WELCOME TO

NONPROFIT NETWORK

COOPER FOUNDATION

Goodwill WIFI PW: guestWifi21$

SAVE THE DATE!

November 20th, 9:00-11:00am,
Heart of Texas Goodwill Community Connect– NPN Session
Session Topic: Nonprofit Financial Essentials

WACO FOUNDATION

- Community Foundation Created in 1958
- Manage Endowment from Legacy Donations & Area Organizations
- Launched The Avenue Nonprofit Center in 2025
  - Meeting Space for Nonprofits at no cost
  - Office Space Available for Lease
  - Shared Services (Back Office Support)

We
promote solutions to community challenges,
strengthen nonprofits,
engage philanthropists and
manage charitable assets
in order to improve quality of life in
Mclennan County.

ABOUT ME

- Isabel (Bell) Weeden, CPA
- CFO/COO
- iweeden@wacofoundation.org
- Board Member of Prosper Waco and Communities in Schools

NONPROFIT FINANCIAL FOUNDATION

- Framework
- Calendar Management
- Financial Structure & Forecast
- Governance and Oversight

FRAMEWORK

- Simple General Ledger Accounts

- Concise List of Well-Defined Classes / Funds
-
- Language Rules
-
- Funding Types and Definitions

GENERAL LEDGER ACCOUNTS

- **Clear** – Everyone can understand.
- **Controllable** – Prevents mistakes and misuse of funds.
- **Universal** – Can be used across Grants / Funds / Time Frames.

EXAMPLES

CLEAR

- Supplies - Office and Admin
- NOT “Administrative Costs”

CONTROL

- Program Supplies - Youth Education
- NOT “Program Supplies”

- Prof Dev - Travel - Hotel
- NOT “Professional Development”

EXAMPLES

Universal

- Technology - Subscriptions

- NOT “Grant XYZ Technology for ABC Initiative”

GENERAL LEDGER ACCOUNTS

- Do accounts exist that are used only a few times / year?
- Does a junk drawer exist that is heavily used?
- Is the list built for REPORTING or RECORDING?
- Nothing should be Donor / Project / Grant Specific

CLASSES

- Separated by Restriction Type

- Definition – What results in a class?
  - Functional Areas?
  - Grants that Require Reporting
  - Designated Donations? What is the limit?

RULES OF THUMB

- Don’t code more than once in the same transaction.
- Don’t be too tall or too wide.
- Don’t miss the forest for the trees.

ORIGIN OF LANGUAGE

Language began as our way to agree on what things mean.

Trading / Unit of Measure

HIGH # LANGUAGES = CONFUSION

CROSSWALK OF TERMS

- GL Account : Grant Budget Item
- Organization Budget Item : Grant Budget Item
- Funders : Customers
- Class : Grant Name

