

Winning the Grant Starts with a Good Budget Proposal

Let's be honest; writing a grant budget application isn't anyone's idea of a pleasant way to spend a Saturday afternoon. But, creating a spending blueprint doesn't necessarily have to cause you great trepidation either.

The budget narrative should provide a detailed description and support for items in the budget proposal. Budget narratives typically include calculations for staff hours and costs, lists of materials, description of travel with cost details, explanation of other direct costs, and indirect cost rates and calculations. Some require a description of what personnel will do on the project. (See the example at the end of this story)

The grant budget is an extremely important part of the application package. Some reviewers look at the budget first to see whether the costs included in it are reasonable. An experienced reviewer should be able to look at a well-developed budget and budget narrative and get a good idea of what they'll see when they begin reading the entire grant proposal.

If you begin by planning the budget, you ensure you do not plan a program for which there are not enough available funds. Also, most of your program planning will be accomplished when you begin by determining program costs.

Errors to avoid (i.e., things that will kill your proposal):

1. **Padding.** Funders are savvy. They know if you have padded your budget, perhaps in hopes of having funds available to "negotiate" with.
2. **Costs have not been researched.** However tempting it may be, do not just pull numbers out of the air for your budget. For example, don't guess a new computer will cost \$3,000 when, with a few minutes of research, the proposal writer might find the computer he or she had in mind could be purchased for \$1,100 or less. If you overstate the cost of supplies, equipment or services, the funder may reject your proposal outright. If you undervalue the costs of running your program, you may have to use general operating funds to make up for a shortfall and implement the program described in your proposal.
3. **Simple arithmetic errors are common.** Use a spreadsheet or a calculator when preparing your budget. Check your extensions and column totals, and then check them again. Inaccurate totals may indicate to the reviewer you are not careful. Grantors want detail-oriented grantees -- people who will track expenditures and program progress carefully and diligently.
4. **Unsupported conclusions.** Failure to adequately describe how you arrived at the costs identified in your budget is a destroyer. Show your work when preparing the budget proposal and budget narrative. If you plan to hire three people, show what each person's salary will be as well as the total annual cost. Show what your organization's fringe benefits cost. Details count. The more you can tell the funder through your budget, the better.

Sample Budget	
Revenue	Program/Project
Grants	\$46,000
Contracts	38,000
Corporate contributions	17,200
Membership	0
Individuals	14,800
Fees for services	18,400
Fundraisers, events, sales	14,000
Endowment	0
Interest income	0
Miscellaneous	2,692
Total	\$151,092
Expenses	Program/Project
Staff salaries and wages	77,000
Fringe benefits	17,500
Occupancy and utilities	8,400
Equipment	6,000
Supplies and materials	8,600
Printing and copying	3,500
Telecommunications	2,700
Travel and meetings	2,200
Marketing and advertising	3,600
Staff and volunteer training	3,800
Contract services	5,500
Miscellaneous	1,100
Subtotal	\$139,900
General operating (indirect) - 8%	11,192
Total	\$151,092

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