	*$1,000*	$1,000
Subtotal - program		*$53,500*	*$6,000*	*$24,000*	*$23,500*
Total Budget		***$60,000***	***$6,500***	***$30,000***	***$23,500***

This is how our imaginary budget looks, with a grant from Generous Foundation and an application for additional funding from Family Trust. It's good to show your potential donor that you have some grant funds raised already, and that even if you don't raise the balance still needed, you can proceed with the project if you just get their grant. Note also that the total admin costs in this budget are only $6,500, or less than 20 percent of the total project cost of $60,000.

Very Important. Before you send this off as part of a grant proposal, do some research and make sure to find out what your donor likes to see in a project budget. Unfortunately, each foundation has its own budget form. Larger foundations and government donors often have specific ways that they want you to break down costs, rules about things like per diems, and guidelines on how much you can spend on certain things. Some donors won't cover specific categories (such as travel expenses) at all.

WHAT ARE FINANCIAL RECORDS?

Financial records refer to any physical or electronic documents that provide evidence of expenditures or income. Your financial records obviously help to prove that your organization is using its funds in ways laid out in the global budget (see How To Create A Budget). This "evidence" can exist in many forms, such as: monthly bank and credit card statements, invoices and paid bills, payroll processing documents, receipts, bank deposit slips, deposit logs, purchase orders, cancelled checks, expense reports, reimbursement requests, and petty cash slips. They can also include evidence of funding relationships you have with others, such as grant letters and employee or consultant contracts.

Although many financial transactions now happen electronically (i.e. online), it is important that you maintain hard copies or printouts of these electronic transactions as well.

In addition to these hard copy pieces of "evidence," there should be a **centralized log** where your financial information is kept and regularly updated. This financial log (also known as your financial books) can be kept with accounting software or created manually in physical logs such as accounting ledgers, journals, and a checkbook. All these different types of records should be used to produce a periodic (often quarterly or even monthly) financial report, or a summary of your financial transactions in a given period of time. The categories listed on your global budget should be the basis of this periodic financial report.

The state of your financial records is often indicative of the way your organization works. If your receipts are a mess and your log is missing entries, how can you be sure that your organization is effectively carrying out its mission? Orderliness, completeness, and accuracy are crucial in recordkeeping because good records indicate that your organization is professional and reputable. Furthermore, incomplete or inaccurate financial records can get you into legal trouble when it is time to file with the government.

WHO NEEDS TO SEE OUR FINANCIAL RECORDS?

There are many people who may need access to your records, including:

- Current donors, who want to ensure that their funds are being used in ways that they authorized;
- Staff and volunteers involved in program management or financial management, who should be able to participate in monitoring your organization's financial health;
- Your board of directors, who (depending on the laws of your country) may be legally responsible for your financial management; and
- Local and federal governments, which require registered organizations to file annual returns and undergo regular audits.

CONTRACTS

In any relationship where you regularly pay money to an individual or are regularly receiving money from an organization, you should have a legal contract that clearly states the responsibilities of each side and the amount of money involved. This includes your donors, of course, but it also includes any paid staff or volunteers, and casual or part-time people who help with specific projects, such as translators or web designers.

Your organization should consult with a lawyer to draft a contract you can use with individuals who receive funds from your organization. No money should be paid until both your organization and that individual have signed the contract. You should keep a printed copy of the contract, with both sets of signatures.

SETTING UP A FILING SYSTEM

Given that there are so many different kinds of financial documents, it is imperative that you have an organized system for your records. Since the point of maintaining records is that you will need to retrieve them at some point, your system needs to allow you to find what you need easily.

