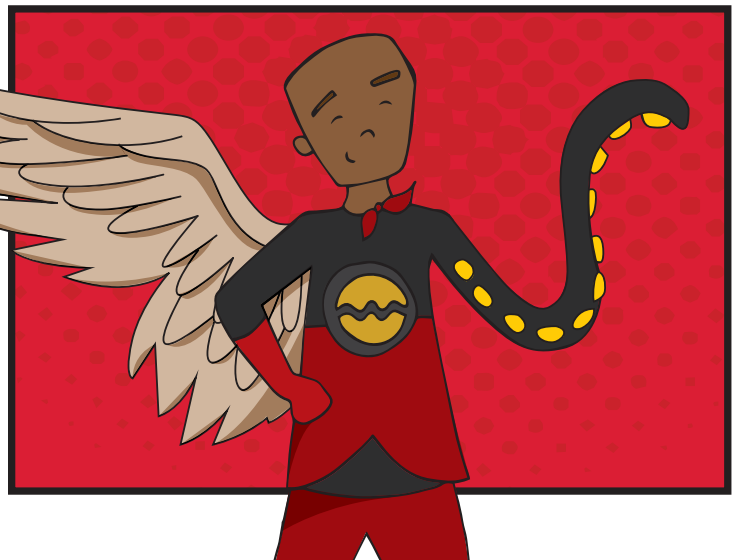


BOOK 4: CHAPTER 8 DEVELOPING A BUSINESS PLAN &
CHAPTER 9 ONLINE RESOURCES &
CHAPTER 10 ACKNOWLEDGEMENTS & CHAPTER 11- APPENDICES



CONTENTS

8 DEVELOPING A BUSINESS PLAN 61

- 8.1 Getting started... 61
- 8.2 Planning your finances 64

9 ONLINE RESOURCES 71

10 ACKNOWLEDGEMENTS 74

11 APPENDICES 76

- 11.1 THE NPO BOARD 76
- 11.2 MODEL CONSTITUTION 76
- 11.3 LESSON PLAN TEMPLATE 81
- 11.4 SAMPLE ATTENDANCE REGISTER 83
- 11.5 INDEMNITY FORMS 84
- 11.6 SUGGESTED SELF-ASSESSMENT
INSTRUMENT 86
- 11.7 BUSINESS PLAN TEMPLATE 89
- 11.8 LOGICAL FRAMEWORK
EXPLANATIONS 93
- 11.9 BUDGET PREPARATION
SHEET TEMPLATE 94
- 11.10 COST WORKING
SHEET TEMPLATE 95

ABBREVIATIONS

Asset-Based Community Development	ABCD
The Butterfly Art Project	BAP
Community Art Facilitators	CAFs
Community Based Organisation	CBO
Community-Driven Development	CDD
Companies and Intellectual Property Commission	CIPC
Civil Society Organisation	CSO
Department of Social Development	DSD
Early Childhood Development Centre	ECD
Faith-Based Organisation	FBO
Financial Intelligence Centre Act	FICA
Memorandum of Incorporation	MOI
Non-Governmental Organisation	NGO
Non-Profit Company	NPC
Non-Profit Organisation	NPO
Public Benefit Organisation	PBO
Search Engine Optimisation	SEO
South African Revenue Service	SARS
School Governing Body	SGB

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8. DEVELOPING A BUSINESS PLAN

It is easy to lose track of your thinking – or skip seemingly unimportant steps in the planning, marketing, and strategizing stages at the start of your enterprise. Mistakes are also inevitable on your journey to starting an art centre, but if you equip yourself with the right knowledge, and prioritise and remind yourself to be patient, you are halfway down the road to success.

Whether you decide to operate your art centre as a for-profit or a non-profit, having a plan is the cornerstone of any successful endeavour. In for-profit businesses this plan is referred to as a business plan, in a not-for-profit it is usually called a strategic plan or project plan. The concept is the same regardless of the legal structure of your organisation. If anything, starting an NPO requires more planning than a for-profit because the rules and regulations are tighter and the requirements for reporting to your funders/ donors ensure that you need to account for all your activities.

Now you may be thinking: “A what? I’m an artist, I’ve never done a business plan!” Well now is the time to start... Starting with, where do you want to be in 1 , 3 and 5 years? Having a clear vision for your future will help you create goals and stay focused in the long run.

A business plan outlines the mission, product or service you’ll be offering, the market landscape, identifies possible competitors and the target group you plan to serve. It will also include a financial plan, board members, and any partners or external stakeholders who will be needed to start your art centre.

Keep in mind, this plan is meant to be a living and breathing document. Use it as a guide, and come back to it, add additional details and reshape it and your organisation grows or reshapes itself.

When developing your business and marketing plan you need to look at and analyse several area such as your strengths and weaknesses, opportunities and threats (SWOT Analysis), the competition and the products and services you plan to offer (refer to appendix 11.6 for a self-assessment – this will help you reflect on your organisation). None of these areas are more important than taking a hard look at your target group (what they want and need) and potential funders/ donors to help you finance your work (in a for-profit enterprise you

would look at where you could access a business loan if this is needed, how you would structure your pricing to generate enough income to make your enterprise viable).

Your plan can be anywhere from 10-30 pages depending on the depth of information you decide to include. After the cover page, the first page should include your executive summary. This is where you introduce the product or service, your target group and the vision for your organisation. The next page is the description of your organisation; there, you’ll detail your objectives and your mission, principal members (team/board members) and legal structure. On the following pages, you’ll go deeper into explaining market research, marketing plan, financial projections and funding plans. If you have any supporting documents to include in support of your plan, add an appendix and put them there.

It is a good idea to speak with someone who has started an NPO before. Remember that the laws governing the formation and running of NPO’s are quite clear. Contrary to popular belief, you do not need a lawyer to start an NPO. Just do your research and talk to people who understand the process of incorporation.

8.1 GETTING STARTED...

Regardless of whether your organisation is small or large, just being established or has been successfully running for years, you need a business plan. Why? Because your business plan is a blue print or a road map for how your organisation will be run, who will be responsible for what, and how you plan to achieve your goals.

Imagine you would like to travel overland from the most southern tip of Africa to the most northern point – how will you do this? Would you simply get in your car and begin driving? When planning a trip like this, there are many things you would need to consider, not the least of which are:

- What route you will take? Through which countries?
- How much time it will take to complete each leg of the journey?
- What do you want to see along the way?
- What are the visa requirements? Do you need a special drivers licence?
- Do you need any inoculations? Are there any other health precautions you need to be aware of?

- Are you travelling alone or will you travel with someone? Are there any other people/groups traveling in the same direction? Could you join in a convoy – working together, sharing resources, providing support, etc?
- Where will you stay? How much will it cost? What is the level of luxury you require? Any additional services?
- Where will you get fuel? How will you ensure the quality of your fuel? How much will it cost?
- Where are you going to source food? Will you rely of getting prepared food – or will you need facilities to cook for yourself?
- How much luggage will you need? Will you need to wash your clothes along the way?
- How will you know that you are still on the right track (not getting lost along the way)? What happens if you are not able to follow a portion of the route you have planned – e.g.: you are denied entry to a particular country, or the road you planned to drive is not drivable. How will you adjust your route when you are faced with roadblocks?

In the same way that you would take the time to plan a trip like this, you need to plan how your organisation will run, the direction it will take, what do you need along the way, how will you monitor and evaluate where you are, what you are doing and how well you are doing it?

Your organisation also needs a business plan if you want to secure the support of any kind, be it financial, in-kind donations, or even just support from volunteers. You need a business plan in order to share your organisation's purpose and goals.

To sum it all up, you need to write a business plan in order to:

1. Identify your goals and establish milestones.
2. Better understand your beneficiaries, partners, and other stakeholders.
3. Assess the feasibility of your organisation and document your fundraising plan.
4. Attract investment and prove that you're serious about your organisation.
5. Attract board members, supporters and volunteers.
6. Position your organisation and be clear about your message.
7. Force you to research and explore new opportunities.
8. Iron out all the kinks in your plan and hold yourself accountable.

8.1.1 YOUR STEP-BY-STEP GUIDE TO WRITING A BUSINESS PLAN

Here is a step-by-step guide for developing your business plan: (Note: Step 1, 2, and 3 are in preparation for writing your business plan)

Step 1: Collecting the information you'll need

Before you start writing your plan, you need to collect some information – this includes: financial (we'll cover this in more depth in the following section – Planning your finances), services and products, operations, and other relevant data. If your organisation is already operating, you should already have financial statements detailing operating expense reports and a spreadsheet that indicates funding sources.

If your organisation is new, you will need to source information related to any potential funding sources and the type of funding they offer, activities they fund, etc.

Step 2: Why do we exist?

Your business plan should start off with clear statement of your core values and your mission statement. Outline your vision, your guiding philosophy, and any other principles that provide the purpose behind the work your organisation wants to do. This will help you to refine and communicate your purpose and development message clearly.