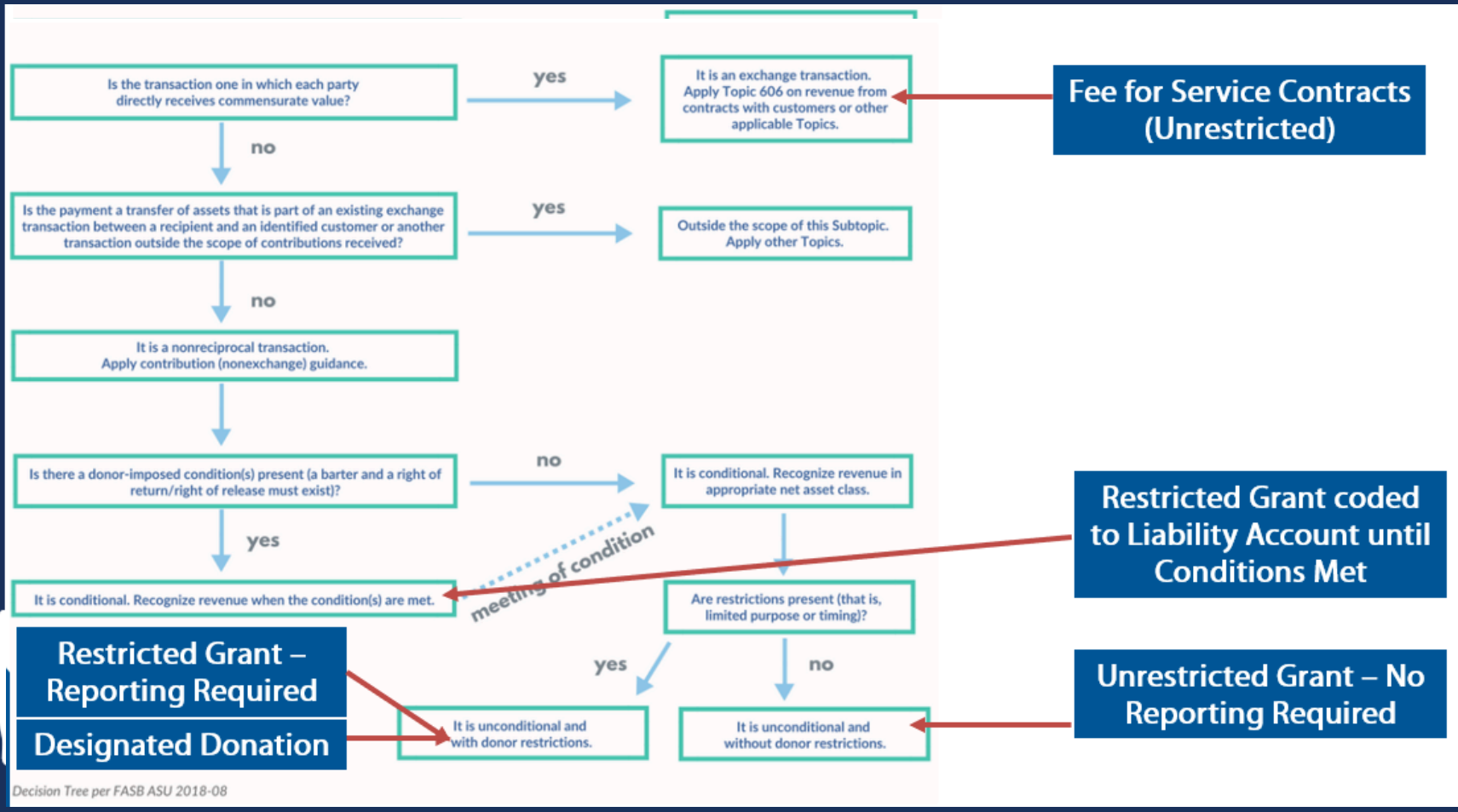
LANGUAGE “RULES” - CODING

- Alignment with Budget Line Items (Crosswalk)
- Purpose is clear
- Quick view of expenses

REVENUE CONSIDERATIONS

- Exchange Transaction
- Condition
- Restriction
- Reporting Requirement

REVENUE DECISION TREE



MANAGING THE CALENDAR

REPORTING CALENDAR

	January	March	April	May	June	July	September	October	November	December
Grant Application			Grant A Submission			Grant B Submission		Grant C Submission		
Grant Report		Grant D Interim Report		Grant E Interim Report		Grant F Interim Report	Grant G Interim Report			
Annual Budget									Budget Creation Planning Reconciliation	Board Approval
Finance Committee	Review Financials	Review Internal Controls		Audit Report		Review Financials	Review Financials		Review Preliminary Budget	
Board Meeting		Approve Financials			Approve Financials		Approve Financials			Approve Budget

GRANT YEAR VS BUDGET YEAR

Grant Name	Grant B	Grant Budget										Organization Budget			
Grant Amount	75,000.00														
Start Date	10/1/2024														
End Date	9/30/2027	10	2		10	2		10	2						
Years	3														
		Year 1	Year 1	Year 1 Grant Yr Total	Year 2	Year 2	Year 2 Grant Yr Total	Year 3	Year 3	Year 3 Grant Yr Total	Totals				
		2024	2025		2025	2026		2026	2027			2024	2025	2026	2027
				-			-			-					
	Personnel Expenses	12,500	2,500	15,000	12,500	2,500	15,000	12,500	2,500	15,000	45,000	12,500	15,000	15,000	2,500
	Program Supplies	4,167	833	5,000	4,167	833	5,000	4,167	833	5,000	15,000	4,167	5,000	5,000	833
	Technology	2,083	417	2,500	2,083	417	2,500	2,083	417	2,500	7,500	2,083	2,500	2,500	417
	Indirect Costs	2,083	417	2,500	2,083	417	2,500	2,083	417	2,500	7,500	2,083	2,500	2,500	417
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
		20,833	4,167	25,000	20,833	4,167	25,000	20,833	4,167	25,000	75,000	20,833	25,000	25,000	4,167

