

ZENOPS PRACTICAL GUIDE

A NONPROFIT'S GUIDE TO
IT BUDGETING
PLAN WITH PURPOSE



A practical field guide for aligning technology spending with mission, risk, and real capacity

MISSION • PEOPLE • SUSTAINABILITY

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ABOUT THIS GUIDE

How to use this book

This guide is for nonprofit executives, finance teams, operations leaders, board members, volunteers, and technology owners who need to make responsible decisions with limited time and money. It turns IT budgeting from a yearly scramble into a repeatable way to protect the mission.

You do not need a large IT department to budget well. You need a clear view of what the organization depends on, what is changing, what could fail, and who owns the next decision.

CORE IDEA A good IT budget is not a list of technology purchases. It is a plan for preserving the organization's ability to serve people.

A note on scope

This is an educational field guide, not legal, accounting, or compliance advice. Coordinate the final budget with your finance leadership, auditors, funders, contracts, and organizational policies.

Contents

- Chapter 1 Budget with purpose
- Chapter 2 Build the baseline
- Chapter 3 Separate run, grow, and protect spending
- Chapter 4 Prioritize technology requests
- Chapter 5 Build a realistic annual budget
- Chapter 6 Forecast cash, renewals, and projects
- Chapter 7 Govern the budget without slowing the mission
- Chapter 8 A 30-day budgeting action plan
- Appendix A Budget worksheet
- Appendix B Technology request form
- Appendix C Review checklists
- Appendix D Glossary and resources

CHAPTER 1

Budget with Purpose

Technology spending should make the mission more dependable, not simply make the technology newer.

Nonprofits often budget technology as a collection of urgent requests: replace a laptop, renew a license, fix a wireless problem, add a security tool, or respond to a grant requirement. The result is usually reactive spending, unclear ownership, and surprises that arrive at the worst possible time.

Start with mission outcomes

The first budgeting question is not, 'What should we buy?' It is, 'What must the organization be able to do reliably?' A food bank may depend on donor communications, inventory, scheduling, and payment systems. A social-service agency may depend on case records, secure remote work, and continuity during an emergency.

1. What services must continue during a disruption?
2. Which information would create the greatest harm if lost or exposed?
3. Which systems affect revenue, grants, payroll, or client care?
4. Where are staff losing time because technology is unreliable or confusing?

BUDGET TEST Every significant technology line should have an owner, a purpose, a timing assumption, and a consequence if it is deferred.

Budget for risk, not fear

A risk-based budget does not mean buying the most expensive option. It means matching investment to consequence. The right control for a low-impact system may be different from the right control for payroll, donor records, protected client information, or a system that keeps the organization operating.

CHAPTER 2

Build the Baseline

You cannot manage technology costs you cannot see.

Before setting targets, create a plain-language inventory. Include hardware, software, cloud services, internet and phone services, security tools, vendors, contracts, data stores, and the people who support them.

The minimum inventory

5. System or service name and what it supports
6. Business owner and technical owner
7. Number of users, devices, or locations
8. Renewal date, contract term, and cancellation notice
9. Current annual cost and known price changes
10. Data handled and operational consequence of failure
11. Replacement, upgrade, or retirement expectation

Find the hidden costs

Technology costs also appear as staff time, duplicate tools, emergency projects, consulting, payment fees, training, data cleanup, and the time people spend working around unreliable systems. Ask departments what they purchase directly and what they pay for through reimbursements or cards.

BASELINE RULE Use actual invoices and renewal notices wherever possible. Estimates are useful for planning, but they should be labeled as estimates.

CHAPTER 3

Separate Run, Grow, and Protect Spending

A useful budget shows what keeps today working, what improves tomorrow, and what reduces avoidable harm.

Group costs into three views. The categories are not accounting rules; they are a decision tool that helps leaders see tradeoffs.

View	Question	Examples
Run	What keeps current services operating?	Licenses, support, internet, devices, backups
Grow	What improves capacity or service?	New systems, integrations, automation, training
Protect	What reduces the chance or impact of failure?	MFA, endpoint protection, recovery testing, access reviews

Do not hide one-time work

Projects such as a migration, network redesign, website rebuild, or system implementation may be treated differently from recurring operations. Whatever accounting treatment you use, show the project separately so leadership can see both the cost and the ongoing support it creates.