Your mission statement can also help establish your milestones, the problems your organisation seeks to address, who your organisation serves, and its future goals.

Step 3: Outline

Create an outline of your business plan. Write out everything you want your plan to include (for example: marketing, fundraising, human resources, and budgets). (We have included a template in appendix 11.7).

An outline helps you focus your attention. It gives you a roadmap from start, through the middle, and to the end – in the same we discussed in the example earlier (travelling across Africa). Outlining your plan will actually help you write an accurate and more effective plan. An outline will help you understand what you need to tell your audience, whether it's in the right order, and whether the right amount of emphasis is placed on each topic.

Step 4: Products, Projects, and Services

In this section, provide more information on exactly what your organisation does:

- What products, projects, or services will you provide?
- How does your organisation benefit the community?
- What need does your organisation meet and how will you meet that need?

Most of people who will read your plan really care about the programme details, including the functions and who will benefit (your beneficiaries/ target group) and what change your work will bring about in the lives of these beneficiaries.

While the details are important, as is providing accurate and sufficient information – be careful not to get too lost in technical jargon or long winded explanations. Instead try to present some clear examples to support your plans, and/ or include photographs, brochures, and other promotional materials.

Step 5: Marketing Plan

In chapter 6, we explain how to develop your marketing plan. A marketing plan is crucial for your organisation to reach its goals. If your organisation is already in operation, describe in detail all current marketing activities: any outreach activities, campaigns, and other initiatives. Be specific about outcomes, activities, and costs.

If your organisation is new, outline projections based on specific data you collected about your target market. This is usually the most detailed section because it spells out precisely how you intend to carry out your business plan.

Step 6: Operational Plan

An operational plan describes how your organisation plans to deliver activities. In the operational plan, it is important to explain how you plan to maintain your operations and how you will evaluate the impact of your programs.

We have included a copy of the Logical Framework (appendix 11.8) which you can use as a planning tool. This tool is particular to the development world. The Logical Framework will help you clearly identify why you exist, what you plan to achieve, how you will do this and the timeframes within which this will take place.

Whichever tools you decide use for your planning, your operational plan should give an overview of the day-to-day operations of your organisation such as the people and organisations you work with (including partners and suppliers), any legal requirements that your organisation are bound by (for example: registering as an NPO), any insurance you may need etc.

In the operational plan, also include a section detailing your team and their credentials (if you are working alone, you will still need to include your credentials).

Step 7: What is the change you would like to see – your impact?

For an NPO, an impact plan is as important as the financial plan. An NPO exists to promote or create social change and, on behalf of its stakeholders, offer social return on

investment, not just a financial return on investment. Your impact plan should be clear about how your organisation will achieve the “Step 2: Why do we exist?” It should include details on what change you’re seeking to make, how you’re going to make it, and how you’re going to measure it. If you have used the Logical Framework as your planning tool, all the answers to these questions will be included in your framework. This section turns your purpose and motivation into concrete accomplishments that your organisation plans to make and sets specific goals and objectives to bring about social change. Your funders/ donors want to know for whom, in what way, and exactly how you’ll measure your impact.

Step 8: Financial Plan

This is one of the most important parts of your business plan. Creating a financial plan will allow you to make sure that your organisation has its basic financial needs covered. Every NPO needs a certain level of external funding to stay operational, so it’s crucial to make sure your organisation will be able to source this. (We will explain in more detail how to formulate your financial plan in the next section)

As part of your financial plan, you will need to:

- Outline your organisation’s current and projected financial status.
- Include an income statement, balance sheet, cash flow statement, and financial projections based on your planned projects/ activities.
- List any grants you have been promised or received and in-kind support (for example: volunteers, materials donated, training material provided).
- Include an outline of your fundraising plan (this can be included in full as an appendix if need be). Be sure to also identify gaps in your funding, and how you will manage this. As important, present a plan for what will be done with a potential surplus funding.
- Include start-up costs, if necessary.

Knowing the financial details of your organisation is very important in a world where your supporters demand transparency about where their contributions are going.

Step 9: Executive Summary

Your executive summary is normally written last but placed first in your business plan, your executive summary must provide an introduction to your entire business plan. The first page should describe your organisation’s mission and purpose, summarize your target market/group and prove an identifiable need, and explain how you will meet that need.

The Executive Summary is where you sell your organisation and its purpose. You will need to describe your organisation clearly and concisely.

Make sure to customize your executive summary depending on your audience (i.e. your executive summary page will look different if your main goal is to fundraise or source a board member) – For example if you are sending a proposal (your Business Plan) to a corporate donor, you may focus on facts and figures and how the work you do aligns to their focus areas; if you are sending it to an individual, you may decide to focus on the “story” of what you do – telling this person about the people you work with and how the work you do has changed their lives; if you are sending it to a prospective Board Member, you will want to focus on how their contribution (as part of the work your centre does) can change people’s lives.

Step 10: Appendix

Include extra documents in the section that are appropriate to your organisation: organograms, proposed budgets, a list of the board members, your tax clearance and exemption (if you have one), financial statements if you are already in operation, etc.

The appendix should include helpful additional information that can support your business plan, but which is not suitable for the format of your business plan (i.e. it might make it less readable or too long).

8.1.2 BUSINESS PLANNING TIPS⁵:

Do:

- Write clearly, using simple and easy-to-understand language.
- Get to the point, support it with facts, and then move on.
- Include relevant graphs and project descriptions.
- Include an executive summary.
- Provide sufficient financial information.
- Customise your business plan to appeal to different audiences.
- Stay authentic and show enthusiasm.

Don’t:

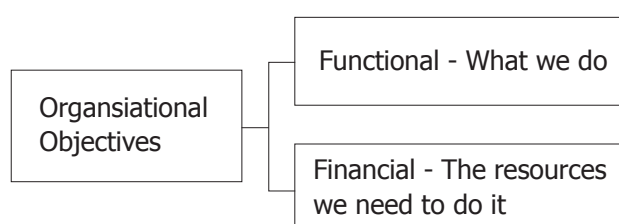
- Make the business plan too long.
- Use too much technical jargon.
- Overload the plan with text.
- Rush the process of writing.
- Go on and on about your cause without providing a clear understanding of how you will help the cause through your activities.

Format: (if you have developed your brand guide, this information should be included there)

- Keep your formatting consistent.
- Use standard margins.
- Use a reasonable font size for the body, between 10 and 12 points.
- For print, you can consider using a serif font like Times New Roman or Courier. For digital, use sans serifs like Verdana or Arial.
- Do start a new page before each section.
- Don’t allow your plan to print and leave a single line on an otherwise blank page.
- It is a good idea to have someone read over the plan before it is printed to make sure it’s totally error-free.

8.2 Planning your finances

All organisations, whether for-profit or no-for-profit, has certain objectives. These objectives are always of a dual nature – they have a functional aspect and a financial aspect. A functional objective applies to the production and distribution of goods or the rendering of services. A financial objective refers to the financial situation or financial performance of the enterprise.



Financial planning is about:

- Making sure that the organisation can survive.
- Making sure the money is being spent in the most efficient way.
- Making sure that the money is being spent to fulfil the objectives of the organisation.
- Being able to plan for the future of the organisation in a realistic way.

Financial Accountability

In non-profit organisations, the money that you are using is held in trust – on behalf of the community that you serve. The money is not the personal possession of the individual staff members. They have to account for how they used the money, to show that it was used to benefit the community.

In a profit-making organisation, it is easy to hold management accountable. We simply ask: did they make a profit?

⁵ Adapted from: <https://donorbox.org/nonprofit-blog/nonprofit-business-plan/>

In a non-profit making organisation we ask: did they use the money to benefit the community in the best possible way?

Financial accountability can be broken down into two components:

Financial Accountability:

Being able to account for the way the money is spent to:

- Donors
- Board Members
- Project team
- The people whom the money is meant to benefit

Financial Responsibility:

- Not taking on obligations your organisation cannot meet
- Paying accounts and staff on time
- Keeping proper records of the money that comes into the organisation and goes out of the organisation

An organisation must have set policy about the budget process:

- Who is responsible for the process?
- Who will draft the budget?
- Who will be consulted in drawing up the budget?

- When should the budget process start?
- Who will approve the budget?
- How will the budget be monitored and controlled?

The budget planning cycle:



To ensure that finances are properly controlled, all organisations must have policies. Look at the table on the following page and give your organisation a tick if it has a policy for each. Give yourself a tick if you know the policy.