REPORTING DUE DATES

Grant A 13 Tasks

Task	Due Date	Owner
Plan for Grant Submission - Narrative & Overall Fit	Oct 31	IW
Plan for Grant Submission - Budget & Project	Nov 14	BS
Deadline to Apply for Grant	Nov 28	IW
Receive Decision, Log into Files	Dec 31	BS
Incorporate into Budget	Jan 16, 2026	IW
Budget to Actual Check in - Qtr 1	Apr 15, 2026	BS IW
Budget to Actual Check in - Qtr 2	Jul 10, 2026	BS IW
Interim Reporting Due Date 1	Jul 31, 2026	BS
Budget to Actual Check in - Qtr 3	Oct 31, 2026	BS IW
Budget to Actual Check in - Qtr 4	Jan 15, 2027	BS IW
Interim Reporting Due Date 2	Jan 31, 2027	BS
Interim Reporting Due Date 3	Jul 31, 2027	BS
Deadline for New Submission	Nov 30, 2027	IW
+ Add task		

FINANCIAL STRUCTURE

REVENUE DIVERSIFICATION

How much revenue is dependent on:

- One or two donors
- Grant A or B
- Funders
- Legislative Bodies

How often is that reviewed?

LIQUIDITY & RESERVES

- 3-6 months operating expenses
- Include reserve accumulation in annual budget - reserve when reporting fund balance.
- Create policy for deployment.

