

EBOOK

The Nonprofit CFO's Guide to Workforce Planning



Introduction

Why Workforce Planning Is Mission-Critical for Nonprofits

For nonprofit CFOs, the numbers are never just numbers. They represent meals served, students supported, families housed, lives changed. And yet, the path to funding those missions is rarely steady. Grants expire, donations Ebb and Flow, and government reimbursements can take months to arrive.

Meanwhile, the heartbeat of every program is people: staff, part-timers, and volunteers who make the mission real every day.

That's why **workforce planning** is far more than a budgeting task. Every staffing decision ripples across program outcomes, donor trust, and organizational sustainability. A missed assumption doesn't just impact financials, it can impact the community you serve.

This guide explores how nonprofit CFOs and finance leaders can build workforce plans that are adaptable, transparent, and aligned with both fiscal discipline and mission delivery.



01.

Linking Staffing to Mission and Unit Cost Impact

Picture this: your board asks what it costs to deliver one meal, support one student, or serve one family. It's a simple question—but one that's hard to answer without full visibility into how staffing connects to outcomes.

Nonprofits aren't driven by profit, but they are driven by accountability. Without tying staffing levels directly to mission results, even the strongest programs can overspend or underdeliver. A food bank may learn that volunteer-to-staff ratios completely change the cost per meal. A youth program may uncover that additional staff hours lead to measurable gains in student outcomes.

Understanding those relationships isn't just about managing budgets — it's about understanding impact. When leaders can see how every staffing decision affects mission delivery, they can direct resources where they matter most.



02. ✖

Balancing Restricted and Unrestricted Funding Across Staff

Restricted funds are essential—they fuel programs and sustain services, but they come with limits that can box in flexibility. Unrestricted funds, though fewer and far between, are the lifeline that allows an organization to breathe, adapt, and pivot when needed.

Managing both effectively is a delicate balance. Restricted grants may only fund specific staff or programs, while unrestricted dollars must stretch to cover everything else, from administration to outreach. Without careful planning, those boundaries can create inefficiencies or compliance risks.

The key is clarity: understanding how each funding source supports the people behind your mission. When CFOs model staffing by funding type, including salaries, benefits, and overhead. They gain a full picture of where funds are flowing, where gaps exist, and how to align resources with priorities.

It's not just about **budgeting smart**; it's about being a responsible steward. That kind of approach really helps to build trust with donors and the board.



03.

Budgeting for Unfilled Roles and Delayed Backfills

Every nonprofit has been there—a critical role goes vacant, and suddenly everyone is scrambling. Staff pick up extra work, overtime surges, or programs slow down. And even when leadership approves a new hire, recruiting and onboarding can take months.

These gaps aren't just operational hiccups; they're financial stress points that ripple through the entire organization. Add in seasonal needs like holiday volunteers or summer interns, and it becomes clear that staffing rarely follows a perfect plan.

That's why strong workforce planning includes what most budgets overlook: the in-between moments. Factoring in vacancies, hiring delays, and temporary staffing helps organizations plan with realism, not idealism. When teams anticipate the inevitable, they maintain stability—keeping programs running smoothly even when the unexpected happens.



04.

Scenario Planning for Donor and Grant Risk

In the nonprofit world, change is constant, and not always kind. A major donor might scale back contributions. A key grant may not be renewed. Or new funding might arrive midyear, opening doors to growth. Each scenario affects staffing and, therefore, your mission's reach.

Many finance teams find themselves reacting to these shifts instead of preparing for them. But planning for uncertainty is part of what makes an organization resilient. That's why **scenario planning** is key. By exploring "what-if" scenarios. What if a grant is delayed? What if donor funding drops 15%? What if we secure unexpected support? CFOs can map out responses in advance rather than in crisis.

This kind of proactive planning gives boards and funders confidence that the organization isn't just surviving on hope, but leading with foresight and discipline.



05.

Workforce Planning for Growth Without Overhead Blowback

Growth is exciting—more programs, more reach, more lives touched. But with it comes scrutiny. Donors often ask: Are we growing the mission, or just the overhead?

That tension keeps nonprofit CFOs up at night. Add too many administrative roles too quickly, and questions arise. Add too few, and programs strain under the pressure.

Sustainable growth means modeling how every new role, from frontline staff to back-office support, affects both overhead ratios and program delivery. It's about understanding where new hires drive impact, and where they might dilute resources. When organizations grow thoughtfully, they earn the trust that fuels future expansion.



06.

Communicating Workforce Plans with Boards and Funders

The numbers matter, but the story behind them matters more. Boards and donors don't just want to see spreadsheets; they want to see how staffing connects directly to impact.

When finance leaders can visualize how volunteers, grant-funded roles, and unrestricted staff come together to power programs, conversations change. It's no longer about *what things cost*, it's about *what those costs achieve*.

Transparency builds confidence. Boards see stewardship in action. Donors see the measurable results of their generosity. And CFOs earn a new role, not just as budget keepers, but as storytellers of impact.





Build Smarter Workforce Plans with Centage



Nonprofit CFOs shouldn't have to choose between financial discipline and mission delivery. Workforce planning is the bridge that connects both, turning complex staffing decisions into actionable, data-driven insights.

Centage empowers **nonprofit finance teams** to model scenarios, allocate personnel effectively, and communicate plans confidently—ensuring programs succeed without compromising fiscal responsibility.

👉 Ready to see how Centage can help your nonprofit build a workforce plan that works? [Book your personalized demo today.](#)



About the Author



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Jandir Matos serves as the Vice President of Finance at Centage, a leader in modern financial planning and analysis (FP&A) software. With over six years of experience in venture capital and private equity-backed tech companies, Jandir has a proven track record of building and scaling financial operations to drive growth and profitability.



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