

KLIWENTO NG KLIWENTA

A Story of Value Workshop

Companion Workbook



Name: _____

Organization: _____

Group Discussion Questions

- How do you identify and prioritize activities and expenses?
- How do you choose your partners, including donors?
- How do you report back to your partner communities or community members?
- How do you report back to your donors?
- How do you raise funds to support your activities and operations?



Notes

Nonprofit Sector Dynamic and Structural Dynamics

Reflection Questions

How does sweat equity show up for you and your organization?

Are there important positions that should be hired personnel but are currently filled by volunteers?

Key Takeaways

- For-profit finance and nonprofit finance operate very differently. The characteristics of nonprofit finance create a more challenging system.
- Nonprofits must run two different businesses to sustain their organizations, which often results in nonprofits taking on unsustainable strategies to cut costs in order to survive.
- Surpluses are necessary and support mission success.

Notes

Strengths Framework

Reflection Questions: Focusing on Strengths

What are you known for? *Saan kayo kilala?*

Why do people come to you? *Bakit kayo nilalapitan ng mga tao o myembro ng komunidad?*

What are the things you are good at? *Saan kayo magaling?*

Why do people / communities trust you? *Bakit kayo pinagkakatiwalaan ng komunidad?*

What is the one thing we need to know about the communities you serve? *Ano ang isang bagay na masasabi mo sa iyong komunidad?*

How do you use that knowledge to serve your community and/or improve your services to the community? *Paano ninyo ginagamit ang mga ito upang mapagbuti ang paglilingkod sa komunidad?*



It's important to understand the full set of strengths and resources we bring into a given situation. These can include:

- **Human:** An organization's people and the skills they bring to the job
- **Intellectual:** What you know about the community you serve matters
- **Social and Cultural:** Relationships, reputation, and trust you have built in the community; the organization's connective tissue
- **Financial:** The amount of financial resources an organization has and the ability to use those resources freely.

Reflection Questions: Strengths Support Gaps

What are your strengths?

1. _____

2. _____

3. _____

What are the gaps?

1. _____

2. _____

3. _____

How do your current strengths allow you to address those gaps?

Key Takeaways

- It's important to understand the full set of strengths and resources we bring into a situation.
- Mission success requires both financial and non-financial strengths.

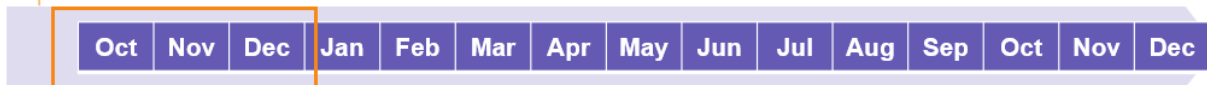
Notes

The Budget, the Budgeting Process, and Filling Out Your Budget



Start the budgeting process at least 3 months before end of the fiscal year.

Earlier is even better!



Finalize for board approval

Reflection Question: When and Who of Budgeting

When does our fiscal year start? When would be the best time to begin our budgeting process? Who do we plan to involve in our process?



