

Nail Down the Proposal Budget



The Project Budget

- What is it?
 - The financial plan for a project, including all project income and project expenses, for a specified period of time. It is based on **your work plan**.
- Why is it important?

Budget Preparation Process

- Who prepares the budget?
 - Project staff, clients, administrative staff
- What is the process?
- Timing

Budget Preparation Process

Follow funder guidelines!

- Research each funder
- Use Common Grant Application form where necessary
- Use other required forms
- Pay attention to any exclusions

Components of a Budget

- Revenue/Income/Support
 - Contributed & Earned
- Expenses/Cost
 - Personnel & Non-personnel
 - Indirect or Overhead Cost
- Narrative

Personnel Costs

Budgeting Questions:

- Who are **all** the individuals working on the program?
- What are the **amounts** for salary and wages?
- How much time does each individual spend working on the program?
- How much do we add for **benefits**?

Non-personnel Costs
(sample items)

- Consultants
- Supplies/Materials
- Equipment/maintenance & supplies
- Postage & delivery
- Marketing and communication costs
- Travel
- Food

Estimating Costs

- Remember that costs go up
- Include the start-up and shut-time
- Costs should be:
 - Reasonable
 - Complete
 - Realistic

Indirect Costs

- What are they?
 - Costs not directly attributable to the program, but are necessary to sustain the organization and, by extension, the program
 - Examples: rent, utilities, telephone, human resources, financial/accounting, fundraising, board meetings, copier, fax, and general office supplies
- Indirect costs are also known as:
 - Overhead costs
 - Supporting services costs
 - Administrative costs

How are you going to fund the program?

- Support: Grants and contributions, in-kind support
- Revenue: Earned income

Placing In-kind Support in the Budget

Support and Revenue		
Foundations		\$ 51,375
In-kind Support*		5,200
Amount Requested		23,000
Total Support and Revenue		79,575
Expenses		
Personnel		
Executive Director		
Project Director		7,500
Benefits		40,000
Total Personnel		47,500
Non-personnel		
Consultant-Evaluation		11,875
Printing		59,375
Supplies		5,000
Rent*		6,000
Total Non-personnel		82,150
Total Expenses		129,650
		5,200
		20,200
		79,575

* Value of annual rental donated by the Village of Madison.

Volunteers in the Budget

Revenue/Support:

Volunteers (3 @ 126 hrs per month for 6 months @ \$7hr) \$5,292

Expenses:

Volunteers (3 @ 126 hrs per month for 6 months @ \$7hr) \$5,292

***Other Financial Information
Often Requested***

- Audited financial statements
- Organization-wide budgets for recent years
- List of supporters and other funding sources
- Budget narrative
- 990

***Budget Considerations After the
Grant is Approved***

- Reporting requirements include reporting on the actual costs vs. budget
- Variances often require approval
- Your budget is something to be considered throughout the grant period

***Recap: Steps to Prepare a
Project Budget***

- **Step 1:** Know your project
- **Step 2:** List the various components of the project
- **Step 3:** Obtain reasonable cost and income estimates for each component
- **Step 4:** Be sure you have included everything, including overhead if allowed
- **Step 5:** Find out what format the funder prefers, if any

The Foundation Center's Training Programs

- **Step 6:** Prepare a spreadsheet/summary of costs according to the funder's specifications
- **Step 7:** Make sure that your budget is neat and mathematically accurate
- **Step 8:** Consider whether a budget narrative is appropriate and if so prepare one
- **Step 9:** Be sure to have your budget and budget narrative reviewed by another person who is familiar with the project
