Conquering Grant Budgets
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Preparing a grant budget can feel overwhelming, but it is essential to the proposal process. Government funders will typically provide specific guidelines, but private funders such as foundations and corporations may not provide guidance on budget development. Either way, the following information may be helpful in building budgets for grant proposals.

Adhere to a Process

✓ First and foremost, if there are instructions or guidelines for the budget, follow them carefully and **only include allowable expenses**.

✓ The budget must be **clear, detailed, and referred to in the proposal narrative**. For instance, if travel expenses are listed in the budget, then it should be clear in your proposal narrative who is traveling to implement your project or program and why.

✓ Funders often prefer not to support the entirety of a project or program, so **demonstrate that your agency is financially contributing to the project or program** for which you are requesting funding. It can be in the form of in-kind support such as personnel or volunteer time, operating costs such as building space, and indirect costs. Show the dollar amounts of your agency's contribution as well as the amounts that other funders may be contributing.

Some of the <u>common budget categories</u> for projects and programs funded by grants include:
- **Personnel** – costs should correspond to the percent of staff time to be spent on the project or program.
- **Fringe Benefits** - include costs of the benefits your agency provides to personnel such as but not limited to Insurance, FICA, Worker's Comp, Medical, Dental, Employer Match for retirement
- **Facility Costs –** this often includes rent or mortgage and taxes and utilities.
- **Professional Development** – registration fees for conferences or workshops or training
- **Dues and Subscriptions** - for professional associations/memberships and periodical subscriptions
- **Travel** – for conferences and workshops or project/program related travel. This category may include airfare, lodging, transportation fees (e.g., Uber or mileage reimbursement), parking, and per-diem (e.g., meals). If your agency does not have established rates for transportation or per diem, use the internet to search for appropriate rates (e.g., IRS standard mileage rates or U.S. General Services Administration for per diem rates based on the geographic area).
- **Supplies** - items such as office supplies or specific items needed for your project or program
- **Equipment** – computers or technology is often included here. For federal grants, anything $5,000 or over is considered equipment. If it's less, then it's considered supplies.
- **Contractual Agreements** – expenses related to outside consultants or vendors. For instance, if your program is art therapy for seniors and you don't have someone on staff to provide that you would contract with a specialist to do so.
- **Printing** – for items such as brochures and program materials
- **Marketing and Promotion** – examples of expenses may be media ads or brochure design.
- **Other Program Expenses**- these will be specific to your agency but it's anything that doesn't fit into a common category. Use this category instead of "miscellaneous"!
- **Indirect costs** – are costs which are frequently referred to as overhead expenses (rent and utilities if not specifically allocated to the project or program budget) and general and administrative expenses (e.g., administrator's salaries, accounting department costs and human resource department costs). For federal grants where your agency does not have a federally negotiated indirect cost rate or for found grants, many agencies use a de minimis rate of 10% which are assessed on a percentage of the project or program's direct costs.

More Important Tips

✓ All **expenses should be related to the project or program**. For instance, don't include professional development expenses for a science conference if the program is a youth sports program unless there is somehow a direct relationship to the program!

✓ Some categories, such as personnel, pose a grant support challenge. A way to bolster your case for support for personnel and other hard-to-fund categories is to **frame your ask in terms of dollar amount per client served**. As an example, if you are looking for $15,000 in funding for a senior nutrition program, where most of the expense is for the nutrition educator, structure your request so that the focus is on the cost per senior. If your program serves 50 seniors over 10-weeks, then it is $300 per senior or $30 per senior each week that the program runs.

✓ Federal grants require a budget narrative, which is a written account of each of the line-item expenses in your budget. The **budget narrative** is where you demonstrate how you determined the exact dollar amounts per category or, in other words, **where you "show your work"** just like you did in math class! Although not required on most foundation proposals, it may be worthwhile to include a budget narrative, and including one may help your proposal stand out.

✓ Make sure to have someone **proofread** your budget and budget narrative against the proposal narrative to make sure all budget categories coincide and to ensure they are understandable.

Congratulations- Your Project is Funded!

✓ If you receive a grant, but not for the full amount requested, what do you do? If with the grant, you still don't have enough to implement the full project or program, consider serving fewer people or shortening the project or program's timespan. Regardless, **communicate with the funder** to let them know if the scope of work must be revised. Funders want to work with you to meet your goals and understand financial constraints.

✓ Make sure your **accounting system can delineate income and expenses for the specific project/program**. Many organizations use specific budget project and line-item codes to appropriately manage funds.

✓ **Spend the funds in a timely manner!** If you are the grant writer but not the project manager, you may want to set up monthly meetings with the project manager to ensure the budget is being adhered to. No agency wants to have to give funds back because they weren't spent in time. If the process isn't going as planned, notify the funder as soon as possible to discuss solutions.

✓ Be a good steward and **submit grant reports by deadlines**. If a report is not required, you may want to send one anyway. Funders will appreciate knowing the impact of their support as well as your follow through.

If you are interested in a **sample budget spreadsheet** or **grant proposal preparation services** including **developing a robust budget**, please visit sheerstrategy.com or contact us at (215) 680-0684 or at maddyschiering@sheerstrategy.com.