

Budgeting for Your Grant Application

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Overview

- Actions ... Words ... Numbers
- Identify Your Funding Sources
- Detailing Program Expenses
- Supporting Information
- Acknowledge Program Challenges
- Describe Success

Actions...Words...Numbers

- Tell your story as vividly as possible ... create the vision of success!
- Budgets are a supporting component of your application
- Budgets should demonstrate that you understand the scope of your project and can run the program responsibly and effectively
- Budgets should anticipate the reporting requirements after you are awarded the grant.
- Make sure your accounting system will easily map to the budget presentation.

Identify Funding Sources

- Be clear about your organization's commitment to the project
- Demonstrate variety of sources expected to participate in the project
- Use strong words such as "committed", "allocated", "designated" whenever possible
- Know your grantors and their policies
- Ask for the right amount

Detailing Program Expenses

- Identify key employees or consultants who will work on the project
- Be specific about direct costs
- Understand associated costs such as payroll related expenses
- Provide reasonable administrative charges
- Know your management/general and fundraising expense percentages
- Use the 5% rule
- Provide clarity and explanation

Supporting Information

- Expected Program Accomplishments
- Biographies of Key Individuals
- Electronic Copies of Form 990 and Financial Statements
- Level of Service for Your Financial Statement
 - Audit
 - Review
 - Compilation

Acknowledge Challenges of Your Program

- Is finding the right person going to be difficult?
- Is the program a stretch for the organization?
- Are you dependent on a few donors or grantors?

Describe Success

- We will serve this need ...
- Our time frame is ...
- We have commitments from ...
- We have identified the perfect person to run this program ...
- The budget provides the resources needed to do this well.
- Your participation will enable us to be successful.

Race Car Project

Project Description:

Replacing the steering on our Indy 500 car will cost approximately \$12,000. Replacing the engine will run about \$25,000. These are our most pressing maintenance issues. We are requesting \$15,000 for this grant.

Kids Race Cars will spend the entire grant on a single maintenance project for our Indy 500 car. We will be replacing the rack and pinion steering.

Without this repair, our entire program will be halted until such time as we can raise the funds to complete the project. This project is being scheduled for this summer during the upcoming 2006 school summer break.

Race Car Project Budget

The project description mentions a maintenance project, but the budget does not support this.

Following is a list of expenses and income for one year of operation. Totals are approximate and income is entirely based on donation.

Expenses:

Race Car Maintenance, equipment, repairs:

Car Cleaning: \$70/mo, \$840/year
Sand and paint: \$1800
Wheel replacement: \$5000
Suspension: \$240
Helmet: \$260

Garage supplies:

Safety supplies and Tools: \$220
Oil, wiring, misc. parts: \$1000

Other expenses:

Mechanic Assist: \$100/year
Website hosting: \$32/year-prepaid for three more years
Catering for board meetings \$70/meeting X 10 meetings -\$700
Office supplies: \$400/year
First Aid & CPR Training: \$260
Permits, filing fees, auto registration: \$700/year
Insurance for Board of Directors: \$1400/year
Insurance for cars: \$4800/year

What is the annual income?
How much is secured?

No subtotals, numbers are not aligned and justified

Total does not agree to grant request. What is the Foundation funding? What is the foundation not funding?

Approximate yearly expenses not including one-time expenses: \$17,752

Community Gardens Project Description

The program addresses and celebrates diversity through gardening, food, arts and storytelling activities, and will culminate in visual, audio and outdoor landscape exhibits created by participants. The program also supports science, language arts, math and history curriculum.

Community Gardens Project Budget

PROGRAM INCOME		
	Total committed funding	\$ 44,530
	Total requesting funding	\$ 35,000
Total grants (committed and requesting)		\$ 79,530
EXPENSES		
	Budget	Request
PERSONNEL EXPENSES		
Staff		
Education Program Director (50% of \$50K FTE)	\$ 25,000	\$12,500
Education Program Coordinator/Artist Educator (50% of \$35K FTE)	\$ 17,500	\$0
Volunteer Coordinator/Community Outreach (50% of \$35K)	\$ 17,500	\$0
Consultants (outdoor kitchen, youth development, media)	\$ 3,000	\$3,000
Sub-total personnel costs	\$ 63,500	\$15,500
Fringe benefits @ 10%	\$ 6,350	\$1,550
Total Personnel Expenses	\$ 69,350	\$17,050
PROGRAM SUPPLIES/EXPENSES		
Transportation costs for 4 trips: 5 vehicles @ \$5/car for gas	\$ 100	\$100
Total Transportation	\$ 100	\$100
Supplies/Equipment		
Garden Tools (10 Hand Trowels @ \$4 each)	\$ 40	\$40
Tool bucket	\$ 50	\$50
Compost/soil condition (10 bags @ \$6 each)	\$ 60	\$60
Total Supplies/Equipment	\$ 150	\$150
Gear		
Gardening clothes, shoes, hats for 20 youth	\$ 1,000	\$1,000
Total Gear	\$ 1,000	\$1,000
Office Expenses		
Telephone, Fax & Internet Services	\$ 400	\$400
Printing, Postage and Delivery	\$ 1,300	\$1,300
Total Office Expenses	\$ 1,700	\$1,700
Total Program Supplies/Expenses	\$ 2,950	\$2,950
Subtotal Expenses (Personnel Expenses + Program/Supplies)	\$72,300	\$20,000
Indirect/administrative costs (@ 10%)	\$ 7,230	\$0
Total Expenses	\$79,530	\$20,000

Budget clearly identifies sources of revenue and their status.

Budget explains allocations of salaries and benefits. Outside help is clearly listed and identified.

Budget clearly shows cost assumptions and is organized in a way that supports the project Description

Budget shows where foundation funds will be used and gives clear sub-totals



Budgeting Basics

- Does your budget clearly support your project description?
- Have you researched your expenses and presented them logically?
- Do you understand your funder's policies? (what do/don't they fund, format requirements) – It's ok to make a call.
- Did you double check your budget? Has somebody read it for you?

Other Tips

- Learn Excel – you can find training opportunities at www.compasspoint.org
- Get electronic copies of your audits, tax returns, and proof of insurance.
- Be sure to explain any missing items
- Don't underestimate the power of your budget!