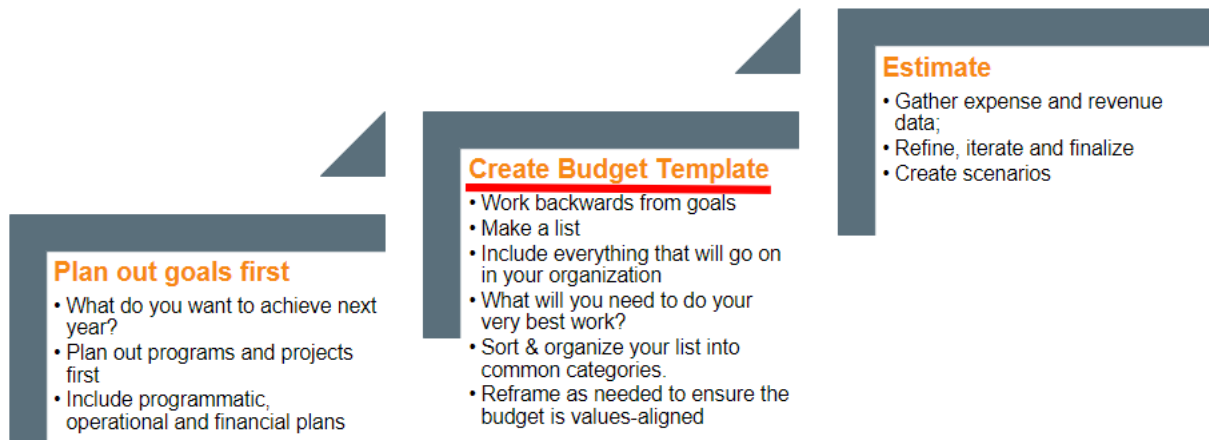
Step #1: Plan out goals

Reflection Questions: Goals and Visioning

What are your team’s goals for the next fiscal year?

What programs or key activities will you need to implement to achieve these goals?

What information or research will you need to estimate the costs related to those goals?



Step #2: Create budget template. First, we will focus on costs.

Reflection Questions: Costs to Support Your Goals

What will you need to do your very best work? Use the list you generated during the exercise. Feel free to enter the list in the space below.

Kwento ng Kwenta: Companion Guide

Sort and categorize your list into expense categories. Write those categories below. Work with your team to define them. See the example from the deck on the next page.

Line Items	Definition

Line Items	Definition
Administrative Expenses	Costs associated with day-to-day operations of the organization, including utilities, rent, office supplies, and similar expenses.
Communications	Costs for phone bills, internet, website maintenance, and other communication tools.
Contingency Fund	A reserve of money set aside for unforeseen circumstances or emergencies.
Depreciation	The reduction in value of assets (like vehicles, computers, office equipment) over time.
Fundraising Expenses	This covers costs related to raising funds for the organization, like event costs, marketing materials, and online campaign expenses.
Grants and Donations	Money that is granted or donated to other organizations or individuals in line with the NGO's mission.
Monitoring and Evaluation	Expenses associated with assessing and ensuring the effectiveness of the organization's programs and initiatives.
Personnel Costs	This includes salaries, wages, benefits, and other compensation for employees.
Professional Services	Fees for services like accountants, consultants, lawyers, and other professionals.
Programmatic Expenses	Costs directly linked to the NGO or CBOs' mission and projects. For instance, an NGO focused on education might have expenses for school materials, teacher training, or student scholarships under this category.
Research and Development	For organizations that are involved in research, this will cover the costs of research materials, equipment, data collection, and analysis.
Training and Capacity Building	Costs for workshops, seminars, courses, and other training opportunities for staff and beneficiaries.
Travel and Transportation	Expenses for staff and volunteer travels, including fuel, vehicle maintenance, accommodations, and per diems.

Exercise: Values-Based Story Telling

This exercise aims to shed light on how you as a leader invests in your organization to bring shared values to life. Please have handy your list of expense categories and your current budget.

Discussion and Reflection Questions

Share with your team the values that shape you.

As a group, please come up with a set of values that reflect your team. List them below.

How do these values shape your priorities for the organization?

How do your spending choices align with your organization's priorities or values?

(Please write your answers in the table below.)

1. Look at the expenses in your budget.
2. What does each expense include? What does it mean to you and your team? Once you come up with an answer, you can write it below.
3. What value does this investment of resources, time, and/or energy support or connect to?
4. Rename this cost in a way that clearly connects it your team's priorities/values.
5. Have fun!