Policy	Organisation has policy	I know the policy
Banks accounts – • who can open it, what bank to use, etc, • operating and • signing cheques, withdrawing money		
Budgeting • Who develops the budget • How it is developed • Who authorises it		
Non-budget expenditure • Who can give permission to spend money on items not budgeted for		
Petty cash • Who can spend it • For what		
Receipts and deposits • When to deposit		
Acquisition and disposal of fixed assets		
Payments and cheque requisition		
Staff loans • Who can get loans • Limits • How often		
Use of private motor vehicles • Rate of repayment		
Long distance travel • When you can fly (instead of using taxis, or private transport) • Class of flights • Car Hire • Travel allowances: What the organisation will and won't pay for		

8.2.1 TERMINOLOGY

Before we can start the actual budgeting process, it is important to understand some of the terminology you may come across in the process of planning your budget:

INCOME:

Financial Grants/ Donations: Income that the organisation receives in support of a particular activity or project (these can include individual donations, bequests, or income generated through your fundraising efforts).

Income Generation (Earned income): Income that the organisation earns by providing goods or services in exchange for a fee (for example: class fee, art sales, and contracts to provide your services or produce products on behalf of someone else).

Surplus income: Income that may have been allocated to a project or activity that did not cost as much as was originally budgeted for, or where the project/ activity did not take place; and the funder/ donor has authorised for use against other budgeted items or activities.

Pass-through Income: These are funds provided to the organisation that must be spent on behalf of, or passed through to, another organisation – for example when you apply for funding in partnership with another organisation – where they do part of the work and your organisation does part of the work.

EXPENSES:

Capital: These are one-off expenditure for expensive items such as equipment, property, vehicles, or major building works, which will be used over several years.

Fixed Costs: Expenses that have to be paid by the organisation regardless of the revenue generated. These costs do not change when the amount of services increase or decrease. For most organisations, basic operating expenses such as salaries, rent, and insurance fall into this category.

Variable Costs: Expenses that increase or decrease depending on the amount of services provided. For example, the cost of workshop personnel and supplies could vary with the number of sessions offered, the cost of art materials could vary with the number of students you have, or the cost of certain services depending on how much they are used – e.g.: telephone or electricity.

Deficit: This is when the anticipated income is less than anticipated expenditure.

Surplus: This is when anticipated income is more than anticipated expenditure.

Activity Based: This describes an approach to budgeting where the budget is built up from a detailed activity plan.

Cost Allocation: This is the process of proportionally distributing common costs among two or more activities that benefit from those costs. Many organisations allocate common costs based on staff time assigned to each activity and/or total direct expenses of each activity. Cost allocation process should be reasonable, documented, and consistently applied.

Full Program Costs: While there is no precise definition of this phrase, it typically refers to the total of a program's direct costs, as well as an allocation of "indirect" costs that may include common costs and supporting costs (for example: administrative and/or fundraising costs). Calculating full operating costs in this way can help to ensure effective fundraising targets for programs and support effective cost recovery efforts from grants and "paid for" work.

ACCOUNTING:

BOOKKEEPING: The **RECORDING** of the results of business transactions into a manual or computerised accounting system.

ACCOUNTING: The final **REPORTING** of recorded accounting information, in terms of generally accepted accounting practice and disclosure requirements.

AUDITING: The **REVIEW** and **VERIFICATION** of the accounting reports and information for issue of a report on the fairness of presentation in respect of the period under review.

TRANSACTIONS: A transaction is any activity performed by an organisation in exchange for financial gain, this includes: the buying and selling of goods, the lending of money, the obtaining of insurance, the payment of taxes and the consumption of goods and stock are all examples of transactions.

INCOME STATEMENT: The Income Statement is the accounting document, which is prepared in order to reveal the profit earned over a period of time. The income statement is also sometimes called the "Statement of Income and Expenditure" or the "Profit and Loss Account." This is the recording of both:

- **INCOME (REVENUE) – INCLUDING:** funding received, Earnings (e.g.: Sales, consulting Fees, Commission, etc) and Profit
- **EXPENSES (EXPENDITURE) – INCLUDING:** Costs, Charges, Losses

Financial Position / Balance Sheet: The balance sheet reflects the financial position of the entity as on a particular date, in historic costs. It includes information on:

- **ASSETS (Fixed and Current)** – this includes buildings
- **LIABILITIES (Long and Short Term)**
- **EQUITY (Capital)** – this could include: investments paying dividends, Members Contribution, secured Funds

Cash Flow Statement: The Cash Flow statement states the actual amount of source of an organisation's funds, and the manner in which those funds are applied. This is usually reflected either monthly (if you are planning your activities annually) or quarterly (if you are planning your activities over a multi-year cycle).

Auditors Report: As your organisation grows, and the amount of funding received increases, some funders may require an audited report. This is compiled by an external, independent qualified Chartered Accountants (CA). This report states the opinion of the auditors on the fairness of the annual financial statements in reflecting a reasonable accurate picture of the financial position and financial results.

Financial year and annual financial statements: The date of the financial year end of your organisation must be specified in the founding statement. Financial statements must be prepared within a period of nine months after the end of the financial year.

As we have indicated before, this handbook has been developed mainly for those who would like to run their art centre as an NPO (although the same, and more, budgeting rules do apply to for-profit organisations).

As part of your budgeting, you need to include start-up costs, operational costs (including your training costs) and once off purchases (for example more equipment – capital costs).

8.2.2 BUDGETING FOR YOUR ART CLASSES

Whether you are planning a for-profit or an NPO one of the critical steps in planning your art centre is developing a budget. Your budget must take into account the cost of supplies, class space, salaries if you employ anyone, marketing/advertising and other monthly overhead costs. If you go the non-profit route, you will need this in order to develop your fundraising plan and write a funding proposal. If the funding is approved, you must spend this money exactly as you proposed to spend it in your proposal.

A budget is the numerical expression of an organisation's dreams that serves as a guide or measure of acceptable financial performance.

A budget helps you:

- Control your money.
- To monitor your expenses and income.
- Plan in advance how much money you will spend and how you can generate income to cover your expenses.
- Make decisions about your spending.
- Account for any funds you have received from a funding organisation, and complete the necessary reporting process.

The main reason for budgeting is to identify and plan for the resources needed to run your art centre. Planning your budget gives you an opportunity to check whether your planned projects/ activities are financial viable. The following are some of the key objectives of planning your budget:

1. Providing detailed plans to support the planning of annual operations.
2. Developing a guide to help you to co-ordinate your activities and achieve your organisational goals.
3. Identify possible financial constraints which need to be addressed through either re-planning your activities or fundraising efforts.
4. As a measurement tool to monitor the completion of your project/ activities plan, and the achievement of your organisational goals.
5. To serve as a control measure against actual results to manage any deviations.

Budgets should be planned, in such a way that the information can be used to regularly review results

of your activities, and should be used as a working document in that it should be adjusted for forecasting purposes as the year progresses.

What are the costs involved in opening your art centre?

How much it costs to open your art centre depends on where you will be conducting lessons. For example, if you decide to teach from home, this will completely eliminate the need to pay additional monthly rental payments – as you are already paying for this space. If you do rent space for a studio (classroom), remember that the additional costs may include not only the actual rental, but also water, electricity and maintenance. Aside for paying for your space, your only real costs then, are the costs of your materials and your time spent actually teaching.

Remember that any renovations that need to be done to accommodate your art classes, will need to be included in your budget as well.

What are the ongoing expenses for your art centre?

Ongoing expenses are the regularly occurring (usually monthly) expenses that you need to plan for – rental, water, electricity, salaries, etc. Ongoing fees will also include the costs associated with actually running your classes – materials, trainers (if you are hiring people to train on your behalf), travel costs, marketing, etc.

There may be recurring annual expenses that you need to plan for in your budget – this could include: taxes, hosting of a website (if not paying monthly), exhibitions (or special events), replacement of equipment (although this may not be necessary every year), etc.

How much profit can your art centre make?

If you are running a for-profit business, this business can make you money. A lot depends, however, on how many hours you plan to work and the number of students who commit to your classes – for example: if you imagine a “standard work day” of teaching for eight hours and charging students R50 an hour, recruiting 5 students per class – you can earn R250 per hour/ R2,000 per day. If you work a “standard” 22 days per month, this would be the equivalent of R44,000 per month (you would need to subtract your expenses from this before you can see what your actual earnings are).

The reality is that this is not the best way to plan or manage your earnings, which is why it is important to try and accurately plan exactly what your costs are, so that you can plan for the minimum income you would need to generate to make your businesses profitable. Then too, you would need to consider how you would like to allocate your time – are you an artist and need time to work on your own projects? Are you looking to simply supplement your income, or do you need to generate a full salary? Are you planning on selling your own art and/ or your student's? Will you provide all the art materials or will the costs be passed on to your students (this would mean they would need to pay your fee plus the cost of the materials they need)?

If you are creative in your approach to your marketing, there are sites where you can create a webpage for free, though most of your true marketing will probably be done via social media such as Facebook and Instagram, and this can be completely free (except for your time), and can save you money.

NOTE: If your ultimate goal for starting your art centre is financial gain, you should take the time to talk to a business consultant on how to proceed, develop a business plan and where to potentially access financial loans to establish your centre.

