

Sample nonprofit business plan

Eastside Homework Club, a fictional after school tutoring programme. Three year plan, September to August years.

A worked example from The Nonprofit Guide, thenonprofitguide.com/templates/business-plan/. The organization and its figures are invented for illustration; the benchmark figures are from IRS Form 990 data, processing year 2024. Adapt everything; copy nothing.

1. Executive summary

Eastside Homework Club tutors children in grades three to eight who are reading below grade level, four afternoons a week in donated space at a partner school. It will serve 60 children in year one, 80 in year two and 100 in year three. Year one costs \$169,440, rising to \$233,460 as a second coordinator is hired. A lead foundation has committed \$60,000 a year for three years; the rest of year one's income is received or pledged, and year two grants are shown in a weighted pipeline rather than counted. The plan runs a small surplus each year into a reserve, and ends year three with 2.2 months of cash, with a board policy to reach three months by year five.

2. The need

Two in five children at the partner school's feeder schools read below grade level, and the school has no after school provision after 3.30pm. Parents surveyed at two school events named homework help as their first request. (In a real plan, cite the district's published assessment data and your own survey, with dates.)

3. What we do

Small group tutoring, one tutor to four children, Monday to Thursday, 3.30pm to 5.30pm, during the school year. Reading first, then homework. Snacks provided. A sliding scale fee from \$0, so no child is turned away.

4. Who it is for

Children in grades three to eight at the partner school and two feeder schools, referred by teachers or enrolled by parents.

5. Who else does this

Two programmes operate in the district. Both have waiting lists and neither serves grades six to eight. Eastside Homework Club has agreed referral arrangements with both, so children on their lists are offered a place here, and does not compete for their lead funders.

6. Organization and people

A board of five, meeting every other month, with a treasurer who reviews the monthly reconciliation. A full time director and a full time coordinator in year one; a second coordinator from year two; contract tutors paid per session; volunteers for reading support.

7. Outcomes and how we measure them

Outcome	Indicator	Collected by	Year one target
Reading improves	Children gaining a grade level in reading in a school year	Coordinator, from three yearly school assessments	Half of children enrolled all year

Outcome	Indicator	Collected by	Year one target
Homework gets done	Share of assigned homework completed	Tutors, weekly log	Three quarters
Children keep coming	Attending two or more days a week all year	Coordinator, register	Two thirds

8. The money: income, three years

Line	Kind	Year 1	Year 2	Year 3
Individual gifts	Contributed	\$46,000	\$58,000	\$70,000
Board giving	Contributed	\$9,000	\$10,000	\$12,000
Lead foundation grant, committed for three years	Contributed, restricted	\$60,000	\$60,000	\$60,000
Other grants	Contributed, restricted	\$25,000	\$37,750	\$50,000
Spring benefit, gross	Earned	\$20,000	\$24,000	\$28,000
Programme fees, sliding scale	Earned	\$6,000	\$9,000	\$12,000
Donated classroom space	In kind	\$12,000	\$12,000	\$12,000
Total income		\$178,000	\$210,750	\$244,000

Expenses, three years

Line	Year 1	Year 2	Year 3
Salaries: director, coordinator, later a second coordinator	\$92,000	\$112,000	\$128,000
Payroll taxes and benefits, 12%	\$11,040	\$13,440	\$15,360
Contract tutors	\$18,000	\$24,000	\$30,000
Classroom space, donated	\$12,000	\$12,000	\$12,000
Books, supplies and snacks	\$8,000	\$10,000	\$12,000
Spring benefit, direct costs	\$8,800	\$10,500	\$12,300
Bookkeeping and accounting	\$6,000	\$6,300	\$6,600
Technology: donor database, accounting, laptops	\$2,400	\$3,000	\$3,300
Insurance: general liability and D&O	\$2,800	\$3,000	\$3,200
Card and platform fees	\$1,500	\$1,800	\$2,100
Office and printing	\$2,400	\$2,600	\$2,800
Appeal mailings	\$3,000	\$3,400	\$3,800
Training and travel	\$1,500	\$1,800	\$2,000
Total expenses	\$169,440	\$203,840	\$233,460
Surplus, to the reserve	\$8,560 (4.8%)	\$6,910 (3.3%)	\$10,540 (4.3%)

Year two grant pipeline

Prospect	Ask	Chance	Weighted	Decision
Community foundation, renewal	\$20,000	75%	\$15,000	October

Prospect	Ask	Chance	Weighted	Decision
United Way partner grant	\$30,000	70%	\$21,000	March
Regional bank foundation	\$15,000	50%	\$7,500	November
Family foundation A	\$30,000	40%	\$12,000	January
Family foundation B	\$25,000	30%	\$7,500	April
State literacy grant, paid in arrears	\$50,000	25%	\$12,500	June
Total	\$170,000		\$75,500	

The budget carries half the weighted value: \$37,750.

9. Year one cash flow

Month	Cash in	Cash out	Balance
Sep	\$5,600	\$14,512	\$6,088
Oct	\$33,100	\$11,712	\$27,477
Nov	\$7,600	\$14,712	\$20,365
Dec	\$35,600	\$11,712	\$44,253
Jan	\$2,600	\$11,712	\$35,142
Feb	\$2,600	\$13,212	\$24,530
Mar	\$33,100	\$16,112	\$41,518
Apr	\$23,600	\$16,112	\$49,007
May	\$5,600	\$14,712	\$39,895
Jun	\$13,100	\$11,712	\$41,283
Jul	\$1,500	\$9,112	\$33,672
Aug	\$2,000	\$12,112	\$23,560

Opening cash of \$15,000 is founding gifts. The low point is September at \$6,088. Year one ends on \$23,560, 1.8 months of cash spending.

10. Benchmarks

Line	Year one	IRS figure for this size	Verdict
People, salaries and benefits	60.8%	Median 32.3% at \$250k to \$1m, 75th percentile 56.8%	Above: staff delivered programme
Back office, including donated space	15.1%	Median 10.0% under \$250k, 75th percentile 23.9%	Within range
Technology	1.42%	Median 1.38% of spending, where reported	In line
Accounting fees	\$6,000	Median \$2,155 under \$250k, \$6,330 at \$250k to \$1m	Budgeted for the larger band it grows into
Operating margin	4.8%	Median 3.0%	In line
Cash at year end	1.8 months	Median five months	Below: board policy to reach three

11. Risks

Risk	Likelihood	Effect	Response
Lead grant not renewed after year three	Medium	Loses 25% of year three income	Renewal conversation in year two; individual giving grows from \$46,000 to \$70,000
Partner school withdraws the space	Low	\$12,000 of in kind value, and the site	Written agreement; second site identified
Coordinator leaves	Medium	Programme continuity	Documented processes; director covers
State grant paid in arrears	High if won	Cash gap of up to \$50,000	Not budgeted until awarded; draw schedule agreed first