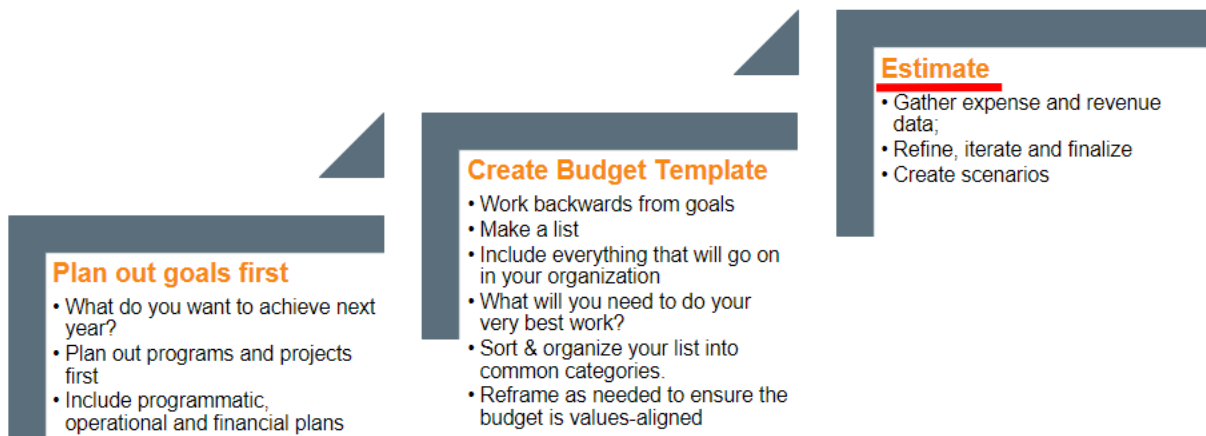
Kwento ng Kwenta: Companion Guide

Expense Category	What does this item include?	What value does this honor? (If this doesn't honor any value – write in N/A)	Re-name this cost

Key Takeaways

- Your budget is not just about the numbers. Rather, it is also a reflection of what matters most to you.
- Keeping values front and center can help guide decision-making for your organization.

Notes



Step #3: Filling Out Your Budget

Below, you will be filling out your budget expenses and revenue. It will be helpful for you to have the following:

- Your goals for the next fiscal year
- Current year's budget
- Last year's Actuals
- List of funders and/or supporters
- Clarity on the budget categories or line items

Exercise #1: Expenses: How do you spend money in service of your mission?

1. What ‘investments’ do you need to make to support next year’s fiscal goals? List all of your key categories for your expenses below. (e.g. Salaries and Benefits, Office Supplies, Program Supplies, Rent, etc.)
2. Make a ‘best guess’ estimate for these numbers. Write down assumptions behind those numbers.
 - a. If you cannot estimate these numbers, what research do you need to do to get a better estimate? Write that down in the assumptions column.
3. If your budget included this cost last year, include that number in the ‘Actuals’ column.
4. Calculate the variance analysis, if possible. Write down any reason for large swings in the Notes segment.

Budget Category	This year		Last year		Variance	Notes
	FY[20__]		FY[20__]			
Total Expenses	PHP	-	PHP	-		

Exercise #2: Revenue – How do you make money in service of your mission?

1. Take out your list of funders (potential and confirmed) and write them down in the spaces below.
2. Mark if they are confirmed or potential sources.
3. For confirmed sources, write down the level of commitment or how much they are going to provide you. For potential sources, write down what you think you will *likely* receive from that funder or supporter.

Funders / Sources	Confirmed or potential	How much will they give you for the next year?
Ex: Sunshine Foundation	Potential	PHP 4,098

4. (Optional) If you have more than 10 funders, you may want to consider categorizing them or grouping them in a way that is useful (i.e, External funds vs. community sources, foundations, individual or corporate sponsorship, etc.)

Funders or Sources	Category of funders (individual, foundation, corporate, etc.)

Kwento ng Kwenta: Companion Guide

5. Write down your list of funders below and the amounts you estimate you will receive for the next year. If you have categorized your funders, write the categories below and sum up the totals related to each category.
6. If this funder provided you funding last year, write that down in the 'Actuals' column.
7. Calculate the variance analysis if available. Write down any reasons why it may be more or less than you anticipate in the Notes segment.