A budget is not only the financial expression of your plan of action, it is also an aid to co-ordinate and manage your activities. These are usually planned over a period of one year, however, these can be divided into shorter periods e.g. months in order to co-ordinate income vs expense budgets – these are your cash flow projections. Cash flow is crucial to any organisation therefore the cash flow budget is a very important document. It is used to plan and manage your finances more efficiently.

Since a budget is a financial plan that relates directly to the activities of the organisation, it is important that those who will be responsible for project implementation are also involved with writing the budget.

If this is not done, the budget could be less accurate and your team less likely to appreciate the need to spend within budget or to reach fundraising targets. When you involve your team in setting their budgets it is described as ‘bottom up’ budgeting – as opposed to ‘top down’ where budgets are imposed by management. Many organisations use a mix of top down and bottom up approaches.

Effective budgeting can avoid cash shortfalls by timeously making arrangements to meet unusual or changing cash demands. There are certain limitations to budgets as they are simply a planned estimate and unless they are continually adjusted to changing circumstances they will not be effective.

8.2.2.1 DETERMINING YOUR OPERATIONAL COSTS

Operating costs include overhead expenses such as administrative staff, rent, utilities (water and electricity), phones, office equipment and supplies, insurance and cleaning supplies. These are expenses you incur even when you are not running your art classes. Potential funders will always look at how much you spend on administrative costs (also known as overhead or core costs) to determine whether you are a good investment.

The non-overhead costs associated with fundraising are also operating costs. When you raise funds, the associated costs directly related to your efforts are known as development costs. These expenses would include printing, postage and the costs associated with hosting an event. Whereas a for-profit business might plan for overhead costs and manufacturing costs, an NPO will plan for overhead, project and development costs. Direct project costs can include paying for staff, marketing, travel, venues and catering, whereas development costs would include coffee/ meal costs when meeting with potential donors, seminars and training for fundraising staff and any office expenses associated with development.

For bookkeeping purposes, your operating costs are usually divided into fixed and variable expenses. Fixed expenses do not change on a month-to-month basis, such as rent or insurance payments. Variable costs change, such as utilities and training material costs. Dividing your expenses this way helps you create cash flow budgets to alert you to when you will need more money, and shows you where you might be able to reduce expenses during times of budget shortfalls.

If you are a new NPO, do not include start-up costs, such as buying office furniture and training equipment and other expenses you won't have once you are up and running, as operating expenses.

GOOD PRACTICE IN BUDGETING

Clarity: Since many different people will need to use the budget for different purposes, they should be able to understand it (and adapt it, when necessary) without

any additional explanation beyond what is written down. Clarity and accuracy is key so it is important to keep notes on budgeting assumptions and how calculations have been made.

Timetable: There are several stages involved in constructing a budget before it can be submitted for approval to your Board, so it is a good idea to prepare a budgeting timetable and start the process early.

Budget Headings: When planning a budget for the first time or when reviewing a budget, it is important to pay attention to the line items you include, as these will need to match your bookkeeping programme and will need to be shown in your management reports. If the budget items and accounting records are not consistent then it will be very difficult to produce monitoring reports once you begin to implement your project.

One way of achieving consistency is to design a Budget Preparation Sheet (see appendix 11.9 for an example) for your organisation, which will act as a reminder to include all relevant costs. It will list all of the main types of income and expenditure that your organisation will incur through the coming year.

Estimating Costs: It is important to be able to justify calculations when estimating costs. One of the best approaches is to make a list of all the inputs required and specify the number and unit cost of each item. From this detailed working sheet it is a simple matter to produce a summarised budget for each line item and is very easy to update if units or costs change. Be aware that while last year's budget could be very helpful as a starting point, it could also be very misleading and contain historical inaccuracies.

Contingencies: Try to avoid the practice of adding a 'bottom line' percentage for so-called 'contingencies' on the overall budget. As a rule, donors do not like to see this and it is not a very accurate way of calculating a budget. It is better to calculate and include a contingency amount for relevant items in the budget – e.g. salaries, training materials and transport. Every item in your budget must be justifiable – adding a percentage on the bottom is difficult to justify – and difficult to monitor.

Overlooked costs: There is a tendency in the NGO world to under-estimate the true costs of running a project for fear of not getting the project funded. Here are some of the most often overlooked costs:

- Staff related costs (e.g. taxes and bonus payments)
- Start-up costs (e.g. legal costs, initial fundraising costs)
- Vehicle running costs
- Equipment maintenance and repairs (e.g. for photocopiers and computers)
- Governance costs (e.g. board meetings, AGM)
- Audit fees

What are capital costs? Capital costs are fixed, one-time expenses incurred on the purchase of land, buildings, construction, and equipment (like buying computers, office furniture, vehicles, etc). Capital costs usually translate to assets on your balance sheet.

8.2.2.2 HOW TO PLAN YOUR INCOME?

Your income is the amount of money you expect to bring in for the coming financial year. This is usually broken down by sources (i.e. the amount you expect from each funding source, including not only grants and contracts, but also your own fundraising efforts, memberships, and sales of goods or services).

When developing your budget, under the expected income of your organisation, you should include categories like:

- **Funder grants** - list each funder and the amount you expect from them.
- **Membership fees** - if your members pay fees list the amount you expect to get this year.
- **Donations** - list the amount you expect to get from small public donations, these include the value of in-kind-donations.
- **Fundraising events** - if you plan to organise events, list what profit you expect to make.
- **Income generated** - fees that you charge for your services, sales of publications etc.

8.2.2.3 HOW TO PREPARE A CASH FLOW FORECAST

Your budget is an important tool for funders, it provides a financial picture of your work. Funders like to see a diverse source of income which shows that sustainability does not rely on one sole source of funding. Funders view budgets to consider the following:

- How are you planning to use the grant funds?
- What are the other sources of funds for the work you are planning?
- Does the budget reflect an accurate picture of the work you are planning?

- Do the planned expenditure correspond to the activities?
- Does the budget fall within the guidelines of what the funder can support?
- What percentage of overhead (core) expenses (such as salaries, rent and utilities) is included in the budget?

In order to answer these questions it is helpful to prepare a cash flow forecast. To do this you will need all of your activity plans and budgets for the year. This exercise is best completed using a computer spreadsheet such as Excel. For each item of income and expenditure on the budget, you need to predict and plot on the cost working sheet (appendix 11.10) when cash will come in and need to go out of the organisation. This is clearly dependent on when activities are planned to take place. Some activity is more predictable than others.

- Some transactions are monthly, e.g. salaries, rent, utilities
- Some transactions are annual, e.g. insurance, audit fees
- Some transactions are scheduled, e.g. AGM, training courses, donor grants
- Some transactions are unpredictable, e.g. vehicle repairs.

Once the budget has been broken down into each month based on the activity plans, it is possible to calculate the net cash flow: i.e. whether there is more cash coming in or going out, or vice versa. It is a good idea to also include an estimate of any bank balances held as reserves as this will help manage our cash flow.

9. ONLINE RESOURCES

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11.1 THE NPO BOARD

1. Board composition

- Hiring and firing - the board needs to have a clear policy on how members are recruited and how they resign or are asked to leave, and how long a member may serve on the board.
- Conflict of interest - board members should not have a personal interest in any tenders or contracts put out by the NPO, and should be very clear on what constitutes a conflict of interest (XX)
- Uncompensated - NPO board members should not be paid although their justifiable expenses (for travel, etc) can be met.
- Diverse character, mix of skills and experience, gender, etc - the board should have members with different skills and experience that can be used to the benefit of the NPO, and the members should be diverse (different cultural, gender mix).
- Size - each board needs to decide how many members it needs in relation to the NPO's size and responsibilities

2. Board responsibilities

- Planning and evaluation, assess organisational effectiveness - A board needs to make sure that the NPO works as efficiently as possible and stays focused on its aims and objectives.
- Financial oversight, approve budget and salary structures - The board should receive regular reports on income and expenditure and make sure that budgets are kept to. It should make sure that accounts are audited where necessary and submitted to the board for approval. It should approve the annual budget and salary levels, including increases.
- Fundraising co-responsibility - Board members should play a major role in raising funds for the NPO, together with the CEO and responsible staff.
- Setting direction, policy and boundaries - The Board should be responsible for setting the NPO's aims and objectives through strategic planning. It should decide what the vision and mission (general objectives) of the NPO are and what it needs to do to achieve these.
- Oversees CEO, support, select, evaluate - The board is responsible for appointing, supporting and evaluating the performance of the CEO.
- Approving personnel policies - The NPO's personnel policies on hiring firing, leave, remuneration, training, handling of conflicts, etc should be discussed and approved by the board.
- Ensuring compliance with legislation and annual reporting - If the NPO is registered with the NPO

Directorate, SARS or the Registrar of Companies, the board is responsible for ensuring that the reporting requirements are met in full and on time. This includes the payment of UIF and PAYE on behalf of staff and any other legal obligations.