Include the people cost

A low license price can still be expensive if the system creates manual work, requires specialized support, or is difficult for staff to use. Include implementation, training, administration, documentation, and eventual offboarding when comparing options.

CHAPTER 4

Prioritize Technology Requests

The best request is not the loudest request. It is the one with the clearest mission value and consequence-aware timing.

Use a consistent scoring conversation. A simple score is better than a complicated model no one maintains.

Five questions for every request

12. What mission or operational outcome will improve?
13. What happens if we wait six or twelve months?
14. Who is affected, and how many people or services are involved?
15. What dependencies, training, or recurring cost will this create?
16. What lower-cost or lower-risk option was considered?

A practical priority scale

Priority	Use when	Budget response
Must do	Safety, legal, contractual, end-of-life, or business continuity need	Fund or formally accept the risk
Should do	Meaningful reliability, efficiency, or risk improvement	Schedule with an owner and date
Could do	Useful improvement with limited consequence if delayed	Keep visible; fund when capacity allows
Do not do yet	Unclear outcome, duplicate tool, or unsupported request	Return for clarification or retire

DECISION RULE If a request cannot explain its owner, outcome, recurring cost, and consequence of delay, it is not ready for approval.

CHAPTER 5

Build a Realistic Annual Budget

A budget should be understandable enough for the board and specific enough for the person who must operate it.

Build the annual plan from the baseline, then add known changes. Separate committed renewals from discretionary improvements. Show assumptions next to the numbers so a future reviewer can understand how the plan was built.

Budget categories to consider

- 17. People: internal staff, outsourced support, project help, training
- 18. Devices: computers, mobile devices, peripherals, warranties, replacement reserve
- 19. Core services: identity, email, productivity, file storage, networking, phones
- 20. Security and continuity: protection, monitoring, backups, recovery testing, insurance requirements
- 21. Projects: migrations, implementations, integrations, documentation, cleanup
- 22. Facilities and connectivity: internet, cabling, wireless, power, locations
- 23. Contingency: a defined reserve for price changes and urgent needs

Budget by ownership

Assign each line to an accountable owner. Finance should own financial controls. Technology leadership should own technical recommendations. Department leaders should own the outcome and adoption. Shared ownership without a named decision-maker usually becomes delayed ownership.

BOARD VIEW Present the budget as a short story: what we must maintain, what we are improving, what risk we are reducing, and what decisions remain open.

CHAPTER 6

Forecast Cash, Renewals, and Projects

Annual totals are not enough. Timing determines whether the organization can comfortably execute the plan.

Map payments by month or quarter. A yearly subscription may renew in one month. A project may require deposits before benefits arrive. Grant timing, fundraising cycles, and fiscal-year differences can create a cash problem even when the annual budget is approved.

Forecast the known pressure points

- 24. Renewals and notice deadlines
- 25. Contract escalators and usage-based pricing
- 26. Device replacement waves
- 27. Grant-funded purchases and expiration dates
- 28. Projects that require implementation, migration, or temporary double-running costs
- 29. Staffing changes that alter support or administration capacity

Use scenarios

Create a base plan, a constrained plan, and a risk-reduction plan. The constrained plan makes tradeoffs visible before a budget shortfall forces them. The risk-reduction plan shows which investments protect the organization if additional funding becomes available.

CHAPTER 7

Govern the Budget Without Slowing the Mission

Good governance creates confidence and speed because people know how decisions are made.

Set a small number of rules: who can approve purchases, when security or privacy review is required, how renewals are tracked, how exceptions are documented, and how technology performance is reviewed after the purchase.

A lightweight review rhythm

- 30.Monthly: review cash timing, urgent requests, and upcoming renewals
- 31.Quarterly: review service health, project status, license usage, and open risks
- 32.Semiannually: review the inventory, contracts, vendors, and replacement outlook
- 33.Annually: refresh the strategy, budget assumptions, priorities, and reserve

Measure what matters

Useful measures include budget variance, renewal surprises, unresolved high-risk issues, device age, service availability, recovery test results, adoption, and staff time saved. Avoid measuring only how much was spent; spending can be on plan while outcomes are not.

GOVERNANCE TEST A reviewer should be able to answer: who approved this, why now, what outcome was expected, and how will we know whether it worked?

CHAPTER 8

A 30-Day IT Budgeting Action Plan

A month is enough time to replace guesswork with a working baseline and a prioritized next step.