Consider this scenario: you are in the third quarter of your one-year grant, and you receive a notice from your donor that your first quarter expenses are being audited. You are required to provide proof of every expense you listed in your financial report to this donor. If you cannot provide receipts, you will have to give the money back to the donor.
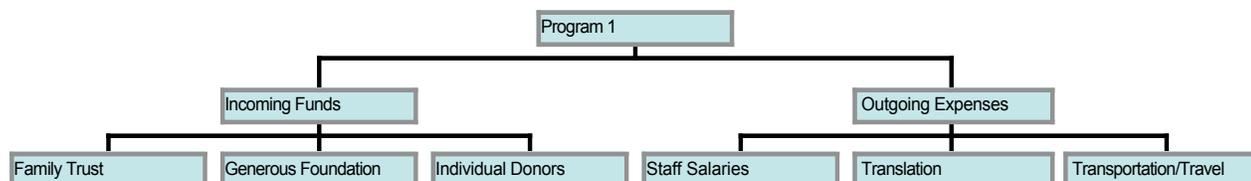
In order to be able to handle this kind of audit, you should establish a system that is intuitive and logical. This means that it should follow some sort of rule: it can be categorized chronologically, by program, by donor, or some combination of the above. You can even use different color folders to code the different reporting periods, programs, or donors. If you find it easier to look things up on your computer, you may want to maintain an online filing system in addition to a physical filing system. If you do this, you should make sure that updates are made to both systems simultaneously.

Regardless of which main categories you use to file your records, you should divide the documents up into further categories. For example, you must keep track of incoming funds as well as outgoing expenses. These two categories can then be broken down into several smaller categories. Incoming funds, for example, can be divided into files for each grant with a separate file for individual donations. To keep up with different grants, expenses have separate files for each program and then sub-files for each type of expense. If a project consists of multiple donors, you can organize the files first by grant, and then again into categories of expenditures.

Some people prefer to have their sub-files organized by names of vendors. At Asia Catalyst, we only do this if we have a lot of vendors of the same category (for example, we have several freelance translators and each gets her own file containing invoices and records of payment).

Sometimes you will need to go through the extra trouble of dividing up a single expenditure by grant, for example, if a staff person's salary is paid by two separate grants. To keep track, you should note on the respective invoice or receipt how much of the total amount is attributed to each grant. Then it is easy to make a copy for each donor and file each away in the appropriate donor file. In each of our donor files, there are records of how much was paid by the respective donor and how much by others.