- Building and maintaining organisation's reputation
 - Board members need to ensure that the NPO's reputation is protected and developed.
- Maintaining clear division between role of board and that of CEO - The board needs to make sure that there is a clear understanding of what are the responsibilities and duties of the CEO (the running of the organisation) and what are the board's own responsibilities (ensuring this is done effectively and legally, and setting the aims and objectives to be achieved by the organisation)

3. Board conduct

- Training of board members - Board members should receive training to ensure they understand and can meet their responsibilities.
- Set expectations of members - The board should clearly outline for members what their duties and responsibilities are as board members.
- Establish policies on attendance, participation, noncompliance procedures - The number of board meetings, attendance requirements and penalties for non-attendance or compliance with board policy should be clearly set out.

SOURCE: <https://www.cabsa.org.za/book/export/html/1190>

11.2 MODEL CONSTITUTION

Table of Contents

1. NAME	2
2. BODY CORPORATE	2
3. OBJECTIVES	2
4. GOVERNING STRUCTURE AND MECHANISM OF GOVERNANCE	2
5. POWERS OF THE ORGANISATION	3
6. MEETINGS	4
6.1 Annual General Meetings (AGM)	4
6.2 Special General Meetings	4
6.3 Ordinary Meetings	5
6.4 Notices of Meetings	5
6.5 Quorums	5
6.6 Procedures at Meetings	6
6.7 Making decisions in meetings	6
6.8 Records of meetings	6

7. INCOME AND PROPERTY	6
8. FINANCES AND REPORTS	7
9. AMENDMENTS TO THE CONSTITUTION	8
10. DISSOLUTION/CLOSING DOWN	8

1. NAME

1.1. The organisation hereby constituted will be called

1.2. Its shortened name will be

(Hereinafter referred to as the organisation).

2. BODY CORPORATE

The organisation shall:

- Exist in its own right, separately from its members.
- Continue to exist even when its membership changes and there are different office bearers. Be able to own property and other possessions.
- Be able to sue and be sued in its own name.

3. OBJECTIVES

The organisation's main objectives are to:

- (Please note that the objective/s of an NPO must be of a public benefit nature or relating to communal or group interest or concerned with cultural or social activities undertaken for the sole purpose of not making a profit).*
- (e.g. Provide community services)

b) The organisation's secondary objectives will be to:

- (e.g. To work in collaboration with other organisations that mainly deals with food access to households.

4. GOVERNING STRUCTURE AND MECHANISM OF GOVERNANCE

4.1. The Office Bearers will oversee the organisation. The Office Bearers will be made up of

members. They are the Board of governance of the organisation.

4.2. **Term of office:** Office bearers will serve for a period of

years which has been agreed to by the general membership at an AGM, and which shall not exceeding three years. They can, however, stand for re-election for another term in office again and again after that, for so long as their services are needed and they are ready to give their services.

4.3. **Vacancies:** The Office Bearers must, as soon as reasonably possible, appoint someone to fill any vacancy that reduced the number of Office Bearers.

4.4. **Resignation:** An Office Bearer may resign from office in writing.

4.5. **Disqualification or Removal:** If an Office Bearer does not attend three meetings in a row, without having applied for and obtaining leave of absence from the Board, then the Board will find a new member to take that person's place.

5. POWERS OF THE ORGANISATION

5.1. The Board shall carry out the powers on behalf of the organisation and they shall manage the affairs of the organisation in accordance with the resolutions of the members as shall be taken from time to time at General Meetings of the organisation.

5.2. The Board is responsible for making decisions, and acting on such decisions, which it believes it needs to make in order to achieve the objectives of the organisation as stated in point number 2 of this constitution. However, such decisions and their activities may not be against the resolutions of the members or be against the law of the Republic of South Africa.

5.3. The Board shall have the general powers and authority to:-

5.3.1. raise funds or to invite and receive contributions.

5.3.2. buy, hire or exchange for any property that it needs to achieve its objectives.

5.3.3. make by-laws for proper governance and management of the organisation.

5.3.4. form sub-committees as and when it is necessary for proper functioning of the organisation

5.4. If the Board thinks it is necessary, then it can decide to set up one or more sub-committees. It may decide to do this to get some work done quickly. Or it may want a sub-committee to do an inquiry, for example

5.5. The Board may delegate any of its powers or functions to a sub-committee provided that:-

5.5.1. such delegation and conditions are reflected in the minutes for a

5.5.2. meeting

5.5.3. at least one Office Bearer serves in the sub-committee.

5.5.4. there are three or more people on a sub-committee.

5.5.5. the sub-committee must regularly report back to the Board on its activities.

5.6. The Board must in advance approve all expenditure incurred by the sub-committee, and may revoke the delegation or amend the conditions of the delegation.

6. MEETINGS

6.1. Annual General Meetings (AGM)

6.1.1. Stakeholders of the organisation must attend its annual general meetings.

6.1.2. The purpose of an Annual General Meeting (AGM) is to:

- Report back to stakeholders from the Office Bearers on the achievements and work of over the year.
- Make any changes to the constitution.
- Enable members to decide on the policies of the organisation.

6.1.3. The annual general meeting must be held once every year, towards the end of the organisation's financial year.

6.1.4. The organisation should deal with the following business, amongst others, at its annual general meeting:

- Agree to the items to be discussed on the agenda.
- Write down who is there and who has sent apologies because they cannot attend.
- Read and confirm the previous meeting's minutes with matters arising.
- Chairperson's report.
- Treasurer's report.
- Changes to the constitution that members may want to make.
- Elect new office bearers.
- General.
- Close the meeting.

6.2. Special General Meetings

6.2.1. The Special General Meeting (SGM) or any other special meeting is held outside of the normal or regular meetings.

6.2.2. Special or extraordinary meetings can take the shape of an Annual General Meeting (AGM) or any ordinary meeting of members.

6.2.3. The Board or not less than one-third of the members may call a Special General Meeting of the organisation.

6.2.4. Special meetings may be called when the Board needs the mandate or guidance of the general members of the organisation to take up issues that require urgent attention and cannot wait until the next regular AGM or ordinary meeting.

6.3. Ordinary Meetings

6.3.1. Ordinary members meetings are conducted to complete a standard order of business of the organisation. These are held once a quarter and are attended by the board.

6.3.2. The meetings of the Board will be held at least

once a quarter or when a need arises from time to time to conduct the business of the Board.

6.4. Notices of Meetings

6.4.1. The Chairperson of the Board shall convene meetings. The Secretary must let all Board members know the date of the proposed meeting within a reasonable time, but not less than seven (7) days, before it is due to take place.

6.4.2. However, when convening an AGM, or a Special General Meeting, all members of the organisation must be informed of the meeting no less than fourteen (14) days before such a meeting.

6.4.3. Notices for all meetings provided for in this constitution must be given to relevant members in writing, either personally, by post or electronic communication or whichever manner it is convenient, to the address or other similar particulars provided by the members.

6.4.4. The notices for all meetings must indicate the reasons for the meeting and the matters that will be discussed in the meeting.

6.4.5. For confirmation of delivery, all notices sent to members at the latest known contact details shall be deemed to have been duly served on members, unless it can be proven otherwise.

6.4.6. All members present in person at any meeting shall be deemed to have received notice of such meeting.

6.5. Quorums

6.5.1. Quorums for all meetings of the organisation shall be a simple majority (50% + 1) of relevant members who are expected to attend

6.5.2. However, for the purpose of considering changes to this constitution, or the dissolution of the organisation, then a two thirds (2/3) of the members shall be present at a meeting to make a quorum before a decision to change the constitution is taken.

6.5.3. All meetings of the organisation must reach a quorum before they can start.

6.5.4. If, however a quorum is not present within fifteen minutes of the appointed time of the meeting, the meeting must be adjourned or postponed to another date, within fourteen days thereafter.

6.5.5. If no quorum is present at the reconvened meeting within fifteen minutes of the appointed time, the members present shall be regarded to make up a quorum for that meeting and the meeting will continue as if a quorum is present.

6.6. Procedures at Meetings

6.6.1. The Board may regulate its meetings and proceedings as it deems fit, subject to the following:

- That the Chairperson shall chair all meetings of the organisation, including that of the Board.
- That, if the Chairperson is not present, the Vice-Chairperson shall chair such meeting. In the event both are absent, the Board members present at the meeting shall elect a chairperson for that meeting.

6.7. Making decisions in meetings

6.7.1. Where possible, the decisions of the organisations shall be taken by consensus. However, when there is no consensus, then members will discuss options for a while and then call for a vote.

6.7.2. All votes shall be counted and the majority votes on an issues shall be regarded as the decision of the meeting

6.7.3. However, if opposing votes are equal on an issue, then the chairperson in that meeting has either a second or a deciding vote.

