Preparing a Project Budget

The project budget is a critical component of the Trust's grant application and should be prepared carefully. Hopefully, this tip sheet and the corresponding budget samples will assist you in preparing and presenting a budget that accurately captures your project. The information provided should guide your efforts but should not be viewed as prescriptive.

If you haven't already done so, please read the section of the *Application Instructions for Strategic Projects* titled Project Expense Budget. Additionally, review the corresponding Letter of Inquiry (LOI). Follow the instructions closely and be careful to ensure the budget you include in your application reflects the scope of the budget outlined in your approved LOI.

There are two parts to the budget that need to be created and included. The first part should reflect all direct expenses related to the project. (Don't forget to indicate the specific line item(s) for which Trust support is being requested.) The second part should provide a short narrative or brief comment of those line items that warrant an explanation, such as the basis upon which assumptions were formed.

There are a number of ways to present an expense budget depending upon the type of project, including those for capital, program, and equipment. A description and explanation of each type follows, and a corresponding sample has been provided for your reference.

- **Capital** includes such budget line items as may be associated with the purchase of a building, new construction, renovations, and leaseholder improvements. Direct expenses to be considered are hard costs such as land acquisition, site preparation, construction, landscaping, etc., and soft costs like those for architects and engineering, external project management, permitting, fees, construction loan interest, etc., as well as furnishings and contingencies.
- **Program Expansion** includes budget items associated with the expansion of an existing service or program, the creation of a new service or program, and or the addition of new staff to support expansion or build the organization's internal capacity. Specific line items may include expenses associated with the production of additional or new materials for the program, technology, marketing, and more. The Trust would consider funding these expenses on a declining basis over a three-year period, as follows: Year 1, no more than 100 percent; Year 2, no more than 67 percent; and Year 3, no more than 33

percent. If staff is requested for either expansion or for strengthening the organization's internal capacity, the following applies:

- o **Staffing** budgets may include line items for adding a new staff and related costs in order to expand a program that is external for a service or internal to the organization for capacity building. Costs may include compensation (salary, wages, payroll taxes, and benefits) for a new position (in a few cases, more than one position maybe justified) and new related expenses such as computer and work station, new related software, travel, and training. Generally, the Trust funds new positions over three years, with one-time expenses included in the first year and compensation and related costs declining over three years (no more than 100 percent of expenses in Year 1, no more than 67 percent in Year 2, and no more than 33 percent in Year 3). The expectation is that the position(s) would be self-funded in Years 4 and beyond.

- **Equipment Acquisition** includes such budget line items as may be associated with the purchase of equipment, its installation, user training, and if required, remodeling costs to accommodate the new item(s).

A few final thoughts and suggestions to consider as you prepare your budget:

- The budget and narrative needs to fit on one page and be uploaded to the application. If necessary, a longer and more detailed budget and narrative may be provided as a separate attachment.
- Narrative information should include the origin, basis, or assumptions of a specific line item in the budget. For example, amounts could be based on vendor quotes, estimates from architects, actual bids from contractors or vendors, advertised prices, or salary surveys. In the case of compensation, there should be some justification of unusual amounts, high or low.
- If a grant is awarded, it would be based on a grant year(s) and may straddle a given calendar or fiscal year(s). Consider presenting budgets and requests by grant year (Year 1, Year 2, Year 3, etc.) rather than by the actual date (2016, 2017, 2018, etc.).
- The Trust does not fund indirect expenses of projects, including any portion of time for existing staff members who may be directly involved with implementation or oversight. While it is often appropriate to include these items in your total project budget, please do not request Trust funding for them.

- Direct fundraising expenses for capital projects, such as campaign consultants, brochures and related material, special events, etc. may be eligible for Trust support; however, existing or temporary staff are not.
- Be sure to check all of your figures, ensuring that numbers and calculations are correct and match information included in other parts of the application.
- If your request is funded, the budget will be used to guide the administration of the grant. As a result you will use your budget to track the project expenses related to your grant so these can be reported to the Trust in the *Progress Report*, *Contingency Met Report,* and *Final Report*.
- The budget you prepare should be useful to the Trust for its review and consideration of your proposal and to the organization in designing and tracking the implementation of your project.
- Feel free to choose a budget format that is different than the samples provided in the Application Planning Resources. Your goal should be clarity, and it should reflect the project as you have envisioned and planned it.