Southern AZ Chapter

BUDGET-BUILDING FOR GRANTWRITERS:

The "Total Value" Framework for Crafting an Unbeatable Project Budget

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ABOUT MARYN:

Over her 20+-year career in the nonprofit world, Maryn has been an on-staff program developer and grantwriter; an independent grants consultant; a grants project manager; a grants trainer; a grants reviewer, author, speaker, mentor and coach; and - yes - for the past 10 years, even a grantmaker. GrantsMagic U (U.GrantsMagic.org) is the "virtual academy" she created to make her extensive portfolio of practical and inspiring trainings on successful grantsmanship available (and affordable!) for anyone, anytime, anywhere.

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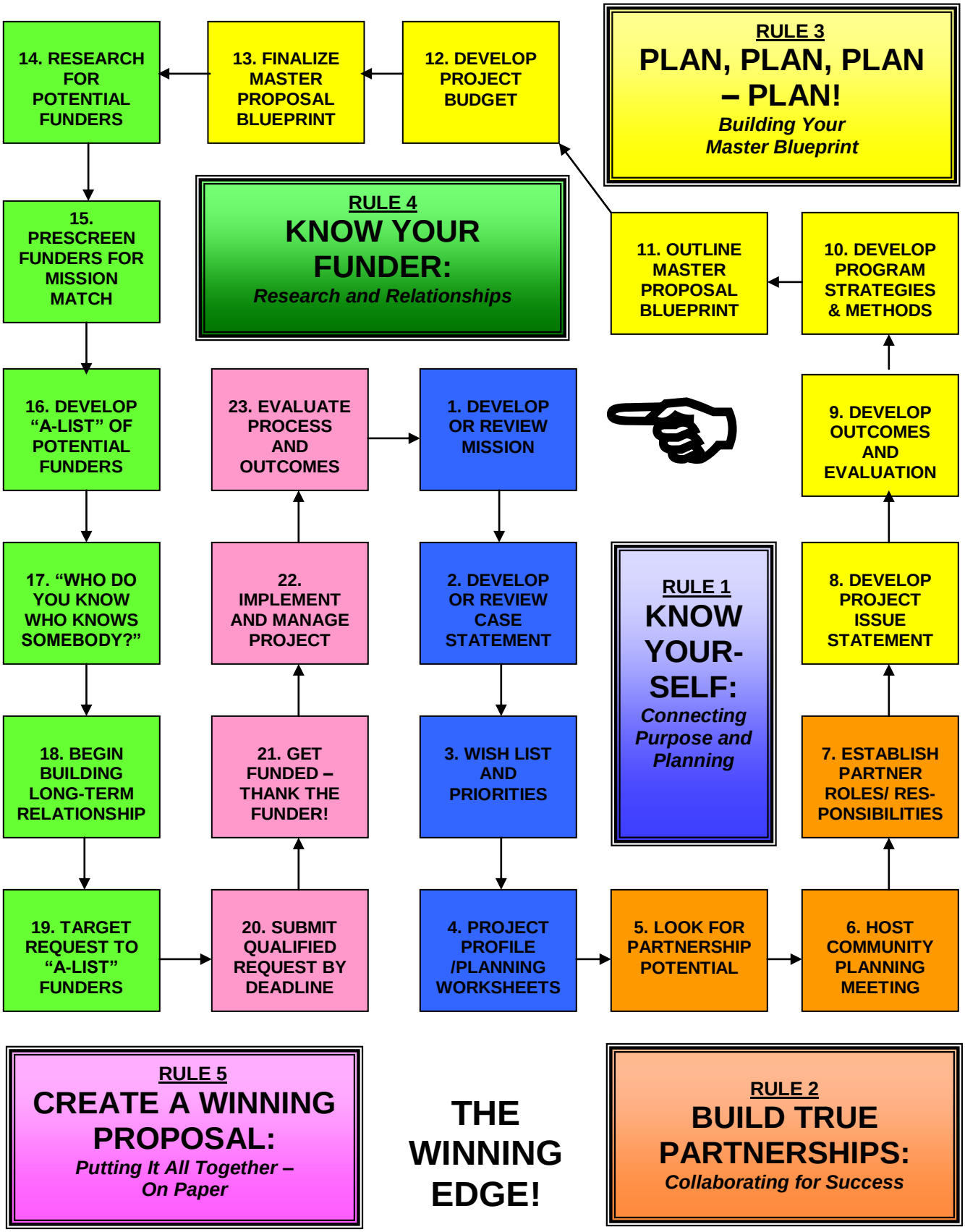
SUCCESS IN THE GRANTSMANSHIP GAME!