6.7.4. All members must abide by the majority decision

6.7.5. Decisions concerning changes to this constitution, or of dissolution and closing down of the organisation, shall only be dealt with in terms of clauses 9 and 10 of this constitution.

6.8. Records of meetings

6.8.1. Proper minutes and attendance records must be kept for all meetings of the organisation.

6.8.2. The minutes shall be confirmed as a true record of proceedings by the next meeting of the Board, or of general members as the case may be, and shall thereafter be signed by the chairperson.

6.8.3. Minutes shall thereafter be kept safely and always be on hand for members to consult.

7. INCOME AND PROPERTY

7.1. The organisation will keep a record of everything it owns.

7.2. The organisation may not give any of its money or property to its members or the Board. The only time it can do this is when it pays for work that an Office Bearers or member has done for the organisation. The payment must be a reasonable amount for the work that has been done.

7.3. The Board or a member of the organisation can only get money back from the organisation for expenses that she or he has paid for or on behalf of the organisation, and for which authorisation has been granted.

7.4. The Board or members of the organisation do not have rights over things that belong to the organisation.

8. FINANCES AND REPORTS

8.1. Bank Account: The Board must open a bank account in the name of the organisation with a registered Bank.

8.2. Access/ signing powers: Cheques and other documents requiring signature on behalf of the organisation shall be signed by at least two persons authorised by the Board. Whenever funds are taken out of the bank account, the chairperson/treasurer and at least two other members of the organisation must sign the EFT, withdrawal or cheque.

8.3. Financial year-end: The financial year end of the Organisation shall be end of each year.

8.4. Financial Report: The Board must ensure that proper records and books of account which reflect the affairs of the organisation are kept, and within six months of its financial year a report is compiled by an independent registered Accounting Officer stating whether or not the financial statements of the organisation are consistent with its accounting policies and practices of the organisation.

8.5. The Treasurer is responsible for making sure that the money of the organisation is safe and is accounted for.

8.6. The Treasurer must also make regular reports to the Board on the finances of the organisation, which should include all incomes, expenditures and balances that remain according to accounting practices of the organisation.

8.7. If the organisation has funds that can be invested, the funds may only be invested with registered financial institutions. These institutions are listed in Section 1 of the Financial Institutions (Investment of Funds) Act, 1984, or as shall be amended. Or the organisation can get securities that are listed on a licensed stock exchange as set out in the Stock Exchange Control Act, 1985 (as amended). The organisation can go to different banks to seek advice on the best way to look after its funds.

9. AMENDMENTS TO THE CONSTITUTION

9.1. The constitution can only be changed by a resolution. The resolution has to be agreed upon and passed by not less than two thirds (2/3) (or at least 67%) of the members who are at the annual general meeting or special general meeting. Members must vote at this meeting to change the constitution.

9.2. For the purpose of considering changes to this constitution, a two thirds (2/3) of the members shall be present at a meeting to make a quorum before a decision to change the constitution is taken. Any annual general meeting may vote upon such a motion, if the details of the changes are set out in the notice referred to in clause 6 of this constitution

9.3. As provided for in clause 6, written notices must go out not less than fourteen (14) days before the meeting at which the changes to the constitution are going to be proposed. The notice must indicate the proposed changes to the constitution that will be discussed at the meeting.

9.4. No amendments may be made which would cause the organisation to close down or stop to function or die away.

10. DISSOLUTION/CLOSING DOWN

10.1. The organisation may dissolve or close down if at least two thirds (2/3) of the members present and voting at a meeting convened for the purpose of considering such matter, are in favour of closing down.

10.2. When the organisation closes down it has to pay off all its debts. After doing this, if there is property or money left over it should not be paid or given to members of the organisation. It should be given in some way to another non- profit organisation that has similar objectives. The organisation's general meeting can decide what organisation this should be.

This constitution was approved and accepted by
members of

At a special (general) meeting held on

Day/Month/Year

Chairperson

Secretary

11.3 LESSON PLAN TEMPLATE

(TITLE)

Aims

What's the goal ...

Participants

Suggested age, number of children, etc ...

Materials

LIST ALL MATERIALS ...

Time/Duration

Minutes ...

.....

Instructions

STEP BY STEP ...

Reflection

This activity is a great way to

Evaluation

SAMPLE LESSON PLAN

Lesson: Expression Pizza- Group Work

Date: 4 March 2015

Aims

- To develop fine motor skills
- To develop potential artist
- To explore and create
- To introduce therapeutic healing

Participants

Ages from 5-6
between 10-12 children

Materials

- One big cut-out circle (white paper)
- One small cut- out circle(a bit smaller than the bigger piece),white paper
- Scissors
- Oil pastels(crayons)
- Cloths

Time/Duration

30-45 minutes

Instructions

On the big circle find the center/middle and divide into triangle pieces (make sure you count how many is in the group). Give each child a piece of the pizza that is divided and ask them to draw anything on the pieces. Allow them to experience of oil pastels on paper. When the children are done they are allowed to express their emotions on how they felt when drawing.

Reflection

- On behavior
- Fine motor skills
- Artistic skills
- Creative mind
- Focus and relax

11.4 SAMPLE ATTENDANCE REGISTER

Facilitator:	Assistant:	Grade:	Venue:
School:	Term:	Class:	

Name:	Gender:	Date of Birth	Cemis number	Comments	1	2	3	4	5	6	7	8

11.5 INDEMNITY FORMS

The following two documents are examples of indemnity forms used by BAP.

Art Centre Consent and Indemnity Form 2017

I the undersigned, _____ (full name and surname)

Born ____/____/____ would like to attend the Heart for Art programs organised by the BUTTERFLY ART PROJECT, which is being held in the Art Centre building adjacent to CAPRICORN PRIMARY SCHOOL. I agree to abide by the conduct rules instituted by BUTTERFLY ART PROJECT.

I confirm that my participation in the group and the related activities is entirely voluntary and I accept all risks associated therewith.

I understand that all sales of artworks created by myself may be claimed as solely owned by the Butterfly Art Project. These artworks may be displayed, reused and reworked in print or any other form in order to raise funds or increase the awareness and furthering of the project. All income generated from artworks created and selected for displaying and sale will be split by the Butterfly Art Project and the "artist" with terms agreed by a sales contract.

I agree that the Butterfly Art Project and/or any of their respective employees or partners shall not be liable for any loss, damage, injury or illness of whatsoever nature and howsoever caused, suffered by myself as a result, directly or indirectly, of attending any of the programmes and/or participating in the activities of the Butterfly Art Project and accordingly I shall keep the Butterfly Art Project and or any of their directors, employees or agents indemnified and shall hold them harmless against all claims for injury, loss or damage, from any cause howsoever arising suffered by me, arising from or incidental to the participation in the activities of the Butterfly Art Project.

I furthermore hereby give permission to the Butterfly Art Project to use any photographs or images of myself, that are taken by the Butterfly Art Project employees as a result of their attendance at the project, stipulating that the photographs or images may only be used for furthering the work of the organisation, and provided that they do not infringe the ordinary rights of the subjects.

I promise to keep contact to the Butterfly Art Project about educational issues arising around myself.

I accordingly waive and abandon any right to claim compensation from the Butterfly Art Project for the use of any photographs and hereby indemnify and hold harmless against the Butterfly Art Project from any such claims.

Signed at/in _____ on this _____ (day) of _____ (month)
20____ (year)

Signature: _____ Print Name: _____

Identity Number: _____

Address: _____

CHILD PARTICIPATION CONSENT AND INDEMNITY FORM

I the undersigned, _____
(full name and surname), guardian of, _____
(full name and surname), born _____/_____/_____ agree that my child may attend the Heart for Art
program organised by the BUTTERFLY ART PROJECT (referred to as BAP in this form), which is
being held at _____

I agree that my child will abide by the rules of conduct instituted by BAP. I confirm that my child's participation in the
planned activities is entirely voluntary and I understand and accept all risks associated therewith.

I confirm that some of the artworks created by my child may be claimed as solely owned by the Butterfly Art Project.
These artworks may be displayed, reused and reworked in print or any other form in order to raise funds or increase
the awareness and furthering of BAP's work. Any income generated from the sale of artworks created by my child and
will be split by BAP and the "artist" with terms agreed to in a sales agreement.

I give permission to BAP to transport my child for field trips and other outings or excursions by private motor vehicle,
or by public transport. Accordingly, BAP and/or any of their respective employees or partners shall not be liable for
any loss, damage, injury or illness of whatsoever nature and howsoever caused, suffered by my child as a result,
directly or indirectly, of attending any of the programmes and/or participating in the activities of BAP and accordingly I
shall keep BAP and or any of their directors, employees or agents indemnified and shall hold them harmless against all
claims for injury, loss or damage, from any cause howsoever arising suffered by my child, arising from or incidental to
the participation in the activities of BAP.