SAMPLE SUB-CATEGORIES FOR FINANCIAL RECORDS

```
                              ┌─────────────┐
                              │  Program 1  │
                              └──────┬──────┘
              ┌──────────────────────┴──────────────────────┐
      ┌───────────────┐                            ┌──────────────────┐
      │ Incoming Funds│                            │ Outgoing Expenses│
      └───────┬───────┘                            └────────┬─────────┘
      ┌───────┼───────┐                        ┌────────────┼────────────┐
┌──────────┐┌──────────────┐┌───────────────┐┌──────────────┐┌────────────┐┌─────────────────────┐
│Family    ││Generous      ││Individual     ││Staff Salaries││Translation ││Transportation/Travel│
│Trust     ││Foundation    ││Donors         ││              ││            ││                     │
└──────────┘└──────────────┘└───────────────┘└──────────────┘└────────────┘└─────────────────────┘
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Each organization develops its own approach. Some organizations organize their financial records by date. They record all outgoing amounts in a journal where they note the date of the transaction, to whom it was paid, for which purpose, and the amount, all in one row in the journal. They also organize their receipts according to date. Because they report on a quarterly basis, they keep one folder for each quarter in which

they keep all the receipts and documentation for that period. This works well for organizations that don't have many transactions or sources of funding.

Whatever system you choose, make sure it is consistent. Explain it to at least one other person in your office in case the bookkeeper or person in charge is not around. Ideally, your system should be so logical that it is self-explanatory when someone looks at your files.

TRACKING RECEIPTS

Tracking receipts is always challenging. Everyone in the organization can accumulate receipts, and they have no uniformity: they come in all different shapes and sizes, in various languages depending on where you are traveling, and with varying levels of detail.

Your organization should have a clear, written policy governing how funds are spent. In no case should only one person be in charge of handling funds or approving expenditures. Each expenditure should be approved by at least one other person who is senior to the person who spends the funds. If the person in charge of expenditures is the executive director, either the board of directors or a more senior group of advisors should be reviewing the executive director's expenditures and approving them on a regular basis (for instance, once a month or once each quarter).

A possible scenario: If you've seen a Chinese *fapiao* (official printed receipt) before, you'll know that they rarely indicate the exact purpose or amount of the expense! To illustrate: An Asia Catalyst staffer once bought office supplies at a Chinese bookstore and the goods were discounted. Rather than listing the discount price, her receipt listed the non-discounted price, which was MORE than she actually paid. In a case like this, you should ask for a handwritten *shouju* along with a *fapiao* because they tend to be more accurate.

In order to keep track of these approvals, you should have the following simple forms:

- A purchase order | This is a form used by a staff person to request funds to pay for a purchase of goods or services. It should include, at a minimum, the name of the staff person, name of the company providing the goods or services, the purpose for the expenditure, cost, and the signature of the person who approved this expense. It should be attached to the receipt.
- A reimbursement request form | This is a form that a staff person uses to request reimbursement for something she or he purchased, such as a hotel room while traveling, or postage from the post office. Receipts should also be attached.
- A deposit log | This is a list of funds to be deposited, such as donations or grant funds. One person creates the deposit, and at least one other person should review that the amount listed in the form is attached. After the deposit is made with the bank, the bank receipt should be attached to the form.

In any case where money changes hands, you must have evidence—a receipt, a statement, or even a handwritten invoice. In situations where you cannot get official receipts, such as for per diem payments to workshop participants or traveling staff, you should have a standard form with the organizational letterhead. This form should include a place for the recipient's name, signature, amount paid, date and purpose. It should be attached to a purchase order or reimbursement request and approved by someone more senior.

HOW LONG DO YOU KEEP THE EVIDENCE?

Physical documents can take up a lot of space. Once each year, you should review your documents to determine which, if any, should be destroyed.

It is a good idea to consult government guidelines on what records you are expected to keep and for how long, as well as donor requirements, in order to come up with an organizational policy about document retention. The policy should spell out clearly how long you and your colleagues will keep bank statements, receipts, correspondence, contracts, and other important documents. In the United States, for example, the

Internal Revenue Service (IRS) has set national guidelines published on their website. The IRS mandates that organizations must keep records for a minimum of seven years—unless you don't file a tax or information return; then you must keep them indefinitely.

