

Budgeting

Budget and Finance Terms

Below are a few terms that might help your Venture Team understand budgets a little better. You will not find all of these terms on the budget sheet Youth Venture provides, but you may encounter these terms while working with your local bank or when talking to potential funders.

Youth Venture provides teams with seed funding to launch their Ventures. In order to keep your Venture running, your team will need to think about additional fundraising strategies. See Youth Venture's tip sheet "Fundraising Basics" for some ideas about how your team can fundraise.

Balance:

The balance is the amount of money remaining in an account. The balance equals total revenue minus total expenses.

Budget:

A budget is a spending plan that keeps track of money earned and money spent.

In-Kind Donations:

In-kind donations are donations of materials, services, or facilities. In-kind donations are not monetary donations.

Operating Costs:

Operating costs are the constant costs to keep your Venture running, such as advertising, utilities, insurance, and rent. They do not include the cost of the products you sell. For example, if you open a bike shop, the operating costs would be the utilities for the building, the rent, and staff salaries.

Seed Funding:

Seed funding is funding that supports a new concept or project in the early stages of its development.

Start-up Costs or Initial Costs:

Start-up costs or initial costs are the costs needed to get the Venture started. For example, if you need three bikes to initially open a bike shop, the costs of the bikes and all of the parts needed are start-up costs.

Start-up Revenue:

Start-up revenue is the total of your Youth Venture grant plus any additional money received to start your Venture. For example, if you receive a \$900 Youth Venture grant and \$700 from your city to open a bike shop, then your start-up revenue would be \$1,600.

Total Expense:

Total expense is the total cost of running your Venture. For example, if in one year you pay \$800 for bike parts, \$600 in rent, \$300 for utilities, \$200 for printing, and \$100 for a bike trailer, your expenses for that year are $\$800 + \$600 + \$300 + \$200 + \$100 = \2000 .

Total Revenue:

Total revenue is the total of all money brought in from fundraisers, donations, sales, grants, or any other income-generating initiative of your Venture. For example, if you have a car wash as a fundraiser the profit would become part of your total revenue.