I furthermore hereby give permission to the BAP to use any photographs or images of my child, that are taken by BAP
employees as a result of their attendance at the project, stipulating that the photographs or images may only be used
for furthering the work of the organisation, and provided that they do not infringe the ordinary rights of the child. I
accordingly waive and abandon any right to claim compensation from BAP for the use of any photographs and hereby
indemnify and hold harmless against BAP from any such claims.

Does your child have any specific/chronic medical conditions? If so please describe them:

Signed at/in _____ on this _____ (day) of _____ (month)
20 _____ (year)

Signature (Guardian/ Parent): _____ Print Name: _____

Identity Number of Guardian/ Parent: _____

Address: _____

Telephone No. (Guardian/ Parent): _____

Additional emergency contact: (Name): _____

Relationship: _____

Contact Number: _____

11.6 SUGGESTED SELF-ASSESSMENT INSTRUMENT

As developed by Emc.Arts for the Surdna Foundation (Chapter Twelve: "Planning for Effective Collaborations with Arts Organisations," p. 83.)

Read through the following statements and rate your organisation, tick the correct column using the following ratings:

Excellent = E

Satisfactory = S

Needs Improvement = N/I

No	Program Element	E	S	N/I
PROGRAM PHILOSOPHY				
1	Mission and organisational culture			
	The program is central to the mission of the organisation and fully owned by the Board			
	The level of resources provided is adequate to the program's organisational role			
	The design of the program is compatible with the organisational culture and ethos			
	The program shares its core values with the organisation as a whole			
2	Expectations and measures of progress			
	There is evidence that high expectations of and by students are maintained at all times			
	An emphasis is placed on students developing into unfamiliar artistic territory			
	A careful balance is maintained between measuring progress in individual artistic development and assessing the quality of completed artwork			
3	Holistic approach and attention to life skills			
	The program structure and curriculum demonstrate a commitment to students' artistic advancement			
	The program design explicitly addresses the strengthening of life skills			
	A balance is maintained between these two, and they are well integrated			
4	Practice of artist-teachers			
	The artists possess well-developed professional skills in their medium/media			
	The artists' program work relates organically to their overall artistic practice			
	There is evidence that teaching work to date has informed the overall creative thinking of the artists			
	In the selection of artists, weight is given to questions of their suitability for the work			
	The turnover of artists is appropriate to the work, and artists want to return where possible			
5	Quality of group interaction			
	Small-group interaction between artists, students and staff is a central aspect of the program			
	Specific opportunities are given in the program for student teamwork and interaction, both artistic and personal			

No	Program Element	E	S	N/I
PROGRAMMING ESSENTIALS				
6	Planning for strategic fit between program and personnel			
	The overall criteria for the hiring, retaining and evaluation of artist-teachers are suitable and rigorous			
	Effective advance planning takes place between program staff and artist-teachers			
	Planning has resulted in a common understanding of program goals and activities			
	Advance planning has informed decisions about the use made of artist-teachers			
7	Teacher/student ratio			
	The typical ratio of teachers to students in the program is high, and higher than in normal classroom settings			
	The teacher/student ratio reflects the intention to give each student personal attention, and such attention is regularly given			
8	Interaction between artists and students			
	Visits by guest artists (if any) are complemented by regular on-site work with lead artist-teachers			
	The lead artist-teachers and students share a wide range of experiences in the program, and work together consistently			
	Periods of working together are regular and frequent, if not continuous, and the work is intended to be cumulative			
	The interaction between artists and students is predicated on the development of inter-generational "mentoring" relationships, which the program design promotes			
9	Program staff			
	There are program staff members with full-time responsibility for implementation, who work continuously in close contact with the students			
	The program staff possess advanced artistic knowledge			
	The program staff possess advanced cultural knowledge			
	The program staff possess strong people management skills			
	The program staff are effective educators and communicators			
	The program staff are good organisers			
	The program staff are involved in ongoing program assessment			
10	Safe and trusting environment			
	Students' personal needs and safety issues are explicitly addressed where they inhibit engagement with the work			
	Students' transportation and food needs are properly managed to permit full participation			
	The atmosphere within the work group stimulates student confidence in asking questions and taking artistic risks			
	Support and encouragement are given to students without diluting the emphasis on high standards			
	The relationship with parents/guardians is sensitively handled			
11	Student ownership			
	Program leaders take practical steps to vest ownership of the program in students, including empowering them to make program decisions			
	The sense among students of owning the program is strong			
	Structures for mutual feedback between artists, students and staff exist, and are utilised effectively			
12	Balancing the short- and long-term			
	The design and sequencing of activities serve to orient artists and students around long-term goals			
	Long-term goals are balanced by opportunities for short-term achievement by individuals, and by the group as a whole			
13	Integrated follow-up and student re-engagement			
	The potential for lasting impact on students is supported by post-program activities			
	Opportunities are available for students to re-engage with the program after graduating, with options for increased responsibility			
	Students have responded enthusiastically to these re-engagement opportunities			

No	Program Element	E	S	N/I
APPROACH TO CONTENT AND STYLE				
14	Relation of program content to students and external context			
	The processes that determine the choice of work focus/repertoire involve artists, staff and students			
	Program content is suitable to the life experiences of students			
	Program content relates to the local cultural and community context			
	Program content develops the artistic literacy of students through opportunities for exposure to work outside the program			
15	Responsiveness to unfolding activities			
	The progress of the work influences what happens next			
	New ideas and opportunities are sensitively and supportively managed			
	Program staff and artists take a similar and compatible approach to being responsive			
16	Overall direction and flexibility in course changes			
	A balance is maintained between short-term flexibility about the style and content of the work, and remaining on track toward longer-term goals, with neither taking strong precedence			
	Responsibility for maintaining an appropriate balance lies ultimately with program staff			
17	Preparedness to take risks in addressing challenging issues			
	Both personally and artistically challenging areas of work are sought out, as a means of deepening the significance of the activities			
	The program has a record of dealing effectively with challenging personal and artistic issues that arise in artists' and students' work			

11.7 BUSINESS PLAN TEMPLATE

Business Plan For:

Organisation Name:

Primary Contact:

Physical Address:

NPO registration:

Telephone:

Website:

Email address:

LOGO

TABLE OF CONTENTS

Executive Summary – pg. ____

Products, Programs and Services – pg. ____

Marketing Plan – pg. ____

Operational Plan – pg. ____

Impact Plan – pg. ____

Financial Plan– pg. ____

Appendix – pg. ____

EXECUTIVE SUMMARY

The first page, your executive summary, should describe your organisation's mission and purpose, summarise your market analysis that proves an identifiable need, and explain how your organisation will meet that need.

It should answer questions like:

- What is your history? What is your mission and vision?
- What cause are you contributing to?
- How are you planning to achieve your purpose?
- What will be your primary product, project or service?
- How are you going to finance your activities?
- If you are applying for financing, how are you going to use the money?

Start the organisation description with a mission statement. If you followed Step 2 of our step-by-step guidelines, this should be easy.

Other items you could consider including in the Executive Summary are:

- Organisation Strengths

Discuss what sets your organisation apart from others. Answer questions such as: What are the strengths of my organisation? What are the strengths of my team? How will these strengths fit in with my target group?

- Legal Form

Disclose your legal structure and make note of why you selected this particular legal structure.

The executive summary should be concise, precise, and complete. It also needs to be eye-grabbing.

PRODUCTS, PROGRAMS AND SERVICES

Use this section to describe, in depth, the products and/or services your organisation will offer. This can include a variety of additional information, for example:

- Description of your current project(s) activities
- Description of project(s) or classes you'd like to run in the future
- Illustrations and graphics (used only to support or reinforce a particular point)
- Photos documenting your work

Other information that you could include in this section:

- How do your services/projects/ classes make a positive change?
- Service/ project comparison

Every service/project you offer must be documented in detail, complete with their funding sources and benefits.

MARKETING PLAN

Due to the length of this section, many organisations choose create a separate marketing plan. However, it is still important to include a brief version of the marketing plan in your organisation's business plan.

Below are four factors to include the marketing section of your business plan:

1. Needs analysis (Market Research)

Explain the need in your community – in other words the need for your organisation's services. Explain your niche: the need in the community you are helping address, as well as facts and statistics that document the need.

- Primary research - With primary research, you gather and present your own data.
- Secondary research - With secondary research, you rely on published information.

2. Target group (Constituency)

Identify your target group (beneficiaries), including their location, characteristics, and needs. Who do you serve? What outcomes do they experience as the result of your services? For each group, you should create a demographic profile which may include:

- Age
- Gender
- Location
- Income
- Occupation
- Education
- Any other details specific to your organisation

3. Competitors and Collaborators

Answer these two primary questions:

- Which organisations offer the same or similar services – your competition?
- Which organisations are potential collaborators/ partners/ supporters?