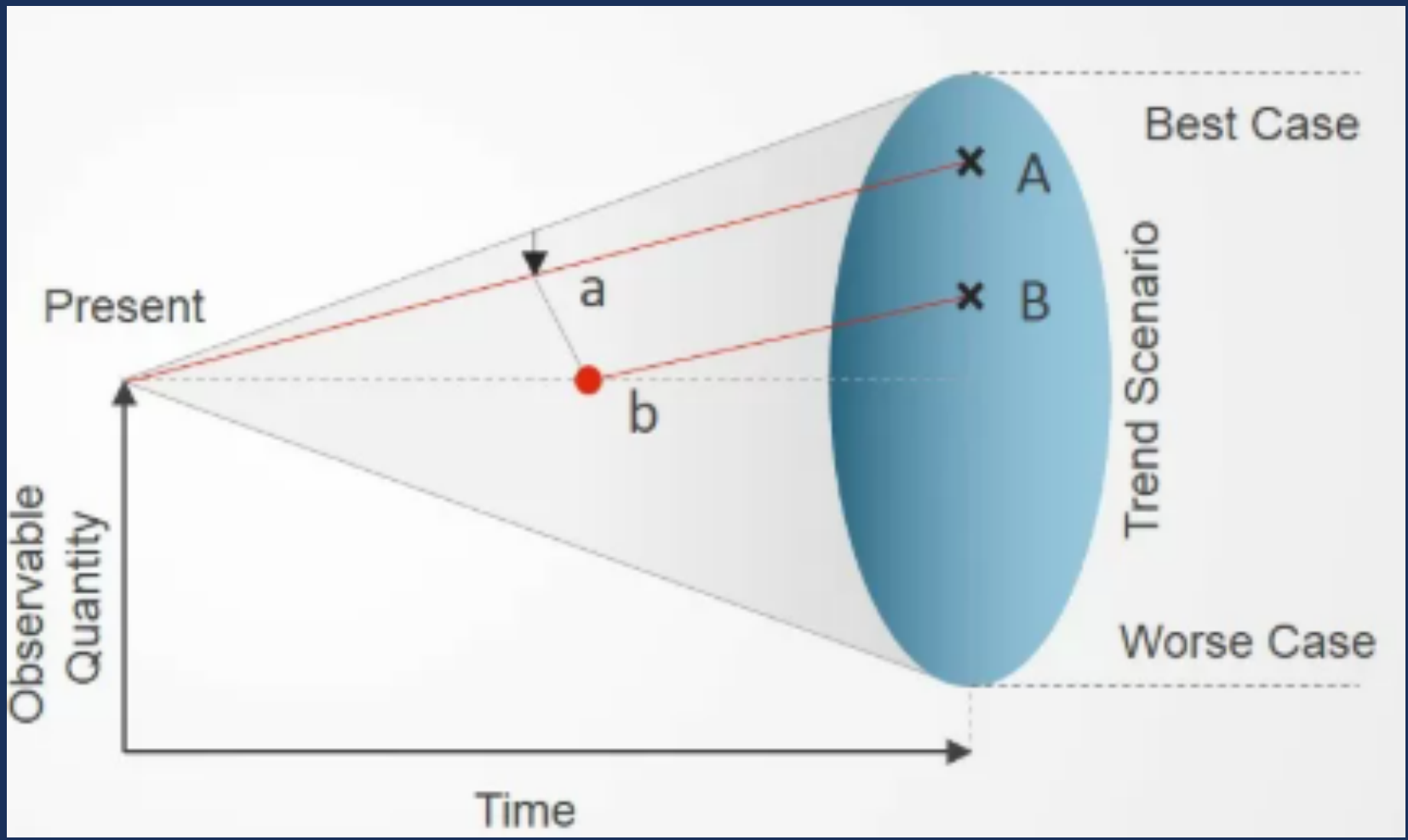
ALLOCATION RULES

Maintain a documented protocol by Vendor / Class:

- Operating Only
- Program Only
- Standard Operating 60% Program 40%
- Ad Hoc – Specific to the Situation at Hand

MULTI-YEAR FORECAST

- **Strategic Visibility** - Forces the review of trends
- **Sustainability** - A current decision is easier when understanding the ongoing costs and potential increase
- **Early warning system** - Identify risk areas before they occur
- **Alignment** with Strategic Goals
- Improved Organizational **Resilience**


Best Case
A
B
Trend Scenario
Present
a
b
Observable Quantity
Worse Case
Time

		2025	2026	2027	2028	2029	2030
Revenues							
	Grant A	25,000	25,000	25,000			
	Donations	15,000	15,000	15,000	15,000	15,000	15,000
	Annual Fundraiser	175,000	195,000	210,000	215,000	220,000	225,000
	Federal Grant B	75,000	75,000	75,000	75,000		
Total Revenues		**290,000**	**310,000**	**325,000**	**305,000**	**235,000**	**240,000**
Program Expenses							
	Youth Connection	75,000	78,750	82,688	86,822	91,163	95,721
	Add new services to YC		25,000	26,250	27,563	28,941	30,388
Total Program Expenses		**75,000**	**103,750**	**108,938**	**114,384**	**120,104**	**126,109**
Other Expenses							
	Wages - 2 Employees	125,000	128,750	132,613	136,591	140,689	144,909
	Add 1 Employee	-	50,000	51,500	53,045	54,636	56,275
	Payroll Taxes	9,563	13,674	14,085	14,507	14,942	15,391
	Health Insurance	1,300	2,243	2,579	2,966	3,411	3,922
	Technology	3,500	5,500	6,875	8,594	10,742	13,428
Total Other Expenses		**139,363**	**200,167**	**207,651**	**215,702**	**224,420**	**233,925**
Net Revenues		**75,638**	**6,083**	**8,412**	**(25,087)**	**(109,524)**	**(120,034)**

FORECASTING TIPS

- Look back in addition to looking forward.
- Identify correlations in different line items.
- Sensitivity vs Scenario
  - **Sensitivity:** Focuses on 1 item (Grant Revenue)
  - **Scenario:** Focuses on Situation (Grants decrease 10%, Donations increase 30%)

GOVERNANCE & OVERSIGHT

BUDGET PERFORMANCE

CASE Statements

When budget performance is___%, then____.

- Pay down debt
- Add to Operating Reserves
- Contract “x” expense line item
- Review vendor agreements more closely

BUDGETING: CHANGES

- #1 Rule about Budgeting
- Budget = GPS

BUDGETING: CHANGES

- Allowable per policy with Board’s Approval
- Threshold of Approval Authority
- Procedure to integrate into reporting & accounting system

APPROVALS IN OPERATIONS

Ensure operational procedures force necessary approvals.

Example:

- All Budget changes in Quickbooks must have document attached with approval signature
- Finance Committee reviews “Change Log” of budget

CONCLUSION

- A general ledger language that is simple, precise, and universal reflects the truth of the work.

- Proactive calendar management aligns deadlines into a rhythm that supports both accountability and calm.

CONCLUSION

- A solid financial structure creates the flexibility needed to weather change.

- Sound governance and oversight practices close the loop—ensuring policies are followed, budgets adapt with purpose, and transparency fuels trust.

THANK YOU FOR ATTENDING

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Please fill out an evaluation!

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