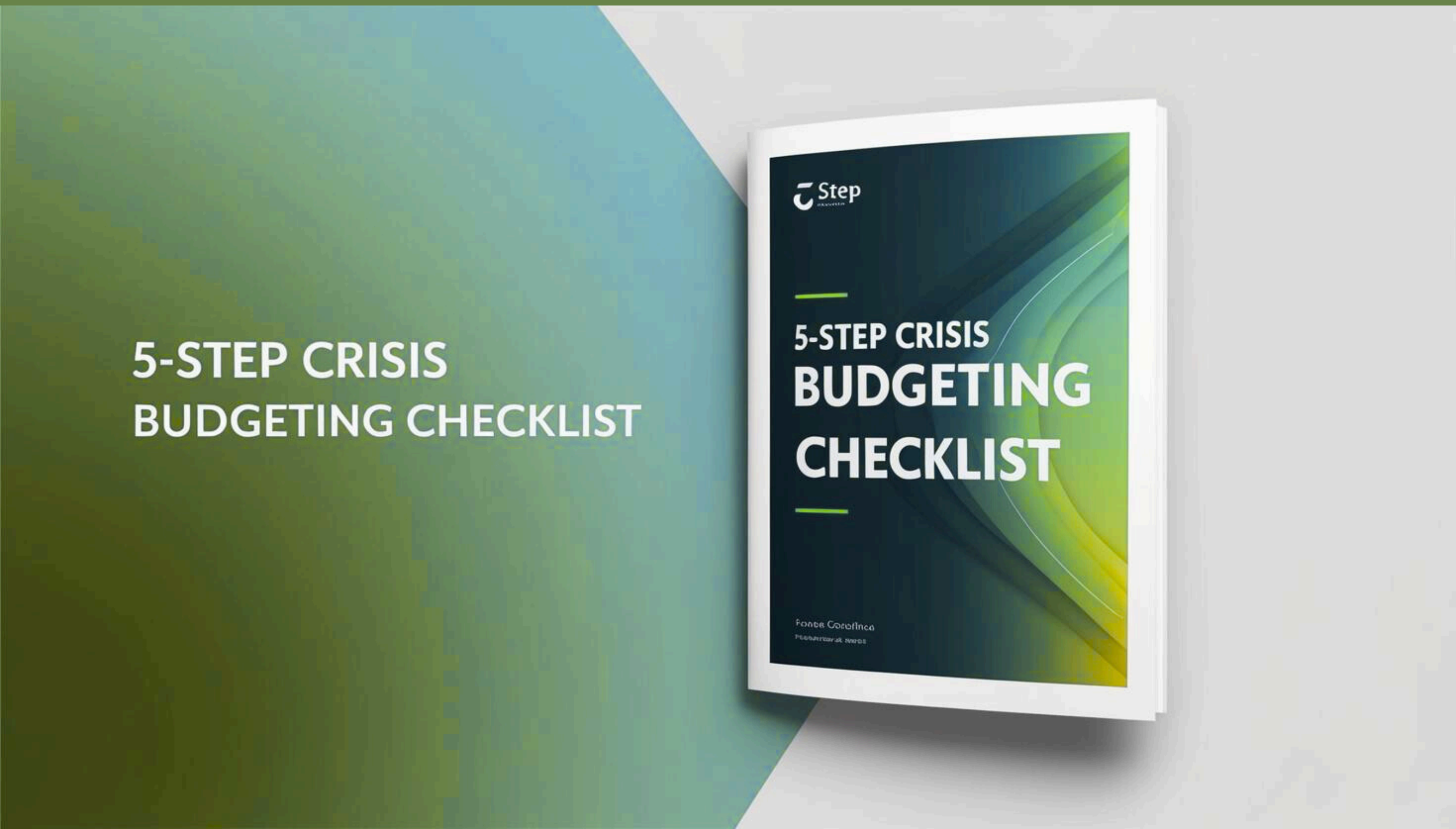


Created by Aishat at The Nonprofit Bookkeeper podcast
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# 5-Step Crisis Budgeting Checklist

## Budgeting Through a Funding Crisis: What to Do When the Money Doesn't Add Up

*Use this checklist to regain control, reduce panic, and protect your mission.*

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### Step 1: Reforecast Honestly

- [ ] Review your current budget and remove any unconfirmed income
- [ ] Update income projections based on what's **actually committed**
- [ ] Adjust your expense lines accordingly — focus on *realistic delivery*
- [ ] Identify any immediate shortfalls in funding or cashflow

**Tip:** Use a separate "revised forecast" column (don't overwrite your original budget).

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### Step 2: Prioritise Expenditures

- [ ] List all current and planned spending
- [ ] Tag each item: **Essential**, **Contractual**, **Flexible**, or **Postponable**
- [ ] Identify savings by deferring or scaling back non-essential costs
- [ ] Preserve funds for programmes and people that are core to your mission

**Ask:** "What do we *have* to protect to stay true to our impact?"

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### Step 3: Plan for Scenarios

- [ ] Create at least two alternate versions of your budget:

  - Best-case (funding gap closes)
  - Mid-case (partial gap remains)
  - Worst-case (gap widens) ☐ Factor in key assumptions (e.g. staff cuts, grant delays, rising costs)
    ☐ Document potential triggers for each scenario (e.g. no new income by July)

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### Step 4: Activate Contingency Measures

- [ ] Check available unrestricted reserves and how far they'll stretch
- [ ] Consider operational adjustments (e.g. pause hiring, renegotiate rent)
- [ ] Pause or delay non-core projects or investments
- [ ] Review all outgoing payments for timing flexibility

**Optional:** Run a "zero-based budget" for the next 3 months.

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### 📣 Step 5: Communicate With Confidence

☐ Share the revised budget and plan with your board
☐ Brief your leadership team and programme leads
☐ Reassure staff with transparency: what's happening, what's being done
☐ Inform funders early if changes may affect outputs or timelines

**Remember:** Uncertainty is easier to handle when people feel included.

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### 📝 Extra Tips

✓ Use a rolling 3-month cashflow forecast alongside your revised budget
✓ Schedule monthly budget reviews until stability improves
✓ Track actions and decisions with dates and responsible persons

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🎧 *Listen to the full episode that inspired this checklist [https://www.bancservices.co.uk/the-nonprofit-bookkeeper/](https://www.bancservices.co.uk/the-nonprofit-bookkeeper/)*

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