

Budget 101 Presentation Terms

1. **Revenue:** money generated from normal business operations (money coming in). This may include amounts collected through contributions/donations, grants, program revenue, sponsorships and other collections from special events, membership dues, or the sale of goods and/or services. Also referred to as “income”.
2. **Contributions/Donations:** money received from individuals, corporations, etc. (solicited or not) for which the donor receives nothing of value in return; could be restricted or unrestricted.
3. **Grant revenue (or grant income):** money received (usually applied for) from grant-makers (foundations, corporations, or governments), sometimes restricted (specifying how/when the money must be used).
4. **Program revenue (or program income):** money received from the sale of goods or services that directly align with your mission. Example – an adoption fee charged by an animal shelter.
5. **Sponsorships:** money received from a company/organization typically to support a particular program or event where the nonprofit acknowledges the sponsor by mentioning or displaying the sponsor’s name and logo.
6. **Membership Dues:** money others pay to be in your association, chamber, nonprofit or organization for a benefit; usually paid recurrently.
7. **Expenses:** the costs that need to be incurred for the organization to operate. Examples include salaries and wages, utilities, and rent.
8. **Expenditures:** a payment or disbursement (cash outlay). An expenditure may be to pay for an expense or for the purchase of an asset (such as a vehicle or building) or the reduction of a liability (such as a loan repayment).
9. **Assets:** what your organization owns. Examples include cash in bank accounts, investments, accounts receivable (money owed to the organization from others), property and equipment (such as buildings and vehicles), etc.

10. **Liabilities:** what your organization owes to others. Examples include accounts payable (money your organization owes to vendors), loans (money borrowed), payroll you owe to employees but have not yet paid, etc.
11. **Net Assets:** assets minus liabilities (i.e., the equity or net worth of your organization)
12. **Net Income:** revenue (income) more than expenses; a profit (also sometimes referred to as a “surplus/excess” or an “increase in net assets”)
13. **Net Loss:** expenses more than income (also sometimes referred to as a “deficiency” or a “deficit” or a “shortfall”)
14. **Balance Sheet:** a financial statement detailing the assets and liabilities of an entity at a certain point in time. Sometimes referred to as a “statement of financial position” or a “statement of assets, liabilities, and net assets.”
15. **Profit and loss statement/summary:** a financial statement summarizing actual revenue and expenses and the resulting net income or loss for a given period. Sometimes referred to as a “statement of activities” or an “income statement.”
17. **Budget vs Actual:** a financial statement showing the difference between the budgeted revenue and expenses and the actual revenues and expenses for a given period • Actual vs Projected vs Proposed.
18. **Projected** = estimates, based on actual results, annualized through the end of the reporting period (what you expect to be the actual results at the end of the reporting period)
19. **Actual** = the actual results for a given period (the actual revenue earned, and expenses incurred in reality)
20. **Proposed** = the estimated depiction of a future reporting period, based on assumptions (such as a budget)