Timing	Focus	Deliverable
Days 1–5	Ownership and inventory	System list, owners, renewals, current costs
Days 6–10	Cost and risk baseline	Run/grow/protect view and top risks
Days 11–15	Requests and priorities	Scored request list and deferred items
Days 16–22	Annual plan	Recurring budget, projects, reserve, assumptions
Days 23–27	Cash and governance	Payment calendar, approval path, review rhythm
Days 28–30	Decision and communication	Approved plan, open decisions, next review date

Days 1–10: see the whole picture

- 34. Name the executive sponsor, finance owner, and technology owner.
- 35. Collect invoices, renewal notices, contracts, card charges, and reimbursements.
- 36. List systems, devices, vendors, data, users, and known dependencies.
- 37. Mark costs as recurring, one-time, usage-based, or unknown.

Days 11–20: make tradeoffs visible

- 38. Score requests by mission value, risk, timing, and ongoing cost.
- 39. Identify duplicate tools, underused licenses, and avoidable manual work.
- 40. Build base, constrained, and risk-reduction scenarios.
- 41. Document what will happen if each deferred item waits.

Days 21–30: approve and operate

- 42. Create the payment calendar and renewal owner list.
- 43. Approve the plan or record specific conditions and exceptions.
- 44. Share the decisions with department leaders and staff affected.
- 45. Schedule the first quarterly review before the budget cycle ends.

APPENDIX A

Budget Worksheet

Use one line per system, service, project, or capacity need. Add rows as needed. The worksheet is designed to support a conversation; it does not replace your accounting system.

Budget line	Owner	Type	Annual cost	Renewal / timing	Priority
		Run / Grow / Protect	\$		
		Run / Grow / Protect	\$		
		Run / Grow / Protect	\$		
		Run / Grow / Protect	\$		
		Run / Grow / Protect	\$		

Assumptions and decisions

46. What prices or usage assumptions could change?
47. Which costs depend on grants, fundraising, or a new program?
48. Which items require board, finance, security, or privacy review?
49. What is the reserve amount and what can it be used for?
50. When will the next budget review occur, and who will lead it?

APPENDIX B

Technology Request Form

Requesting department: _____ Request owner: _____

What outcome should improve? _____

What happens if we wait? _____

One-time cost: \$ _____ Recurring annual cost: \$ _____

Implementation, training, migration, and support needs: _____

Recommended priority: Must do / Should do / Could do / Do not do yet

Approvals or conditions: _____

REQUEST STANDARD No request is complete until the outcome, owner, total cost, timing, and consequence of delay are clear.

APPENDIX C

Review Checklists

Leadership checklist

- 51. We know what services and information are most important.
- 52. Every significant line has an owner and a purpose.
- 53. Recurring costs and renewal dates are visible.
- 54. Deferred work has a documented consequence and review date.
- 55. The budget includes capacity for security, recovery, and staff adoption.

Operations checklist

- 56. Invoices and contracts are stored in a known location.
- 57. Usage and license counts are reviewed before renewal.
- 58. Projects include implementation and ongoing support costs.
- 59. The payment calendar is reviewed before cash pressure appears.
- 60. The plan is updated when programs, grants, staffing, or vendors change.

APPENDIX D

Glossary and Resources

Glossary

Baseline: A documented view of current systems, costs, owners, and risks.

Contingency: A planned reserve for defined uncertainty or urgent needs.

Run spending: Recurring cost required to keep current services operating.

Grow spending: Investment intended to improve capacity, service, or efficiency.

Protect spending: Investment intended to reduce the likelihood or impact of failure.

Total cost of ownership: The purchase, implementation, operating, support, and retirement cost of a choice.

Resources

NIST Cybersecurity Framework 2.0. A risk-based structure for connecting technology decisions to organizational outcomes. <https://www.nist.gov/cyberframework>

CISA Cybersecurity Resources. Plain-language security planning resources for organizations of many sizes. <https://www.cisa.gov/topics/cyber-threats-and-advisories>

NTEN. Nonprofit technology community, training, and practical resources. <https://www.nten.org/>

TechSoup. Technology access, product information, and nonprofit-focused resources. <https://www.techsoup.org/>

NEXT STEP Choose one high-value system, one accountable owner, and one date. Start there.