

GiveWell budget update - October 2017

At our June board meeting, the board approved a budget from July 1, 2017 - June 30, 2018. We are not asking the board to approve another budget this meeting.

Key points

- **Natalie and Elie reviewed an updated budget and are confident that GiveWell is in a solid financial position**, but we are not planning to go through a full budget update with the board in this meeting. It takes Natalie and Elie a large amount of time to update the budget to the point where we can explain it to the board, and we chose not to do that given that we have a major research deadline, the release of updated top charities, coming at the end of November.
- **Making it less demanding to update the board about our budget position is a major priority.** We have made some progress towards fixing this: we hired a Controller (Charlene Abellana) who started at GiveWell in early September, and she's going to lead this work going forward.
- As part of our internal budget update, **Natalie and Elie analyzed our unrestricted funding projections and recommend that we should *not* designate any unrestricted funds for regrating to charities** (in accordance with our [excess assets policy](#)).
- We are going to schedule a meeting with the newly formed finance committee within the next 2 months to go over the budget in more detail, and we will report back to the board at our next meeting.

Brief explanation on the excess assets policy and its current application:

- **Our goal is to prevent an unreasonable buildup of reserves** to the point where we hold a significant endowment and we're no longer accountable to produce high quality work.
- **We behave conservatively with respect to granting out funds.** We therefore use a conservative revenue projection (incorporating donations we expect to recur; we don't project growth); we also budget for what we realistically could imagine spending rather than taking our best guess of what we will spend. Our best guess is that we'll raise more than we project and spend less.
- As stated in the excess assets policy, we seek to be in a financial position such that our cash flow projections show us having 12 months' worth of unrestricted assets in each of the next 12 months. We currently project that there will be a point in the next 12 months (July 2018), where we our 12-month-forward expenses will exceed our conservatively estimated revenues by approximately \$40,000, so **we're not recommending granting out funds.**