The Grantsmanship Game & Budgeting

A mission-centered program budget fits with the 5 Rules of the Grantsmanship Game in these ways:

RULE 1: KNOW YOURSELF – THE POWER OF MISSION-CENTERED GRANTSMANSHIP

The budget is consistent with your organization's mission and program goals.

- Vision, values, ethics

RULE 2: BUILD TRUE PARTNERSHIPS – COLLABORATING FOR SUCCESS

The budget reflects how resources will be contributed by and shared among partnering organizations and builds on or extends past or current organizational capacity and values.

- How does the budget reflect partner contributions?
- How does it reflect sharing of resources?
- How does this build on or extend organizational capacity and values?

RULE 3: PLAN, PLAN, PLAN – PLAN! – BUILDING YOUR MASTER PROPOSAL BLUEPRINT

The budget is developed as part of the Master Proposal Blueprint and includes all revenue and income anticipated and needed.

- An honest, ethical, accurate representation of resources and revenues needed to achieve targeted program outcomes
- A tool for internal management

RULE 4: KNOW YOUR FUNDER – RESEARCH AND RELATIONSHIPS

The budget clearly and fully communicates your program's financial expectations and needs to the prospective funder.

- Realistic, not "padded"
- Good mission-match
- Fits within the funder's typical funding range OR you have negotiated the amount of your request with the funder before preparing the proposal

RULE 5: CREATE A WINNING PROPOSAL – GETTING IT ALL ON PAPER

The budget follows the requirements and guidelines of the prospective funding agency.

- Private (corporate, foundation)
- Public (federal, state, local)
- How much detail does the funder require vs. how much detail do you need in your budget as a management tool?

Mastering Mission-Centered Budgeting:
Your Essential Power Tools

What resources will you need to accomplish your planned work?
How much will it cost?
Where will the money come from?

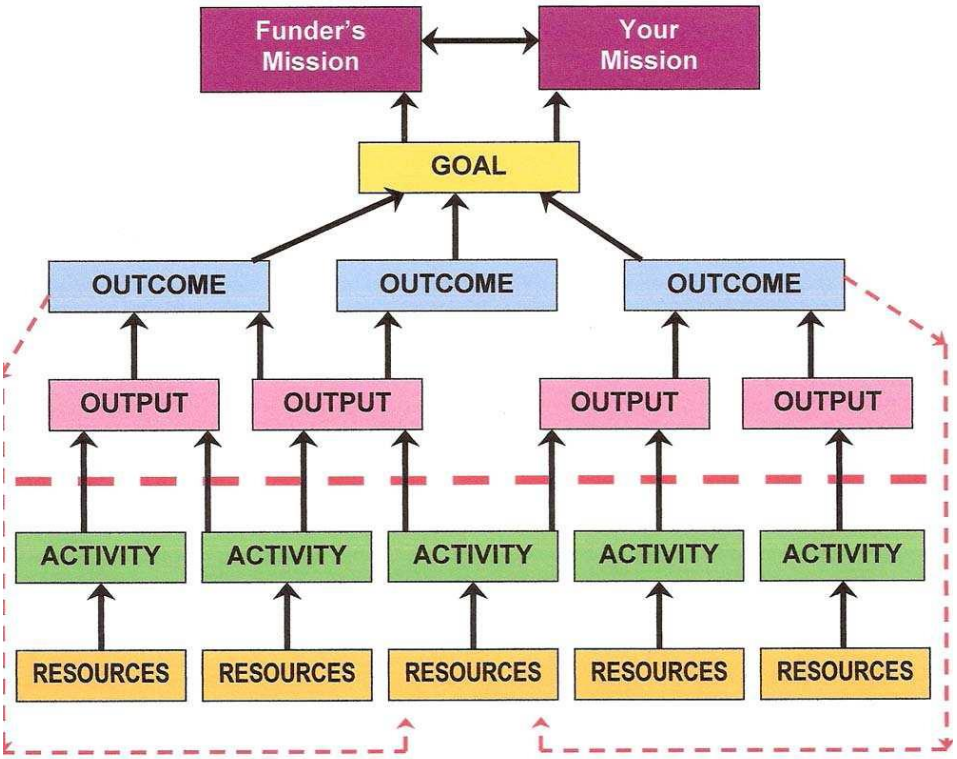
WHAT DO YOU KNOW?