Donors may also ask you to keep records for a certain number of years. Like nonprofits, they also have to file annual financial returns and undergo regular audits. If your donor is audited, the donor may require you to produce expense documentation on a grant you received several years ago. In addition, you should not keep email records longer than necessary, because they can be used as evidence in any future lawsuits against your organization.

Consult your accountant and your country's requirements in order to draft your own document retention policy. Once a year, use the policy to go through your documents and see if there is anything you need to delete or destroy.

KEEPING IT UP
Effective and continuous recordkeeping requires a certain amount of dedication: you not only need to create a system, but you also need to update it regularly. It is definitely worth the trouble, though, as you'll learn when (not if) you need to account for your finances to the government or to a donor.

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WHAT ARE FINANCIAL REPORTS?

You have now learned how to create budgets (see How To Create A Budget) and the essentials of financial recordkeeping (see How To Maintain Financial Records). Financial reporting is the third and final element in ensuring that your organization is financially healthy.

A financial report provides a summary of your income and expenses over a specific period of time. As with the global budget, we recommend that financial reports are made publicly available to your staff and volunteers, so that they can monitor your organization's financial management. This helps to eliminate the risk and the appearance of corruption or mismanagement, and to keep the organization accountable to the community you serve.

BUDGETS VS. FINANCIAL REPORTS: WHAT'S THE DIFFERENCE?

While a budget helps you plan your program and administrative expenses, it won't tell you if your plan was accurate. A financial report is a regular check-in to see if your expenses are within your budget: you can see how much you planned to spend, and how much you actually spend. It is important to know what your available funds are for each program, and how much of the program funds you can spend on which activity to make sure that you can run your program as cost-effective as possible. Oftentimes, grant agreements with foundations include a budget that you agreed upon. Since the funds the foundation provides to you have to be used as outlined in the budget, you need a simple tool to monitor that you spend the grant funds correctly.

There are three main types of reports you will need to produce:

1) You need to generate regular financial reports for your own organization and your board of directors to make sure that you do not spend more than you actually have, and that you spend your funds in the way approved by the donors. Many organizations produce quarterly financial reports (once every three months) for this purpose.

> Sometimes when a project has a lot of expenses over a short period of time, it might become necessary to monitor your expenses more closely and to produce reports more often. At a minimum, every program director in the organization should know the budget for their program, and should receive regular reports about how much they have spent in their program and how much they have left.

2) As a nonprofit, your foundation donors will usually require you to submit both financial and narrative reports about the programs they support. The grant agreement outlines the reporting times and format.

3) Depending on the guidelines in your country, you will also need to submit regular financial reports to local and federal government agencies. In the United States, NGOs are required to file one annual report with both their State government and the federal government.

HOW DO I GENERATE A FINANCIAL REPORT?

If you are using bookkeeping software there usually is a function that allows you to run a report easily. However, financial reports can also be generated manually from your account ledger—the book or document where you track every expenditure—and your budget spreadsheet. It's easiest to create an internal financial report template on by using your global or program budgets. You can simply add one column for "Amount Spent" and one for "Balance on Hand."

Whenever it's time to create a financial report, use the entries in your general ledger or the physical receipts and add up all of the expenses for each category and enter that number in the "Amount Spent" column in your

report template. Next, subtract "Amount Spent" from "Amount Raised", and enter the result in the "Balance on Hand" column. Now you know how much more money you can spend on that item.

In a last step, add up all of the "Amount Spent" to find out the total amount spent in this period, and all of the "Balance on Hand" to arrive at the amount currently still available for the budget. You can refer to the Template | Global Budget for more detail.

Expenditure	Calculation	Need	Income/amount raised	Amount spent	Balance on hand
Rent	12 months x $500/mo.	$6000	$6000	$1000	$5000
Office supplies	$60/month x 12 mos.	$720	$600	$50	$550

Every report you produce should indicate the date you created the report (for example: March 31, 2011), and what time period it covers (for example: March 1-31, 2011). Make sure that only one person at a time is in charge of creating reports and making changes to templates. Otherwise, you will not know what has been included in the report and what has not.

IS THERE A STANDARD TEMPLATE?
