Developing a Budget for a Social Work Organization and Understanding Nonprofit Financial Terms

Career Coaching with Corbett
Session #7 of 11
December 5, 2017
Becky S. Corbett, MSW, ACSW
Ask Coach Corbett…

I prioritized my intentional growth and joined Coach Corbett and my colleagues tonight because…

I would appreciate it if we can address the following career readiness tools tonight…
Intentional Personal Growth
Accountability Check-In

*Develop the right attitude,*
*learn more about your strengths,*
*tap into your passion,*
*become more in touch with your purpose,*
*and develop your skills…*
*so you can be all you can be.*

John C. Maxwell, leadership author
Objectives

• Define the business of social work.

• Learn what is involved in developing a budget.

• Understand the meaning of key financial terms and financial statements.
The Business of Social Work I

• Difference between for-profit and non-profit
  – For-Profit Businesses
    • Maximize profits
    • Distribute profits to owners/shareholders
  – Non-Profit Businesses
    • Serve needs of society
    • No owners
    • May make an excess (profit)
    • IRS designations – example: 501(c)(3) or 501(c)(6)
The Business of Social Work II

- Regardless of purpose, for-profit and non-profit organizations:
  - Conduct audits
  - File annual tax returns
  - Pay state and federal income taxes
- IRS Form 990
  - Available to the public
  - Listed on Website: http://www2.guidestar.org

Budget Development

• What is a budget?
• Fiscal Year/Calendar Year/Academic Year
• Frequency of category (monthly/weekly/daily)
• Increase revenues…Decrease expenses
• Ca$h Flow / “Timing”
• Ask: When does the budget process begin?
• Take initiative: How can I get involved in the budgeting process?
  – Identify revenues
  – Identify expenses
  – Learn to write a budget justification
  – Track the budget through monthly reports and variances
• Why would I create a home budget?
Key Financial Terms

- Accounting
- GAAP
- Budget
- Fiscal Year
- Financial Statements
- Audit
- Variance

- Revenue
- Expenses
- Net Excess
- Assets
- Liabilities
- Net Assets
- Accounts Payable
- Accounts Receivable
Financial Statements

Statement of Activities (Income Statement)

• Revenue – Expenses = Net Income/Excess
• Results over a **period of time** (month, quarter, annual)
• Start over each fiscal year

Statement of Financial Position (Balance Sheet)

• Date is when snapshot taken of the company
• Assets are always listed 1\textsuperscript{st}, Liabilities 2\textsuperscript{nd}, and then Net Assets/Owner’s Equity
Next Steps

1. Identify: *Tonight I learned about budgets and financial terms, and I will...*

2. Mark your calendar for the next *Career Coaching with Corbett* on *Thurs Jan 11:*
   **Topic:** Negotiating your social work salary

3. Repeat statement 3 times:
   *Never, EVER, EVER, accept the first offer.*
Career Coaching with Corbett:
https://uasystem.zoom.us/j/2548470758

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Career Services Webpage

https://socialwork.ua.edu/current-students/career-services/

Watch for Resume Review opportunity:
Feb/Mar 2018

Watch for Interview Practice (virtual and in-person) opportunity:
Apr 2018
RSVP and Potential to Win Prize

Email Coach Corbett to let her know you attended tonight’s session or you watched Video #7of11 at:

BeckyCorbett@sw.ua.edu

You will be registered to WIN a PRIZE May 2018.
Contact Information

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(Tuesdays and Thursdays: 1 week to respond)

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