T F 1. Because few funders allow their grant dollars to be used to cover indirect costs, it makes more sense to leave indirect costs out of your program budget planning.

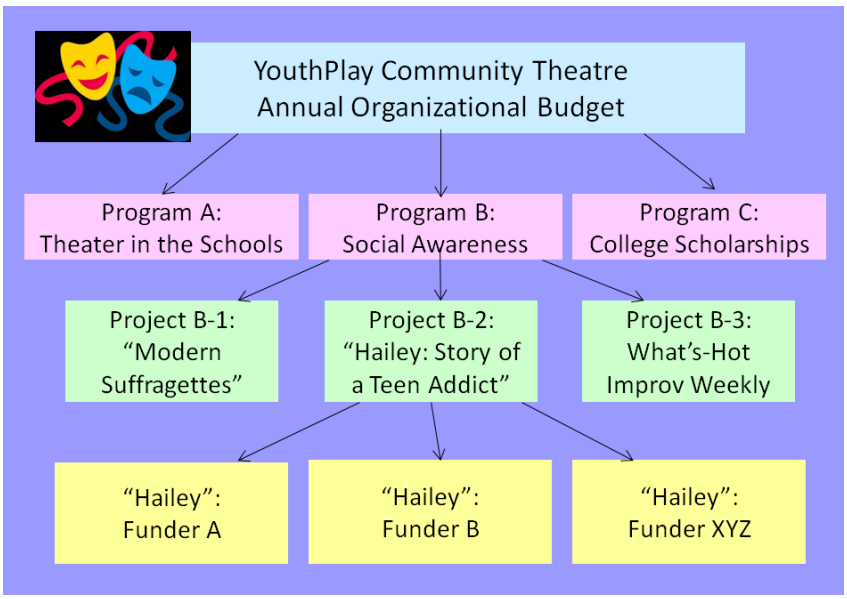
T F 2. The best format to use when planning the budget for a specific grant proposal is the budget form provided by the grantmaker.

T F 3. Because they don't involve actual expenditures of grant dollars, "in-kind" contributions and volunteer services have no place in your proposal budgets.

Resources Support the Whole Structure!



THE HIERARCHY OF BUDGETS



MASTER BUDGET CHECKLIST AND PLANNING WORKSHEET

- ✓ Minimizes risk of forgetting something
- ✓ Provides sound framework for project management
- ✓ Serves as a source document
- ✓ Is a "total-value" budget

THE BASICS:

1. **Item/Calculations:** Same as major Federal budget categories

2. **Total Value:** What's the total value of everything you need to do the work? (What's your complete list of ingredients, supplies, equipment, etc. for your recipe?)

3. **Matching Resources:** What's already "in the pantry" (or you can "get from a neighbor")

4. **Grant Resources:** Your shopping list – what you don't already have and need to "buy"

MASTER BUDGET PLANNING CHECKLIST & WORKSHEET:
Basic Version

Project period: From _____ through _____

ITEM/CALCULATIONS:	TOTAL VALUE:	FROM THIS GRANT:	MATCH/SOURCE
A. Salaries: • Project staff • Support staff • Admin staff • Hourly/annual • VOLUNTEERS!!			
B. Employee-related expenses			
C. Contractual services: • Skilled/unskilled • VOLUNTEERS!!			
D. Space costs: • Rent/lease/mortgage • Utilities/maintenance			
E. Equipment rent, lease, purchase			
F. Supplies and materials			
G. Travel			
H. Building costs			
I. Other: (Telephone: postage: printing or copying costs: subscriptions; publications, books, tapes; training expenses; advertising/marketing costs; other)			
EX: Post-hole digger, heavy-duty, lease: $120/day x 5 days (for fence expansion)			
EX: 100 hrs volunteer maxillofacial surgeon x _____			

Let's Put On a Play! -
Bringing In Detail with a Real-Life Scenario

THE WORKING SCENARIO:

You are the grant professional for ***YouthPlay***, a nonprofit theater group, and you are very good at your job! As part of its ongoing "Social Awareness" program, the theater wants to collaborate with ***a health and human services provider*** on a dramatic performance with a strong message about a current social issue.