	This year		Last year		Variance	Notes
	FY[20__]		FY[20__]			
Total Support	PHP	-	PHP	-		

Kwento ng Kwenta: Companion Guide

	FY2023	YTD FY2022	Variance	Notes
Operating Revenue				
Total Operating Revenue	PHP -	PHP -	PHP -	
Operating Expense	FY2023	YTD FY2022	Variance	Notes
Total Operating Expense	PHP -	PHP -	PHP -	
Surplus / Deficit	PHP -	PHP -		

Key Takeaways

- Assumptions are just as important as the budget numbers.
- Variance analysis can shed further light on what can be adjusted for future projections and help you plan better for the next year.
- Planned deficits are better than unanticipated ones.
- Budgeting is a practice that can help you build financial resilience and strengthen financial agency.

Notes

Financial Storytelling



Communal Audiences: Board, Staff, Volunteers, Community Partners / Stakeholders

- Focuses everyone on the priorities
- Transforms culture and practice
- Increases confidence in management



External Audiences: Funders, Government

- Demonstrates need and context
- Supports reporting and compliance
- Increases confidence in management

Exercise: From-Think-Do Matrix

What is a key audience for your nonprofit?

What is a change you'd like them to make after hearing your story?

Fill out the matrix on the next page to think through how stories can get your audience(s) from point A to point B!

	From...	To...
Think		
Do		

Reflection Questions

What should an effective financial story include? Who is the primary audience of our financial story?

What information does our organization need to craft an effective financial story? Who within my organization can I reach out to help craft a financial story for my organization?

Which audiences want to hear your organization's financial story?

How do we communicate our financial story during times of crisis – especially to our staff and board?

What are three actions I can take now to begin crafting a financial story?

Key Takeaways

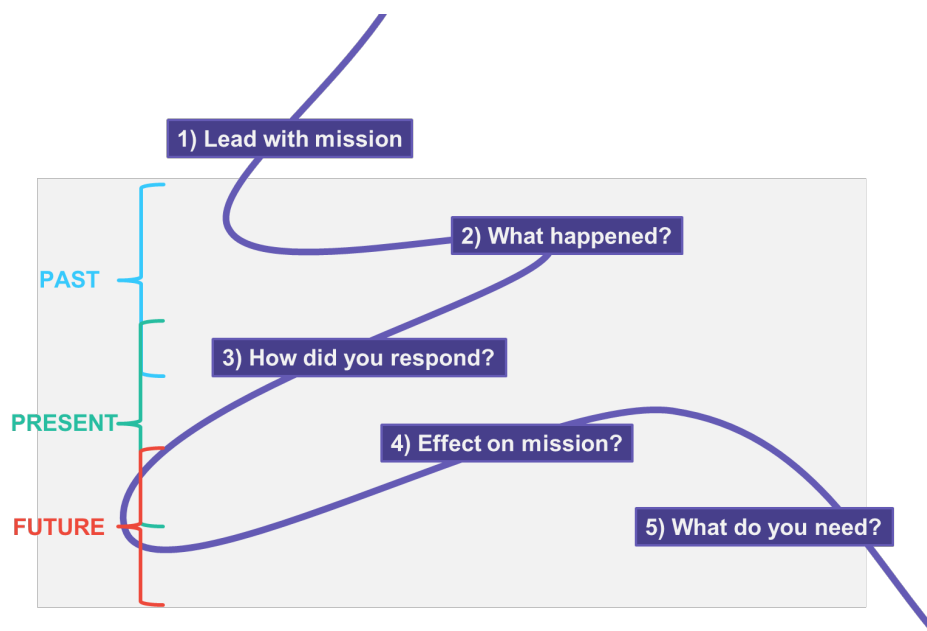
- Financial stories are meant to align our organization's financial decisions with our vision, mission, and organizational values
- There are three financial stories we can tell – historical trends, current business model, or route to future evolutions
- From-To-Think-Do Matrix – how do we want our audience to act/feel after hearing the financial story? What do they think/do before hearing it?

Notes

Capstone: Make an ask for your program officer!

First, spend time mapping your financial story. You can use the storytelling roadmap for guidance.

- Who is your audience?
- What story do you want to tell?
- Why do you want to tell it?



Notes