Much like your budget, a financial report may look different depending on the purpose. As discussed in How To Maintain Financial Records, there are many people who may be interested in examining your finances. A financial report can include more or less detail depending on your audience. For example, a financial report to a donor needs to be tailored to include the specific categories of information designated by that donor. If a foundation gives you a grant for producing publications and materials for a conference you are hosting, you need to make sure that a category for "Publications/Materials" exists in your financial report to that foundation.

Most likely, the financial report you generate for that foundation will look different from a financial report that you produce for board members or the executive director, who may just need to understand which programs are fully funded, how much money your organization currently has on hand to pay the expenses for the next few months, or what activities still require fundraising.

Board members may not want to know every detail. So rather than including detailed specifics such as "Publications/Materials at Conference ABC," you may just have one line that combines all of the conference costs.

ENSURING ACCOUNTABILITY
Once each month, you should obtain a statement from the bank that lists all of the income and expenses for that month. Someone in the organization should check that statement and compare it with the financial report for that month in order to be sure that the reports are accurate, that no money has been misspent, and that both your organization's and the bank's records are completely accurate. This is called "bank reconciliation," and in addition to the person who performs the reconciliation, a second person (such as the executive director) should review the bank reconciliation to confirm that it is accurate.

SETTING DEADLINES
Over the course of a year your organization will need to produce different reports for different people, and different deadlines and requirements will apply to these. To stay on top of all the requirements, mark reporting deadlines in your annual timeline or calendar. If you don't have a lot of experience with financial reports yet, make sure to give yourself plenty of time. Mistakes can happen easily if you are in a hurry and it is always harder to explain and correct a mistake later. Make sure there is enough time for a second person to check your financial reports for accuracy.

For more of the Nonprofit Survival Guide, visit:
www.asiacatalyst.org
HOW TO GENERATE FINANCIAL REPORTS

TEMPLATE | GLOBAL BUDGET

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Note: This template is set up so that you can easily enter numbers in each box, and the totals will be calculated based on your entries. For example, Total Income should equal the sum of all "Income" columns in each row. The Balance will be the Need minus Total Income. This is the amount that you still need to raise for this budget line.

Organization name
Date

Administrative costs, not including program staff	Calculation: Explain in detail how you came up with the cost	Need	INCOME For example, Global Fund	INCOME For example, member fees	INCOME For example, another foundation	TOTAL INC	Balance
Salaries							
Full-time staff	For example, 3 people @ 29,000/yr	#####					87000
Part-time staff							0
Accountant							0
Rent							0
Utilities							0
Computer							0
Internet							0
Software							0
Telephone							0
Photocopies							0
Postage							0
Annual audit							
Website registration fees							0
Administrative total		**#####**	**0**	**0**	**0**	**0**	**87000**
Program costs							
Action 1							0
Program staff							0
Transportation	For example, $20/person x 20 people	400					400
Per diem	For example, $50/person x 20 people	1000					1000
Hotel	for example, $80/room x 10 rooms x	2400					2400
Other cost (Explain)		0					0
Other cost (Explain)		0					0
Action 1 subtotal		3800	0	0	0	0	3800
Action 2							
Program staff							
Transportation	For example, $20/person x 20 people	400					**400**
Other cost (Explain)		0					0
Other cost (Explain)		0					0
Other cost (Explain)		0					0
Other cost (Explain)		0					**0**
Action 2 subtotal		400	0	0	0	0	400
Action 3							0
Program staff							**0**
Transportation	For example, $20/person x 20 people	400					400
Other cost (Explain)		0					0
Other cost (Explain)		0					0
Other cost (Explain)		0					**0**
Other cost (Explain)		0					0
Action 3 subtotal		400	0	0	0	0	400
Action 4							0
Program staff							0
Transportation	For example, $20/person x 20 people	400					400
Other cost (Explain)		0					0
Other cost (Explain)		0					0
Other cost (Explain)		0					0
Other cost (Explain)		0					0
Action 4 subtotal		400	0	0	0	0	400
Action 5							0
Program staff							0
Transportation	For example, $20/person x 20 people	400					400
Other cost (Explain)		0					**0**
Other cost (Explain)		0					0
Other cost (Explain)		0					0
Other cost (Explain)		0					0
Action 5 subtotal		400					400
Program total		**5400**	**0**	**0**	**0**	**0**	**5400**
Budget Total		**92400**	**0**	**0**	**0**	**0**	**92400**

TEMPLATE | PROGRAM BUDGET

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Note: This template is set up so that you can easily enter numbers in each box, and the totals will be calculated based on your entries. For example, Total Income should equal the sum of all "Income" columns in each row. The Balance will be the Need minus Total Income. This is the amount that you still need to raise for this budget line.

PROGRAM BUDGET: [Title of Program]							
Action 1: Workshop	Calculations	Need	Income	Income	Income	Total Income	Balance
Expenses							
Program staff							
Translator							
Coffee/Tea Breaks							
Group meal							
Venue rental							
Workshop supplies							
Accommodations							
Ground Transportation							
Visas for Participants							
Air Travel							
Per Diems							
Total							