ARDENT WORKSHOP

THE NONPROFIT OPERATING-RESERVE CHECK

The Nonprofit Operating-Reserve Check

How many months can you run on the money you are allowed to spend?

Free tool

One balance, two kinds of money

Restricted grants, board-designated reserves and general giving usually sit in the same bank account, so the balance on the statement looks like a single number you may spend. This is the page behind the sheet: what each restriction class actually means, and the arithmetic that turns one balance into what you may actually spend.

THE WHOLE PROBLEM, IN ONE SENTENCE

Restricted money and general giving sit in the **same bank account**, so the balance looks like a balance — and an organization that reads its balance as money it may spend will spend money it may not spend, without anyone deciding to.

The classes, and what each one lets you do

Class	What it means	What you may do with it
Restricted — program or grant	A giver, an award or your own appeal said what this money is for.	Spend it on that, report on it, and show the spend-down separately from everything else. It is in your account, and none of it is free for anything else.
Restricted — capital or building	Given for a building, a roof, a van — a thing, not a year.	Spend it on the thing. A capital fund that quietly pays a utility bill is an easy version of this mistake to make, because the bill is for the building too.
Restricted — time (future year)	Given now, for a period that has not started yet.	Hold it. It is not this year's money, however healthy this year's balance looks and however clearly you will still be here next year.
Board-designated — not restricted, not free	The BOARD set this aside, not a giver — so no giver's restriction applies to it.	The board can release it by a vote it minutes. Until it does, treat it as spoken for — and know exactly what releasing it would buy you, which is the gap between the two runway rows on this sheet.
Unrestricted — operating	Given for the organization, with nothing narrower attached.	This is the money the organization runs on, and all of it counts toward both runway figures.

Those five classes are fixed — they are the words the formulas match on, so restriction class is a dropdown on the sheet rather than free text. What is entirely your own is the fund NAMES, typed once into the grid. A mosque, a synagogue, a temple, a gurdwara and a church all name their funds differently, and none of them has to rename anything inside a formula.

The runway arithmetic, worked

These are the figures the sheet arrives filled in with. Every one of them is invented — an illustration, not a benchmark and not anybody's real organization. Follow the arithmetic, then do it with your own numbers, where it computes itself.

The step	The figure	What it is
Total cash in every account today	**$92,000**	One number off the bank statements. This is what everybody looks at.
less restricted balances	**– $51,800**	Given for a stated purpose. In the account, not available.
Unrestricted operating cash	**$40,200**	What the organization may actually spend on running itself.
Monthly operating cost	**$9,500**	What a month costs, from your own budget.
Months of runway — unrestricted cash only	**4.2 months**	Against the 4-month target set on the sheet — a figure to replace with your board's own policy, not a standard.
less board-designated balances	**– $18,800**	Not donor-restricted; the board set it aside and can release it by a vote.
Spendable without going back to the board	**$21,400**	Unrestricted operating cash less what the board has already set aside.
Months of runway if the designations stay untouched	**2.3 months**	How long that smaller figure lasts at the same monthly cost.

READ THE TWO RUNWAY FIGURES TOGETHER

The gap between 4.2 months and 2.3 months is exactly what your board would buy the organization by voting to release a designation — a decision somebody can now make on purpose, in a meeting, with the number in front of them.

Notice what the runway is **not** divided into. Not total cash. Not total cash minus this month's bills. Not the balance the treasurer reads out. Every restricted balance comes out of the numerator first, which is why the honest figure is usually smaller — and why an organization that has never computed it is often surprised.

Four steps, and the answer is yours

Open **Nonprofit-Operating-Reserve-Check.xlsx** and work down the tab. It arrives filled in with the example above, so you can see a finished version before you clear it — and it recomputes the moment you start typing over it.

1. Replace the ten example funds with your own — there is room for sixteen. To clear a row, delete only its name, class and balance in columns A, B and C: the pale-teal columns to their right are formulas, and a balance left behind keeps counting toward your totals.
2. Mark each one's restriction class from the dropdown — the purpose a giver, a funder or your own appeal stated, not your intention for the money.
3. Put your total cash, your monthly operating cost and your own runway target in the three boxes under the table. Both verdicts are scored against that target, so set it to your board's policy rather than leaving the figure it ships with.
4. Read the two runway rows in WHAT YOU CAN ACTUALLY SPEND, AND FOR HOW LONG — **Months of runway — unrestricted cash only**, and **Months of runway if the designations stay untouched**. They are the only two rows with a verdict beside them.

IF THE LAST ROW LOOKS WRONG, IT IS TELLING YOU SOMETHING

Cash not accounted for by any named fund is your total cash less the balances in the grid. A small figure is ordinary — petty cash, an account nobody sweeps, a gift banked before it was named. A large one means a fund is missing from the grid, and every figure above it is being worked out against a picture that is not complete.

The rest of it

The **Nonprofit & Congregation Operations Kit** is six finished Ardent Workshop products — grant tracking, congregation operations, volunteer scheduling, household giving records, board and volunteer policies, and grant-writing templates — plus the ten-tab Operations Control Panel, of which this free sheet is a stripped-back version of one tab.

THE FULL NONPROFIT & CONGREGATION OPERATIONS KIT

Everything above, in one connected file set you own outright: no subscription, nothing to renew, and nothing that stops working. The full kit adds the indirect-cost rate with its basis stated, cost per beneficiary, per-fund over-commitment against grant balances, and the one-page board and funder packet — computed, not retyped. Excel, Google Sheets or LibreOffice. **See the Nonprofit & Congregation Operations Kit ›**

See the full range at **ardentworkshop.com**.

This free sheet stays yours either way; it does not expire, phone home or stop working. It is an operating framework, not accounting, tax, legal or compliance advice, and not a substitute for your own IRS or state charitable-registration obligations.