When answering these questions, be as specific as possible. Just like a for-profit enterprise, you may have to compete with other organisations that serves your target group. There are only so many donors, sponsors, and volunteers to go around.

4. Strategy

As the name implies, this is where you explain how you will market your products, projects and services. This section can include:

- Marketing activities – website, social media, print media, etc
- Marketing budget
- Marketing methods at different stages of the organisation: start-up, growth, etc.

This section is also where you detail how you plan to raise awareness for your cause. You could also include, if the space allows:

- Do you already have a local foothold (do you already have a group of students, partner organisations, etc)?
- Who will be managing your marketing activities?
- Examples of past campaigns and their effectiveness, if relevant.

OPERATIONAL PLAN

This is an opportunity to discuss the day-to-day operation of the organisation, including employees, processes, location, and other related details.

Your operational plan should focus on the following:

- Location: the offices, amount of space required, and if your team will work on site.
- Legalities: registrations, accreditations, etc.
- Governing structure: do you operate with a Management Board, a Steering Committee, professional consultants? What are their roles?
- Organisational structure: A separate portion of this section should explain staff roles, with a breakdown of who handles specific responsibilities. Also highlight the number of employees, type of employees, pay structure, employee responsibilities, and the use of independent consultants/ trainers.

IMPACT PLAN

Clearly outline how your organisation will achieve your mission/vision/purpose. Your impact plan should answer the following questions:

- What change are you seeking to create?
- What goals are most meaningful to the people you serve or the cause you're fighting for?

- How can you best achieve those goals?
- What are the specific objectives you're going to achieve?
- How are you going to measure the change you're creating?
- How will you use what you learn?
- How will you tell people about it?

FINANCIAL PLAN

While there is no guarantee that things will always go as planned, this section will help estimate the financial future of your organisation.

The financial plan should include the following:

- Summary of your past and future:
 - o Cash Flow Statements
 - o Balance Sheets
 - o Income Statements
- A budget addressing your organisational expenses, including salaries.
- A list of all potential income (and sources) and an explanation for your fundraising activities to secure these.
- Any planned capital expenditure (purchasing a car, building etc), and existing debt.
- How will you deal with unexpected expenses, or "overspend"?

APPENDIX

Some documents you may want to include in your appendix resumes of key staff, board member lists, pertinent charts and graphs, promotional material, strategic plan, mission and vision statements and annual report. You could include more specifics of management qualifications, letters of endorsement, or details of your market research. You could also include your organisation's operational and financial structure: organogram, current and/ or projected budget, your tax clearance certificate, balance sheets, etc.

These documents will vary depending on the exact nature of your organisation. Be careful not to simply add documents in order to make your document seem fuller – a maximum of 5 pages per supporting document should be more than enough.

11.8 LOGICAL FRAMEWORK EXPLANATIONS

Hierarchy of objectives Strategy of Intervention	Key Performance Indicators	Sources & Means of Verification	Assumptions & Risks
Impact (<i>Development objective / Overall goal</i>) Definition: Improvements of a situation in terms of social and economic benefits which respond to identified development needs of the target population under a long-term vision. Scope of project management: The achievement of the development objective lies outside the direct reach of the project and depends on the assumptions formulated at outcome level. However, outcomes should represent a relevant contribution to it.	Impact Indicators Definition: NB: Impact indicators are essentially used during evaluations.	Impact Means of Verification Definition: Means of verification indicate where and in what form information on the achievement of objectives and results can be found, e.g. reports of ministries, project reports, laws, statistics, assessments, etc. NB: It may be useful to also state the means and methods for collecting and reporting information (monitoring).	Definition: Assumptions are conditions which could affect the progress of the project, but which are not under direct control of project management. An <i>assumption</i> is a <i>positive</i> statement of a condition that must be met for the project's objectives to be achieved. A <i>risk</i> is a <i>negative</i> statement of a condition that might prevent the project's objectives from being achieved.
Outcome <i>(Project Objectives / Purpose)</i> Definition: Intended situation at the end of or soon after the project's lifespan in terms of gains in performance (as a result of changes in knowledge and behaviour). Scope of project management: The attainment of outcome is primarily dependent on the project outputs, but depends also on factors beyond the project's control. Hint: Where projects or programmes have several components, formulate one outcome statement for each component.	Outcome Indicators Definition: Conditions at the end of the project indicating that the purpose has been achieved and that benefits are sustainable. NB: Outcome indicators are commonly used for project reviews and evaluations. Hint: Pay attention to the proper distinction between outcomes and outputs	Outcome Means of Verification	Outcome Assumptions & Risks Hint: To ensure a proper vertical logic, it is essential to attribute assumptions to the corresponding level of intervention (in this box the assumptions at outcome level which are relevant for achieving the development objective need to be stated.)
Outputs <i>(Project Results / deliverables)</i> Definition: Products and services produced or competences and capacities established directly as a result of project activities. Scope of project management: Outputs are under the control / responsibility of project management. Hint: For clarity of logic, one output statement for each corresponding project component is recommended.	Output Indicators Definition: Measures of the quantity and quality of outputs. NB: Output indicators are predominantly used during monitoring and review.	Output Means of Verification	Output Assumptions & Risks Hint: Formulate assumptions at output level which are relevant for achieving the project's objective(s).

Activities <i>(Project components)</i>	Inputs <i>(Means, Resources)</i>	Inputs Assumptions & Risks
Definition: Specific tasks performed using resources and methods in order to achieve the intended outputs. Scope of project management: Critical factors for activities are professional skills, the availability of sufficient financial resources and the absorption capacity of the local partners as well as of the target groups and beneficiaries. Hint: The matrix should not include the entire list of project activities, and focus on what the project is to deliver and not on how. The complete list of activities belongs in the main text of the project document and be referenced to show the link between activities and results	Definition: Means are physical and non-physical inputs (personnel, equipment) and finance necessary to carry out the planned activities and manage the project. NB: Inputs and budget figures are usually not included in the matrix, but detailed in the main text of the project document	Hint: Formulate assumptions at activity / input level which are relevant for achieving project outputs. © by KEK-CDC (produced for seco)

11.9 BUDGET PREPARATION SHEET TEMPLATE

Check the following examples of line items to be included in your budget – identify which line items should be/ have been included in your other budgets. These are just example line items – you should adapt this list to suit your organisation.

	Annual Budget	Cash Flow Budget	Accounting/ Bookkeeping Programme
Capital costs			
Building purchase			
Renovations			
Training Equipment			
Office Equipment			
IT Equipment			
Vehicle purchase			
Operating Costs			
Overhead Costs			
Rent			
Electricity and water			
Telephone and internet			
Stationery and printing			
General maintenance			
Licences			
Membership fees and subscriptions			
Insurance			
Bank charges			
Accounting/ Bookkeeping fees			
Audit fees			
Staff costs Staff salaries Taxes (e.g.: UIF, PAYE, Workman's Comp) Staff benefits (e.g. pension, medical aid, etc.) Staff and volunteer training and development Volunteer Stipends			
Marketing costs (e.g.: website, social media, advertising, flyers, etc.)			
Project costs			
Course material development			
Consultant/ facilitator			
Training Materials			
Training tools/ Equipment (not covered under capital costs)			
Stationery & printing			
Venue & Catering			
Transport			
Marketing			
Maintenance			
Development costs			
Fundraising			
Advertising			

11.10 COST WORKING SHEET TEMPLATE

EXPENSES	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	Total
Capital costs													
Building purchase													
Renovations													
Training Equipment													
Office Equipment													
IT Equipment													
Vehicle purchase													
Operating Costs													
Overhead Costs													
Rent													
Electricity and water													
Telephone and internet													
Stationery and printing													
General maintenance													
Licences													
Membership fees and subscriptions													
Insurance													
Bank charges													
Accounting/ Bookkeeping fees													
Audit fees													
Staff costs													
Staff salaries													
Taxes (e.g.: UIF, PAYE, Workman's Comp)													
Staff benefits (e.g. pension, medical aid, etc.)													
Staff and volunteer training and development													
Volunteer Stipends													
Marketing costs (e.g.: website, social media, advertising, flyers, etc.)													

EXPENSES	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	Total
Project costs													
Course material development													
Consultant/ facilitator													
Training Materials													
Training tools/ Equipment (not covered under capital costs)													
Stationery & printing													
Venue & Catering													
Transport													
Marketing													
Maintenance													
Development costs													
Fundraising													
Advertising													

INCOME	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	Total
Funder/ Donor													
Funder Name													
Funder Name													
Funder Name													
Funder Name													
Funder Name													
Donations													
Donation-in-kind													
Donation-in-kind													
Donation-in-kind													
Donation-in-kind													
Income generation													
Member fees													
Sales													
Class fee													
Exhibition – sale of tickets/ art works/ etc													
Service for fee (consulting)													

Resources like a fundraising calendar, donor data base template, art project design template can be found on our website or requested from us through (info@butterflyartproject.org)