

Operating Budget vs Capital Budget

The operating (broad scope) budget reflects the organization's planned financial activities for the year ahead, showing how much revenue it expects from which sources and how much it will spend on operations. It's a key tool in effectively and efficiently achieving the organization's stated purpose and should always align with an organization's strategic plan. The operating budget must be centered around the primary goals and objectives of the organization.

The capital budget may include projects which will have ongoing effects on operations. (Virginia Society of Certified Public Accountants) The capital budget can also be used for construction and other big, one-time spending projects that often take more than a fiscal year to pay for.

Pro tip: Bigger nonprofits should also have a budget per each major event and each distinct department.

Budgeting Tips

- 1) **Start Early**
- 2) **Don't Operate on Assumptions**
- 3) **It's a Team Effort**
- 4) **Get Your Income Right**
- 5) **Figure Out Your Expenses**
- 6) **Make Cash Flow Your Priority**
- 7) **Separate Operational from Capitol Budget**
- 8) **Monitor the Budget Throughout the Year**

Visit the following link for a template of a basic nonprofit budget that can be used to help your chapter: <https://docs.google.com/spreadsheets/d/1muCCCgxMWDuWFHvPibfThsBoVzwfM3SHvouHOgWi9F8/edit#gid=0>

Income

The following represent suggested areas of income for the student chapter:

- *Dues revenue:* The primary source of income for the NCPA student chapter is dues revenue. This is very true in the beginning stages of a chapter. It's important for the chapter to keep accurate records of the number of individuals who have paid the chapter dues. Accurate records will prevent confusion and help the chapter to maximize their funds.
- *Fundraisers:* Fundraisers are always good programs for student chapters because while increasing the income of the chapter, the chapter members begin working together and the chapter begins to develop and grow.
 - Clothing sales: embroidered baseball caps, t-shirts, sweatshirts, jackets
 - Food sales: candy sale, bake sale, holiday-themed sales, concession stands at local stadiums
 - Raffles/drawings
 - Class notes/study materials
 - Direct donations & sponsorships
 - Other: sale of coupon books, "Free Intern for a Day," sale of pharmacy pins, car wash, Valentine's Day flower sales
 - Contributions from the state association and/or practitioners
 - College/school of pharmacy contributions/sponsorship

- Local pharmaceutical representative and wholesaler sponsorship

Expenses

Keep track of all chapter expenses and detailed records. Several examples of chapter expenses are:

- Administrative (printing, postage, etc.)
- Student dues for NCPA student membership*
- Meeting travel (state associations, NCPA Annual Convention)
- Programs and activities materials
- Refreshments at meetings
- Speakers for programs

Sample Operational Budget

2018-2019 Operational Budget (Example)		
	Estimated	Actual
INCOME/REVENUE		
Dues		
Reimbursement per member	\$987.00	\$921.00
Fundraiser Profits		
Fall T-Shirt	\$1,100.00	\$1,107.50
White Coat Ceremony	\$500.00	\$465.97
Event	- \$71.00	- \$71.00
Long-Sleeve Shirts	\$300.00	\$1,420.00
Name Badges	\$100.00	\$186.00
Spring T-Shirt	\$1,500.00	\$711.68
Rain Jacket	\$200.00	\$312.00
Lunch	\$100.00	\$70.00
Bake Sale	\$100.00	\$173.00
Restaurant Fundraiser Profit	\$300.00	\$89.13
Coffee Mugs	\$200.00	\$132.72
Lapel Pins	\$200.00	\$225.00

Department Funding	\$5,000	\$6,262.50
Revenue Totals	\$10,566.00	\$12,005.50
EXPENSES		
Operational Funding		
Patient Care Project Supplies	\$150.00	\$184.36
Office Supplies (Frames, exec retreats/dinners, posters)	\$500.00	\$765.10
Monthly Chapter Meetings		
August	\$144.67	\$812.77
September	\$250.00	\$631.55
October	\$250.00	\$492.61
November	\$250.00	\$573.62
January	\$250.00	\$472.11
February	\$250.00	\$417.06
March	\$250.00	\$274.04
April	\$300.00	\$293.75
	\$1,944.67	\$3,967.51
Monthly NCPA-PAC Meeting		
September	\$102.25	\$313.99
October	\$250.00	\$0.00
November	\$250.00	\$116.25
January	\$250.00	\$0.00
February	\$250.00	\$45.50
	\$1,102.25	\$475.74
Banquet/Chapter Social		

Picnic	\$400.00	\$814.58
Breakfast Social	\$200.00	\$170.38
Mentor/Mentee Social	\$200.00	\$215.00
Flying Saucer	\$400.00	\$255.45
Trivia Night	\$400.00	\$294.51
Dean's Dinner	\$0.00	\$0.00
Crawfish Boil	\$600.00	\$461.72
	\$2,200.00	\$2,211.64
Conference/Registration Fees		
Annual Convention Reimbursement	\$5,000.00	\$6,910.15
Executive Member Reimbursement	\$800.00	\$814.63
Expense Totals	\$11,696.92	\$15,329.13
TOTAL:	-\$1,130.92	-\$3,323.63