So ***YouthPlay*** develops a partnership with ***Been There***, a teen substance-abuse prevention group, and arranges to co-create and perform a work called "Hailey: The Story of a Teen Addict," that shows the impact of a teen's meth addiction on her family, friends, and future.
According to the plan:

- YouthPlay's artistic director, Jen, is already on staff on a half-time basis. Her time will be increased by 10 hours a week to allow her to develop and direct the new program.

- All the actors will be students recruited from drama groups at two local high schools.

- Two parents who are theater professionals have volunteered to do the costume and stage-set design. They estimate this will require a total of 100 hours of their time over a two-month period.

- The total project will take 36 weeks to complete. This includes:
    - 8 weeks to prepare, script, and cast the play;
    - 8 weeks of rehearsals before performances can begin;
    - 16 weeks of weekly performances (see below).
    - 4 weeks of project debrief, review and wrap-up.

- You plan to schedule one 90-minute performance a week at local elementary and junior high schools, churches, and other venues for young people, over a 16-week period, reaching an estimated 4,000 young people.

MASTER BUDGET PLANNING CHECKLIST & WORKSHEET: Detailed Version

Budget Period/Time Frame: _____

	ITEM	DESCRIPTION / CALCULATIONS	TOTAL VALUE:	MATCHING RESOURCES:		GRANT RESOURCES:	
				AMOUNT	SOURCE	AMOUNT	SOURCE
A.	**SALARIES**		=				
	Executive Director						
	Program/Project Manager						
	Program staff:						
	Clerical/support staff:						
	Volunteers:						
	Other:						
	TOTAL SALARIES:						
B.	**EMPLOYEE-RELATED EXPENSES (EREs):**						
	FICA						
	State unemployment insurance						
	Health insurance						
	Workers' compensation						
	Disability insurance						
	Vacation						
	Sick leave						
	Other						
	TOTAL EREs:						

	ITEM	DESCRIPTION / CALCULATIONS	TOTAL VALUE:	MATCHING RESOURCES:		GRANT RESOURCES:	
				AMOUNT	SOURCE	AMOUNT	SOURCE
C.	**CONTRACTUAL SERVICES:**						
	Evaluation						
	Independent audit						
	Other:						
	TOTAL CONTRACTUAL SVCS:						
D.	**SPACE COSTS:**						
	Office rent (monthly; by sq. ft., etc.)						
	Other space						
	Custodial/maintenance						
	Utilities						
	Donated space (other than above)						
	Renovations						
	Other:						
	TOTAL SPACE COSTS:						
E.	**EQUIPMENT: RENTAL, LEASE OR PURCHASE**						
	Office furniture (list):						
	Office equipment (list):						
	Other (list):						
	TOTAL EQUIPMENT:						
F.	**SUPPLIES AND MATERIALS:**						
	Office/desktop supplies						
	Copying supplies						
	Program-related supplies						
	Program-related materials						
	Other						
	TOTAL SUPPLIES/MATERIALS:						

	ITEM	DESCRIPTION / CALCULATIONS	TOTAL VALUE:	MATCHING RESOURCES:		GRANT RESOURCES:	
				AMOUNT	SOURCE	AMOUNT	SOURCE
G.	**TRAVEL**						
	Local mileage for staff (__¢/mi x __ miles)						
	Out-of-area travel: Transportation, lodging, meals, etc. (list):						
	Other travel						
	TOTAL TRAVEL:						
H.	**BUILDING COSTS:**	(Attach detailed specs)					
	Land						
	Materials						
	Construction, renovation, etc.						
	Other:						
	TOTAL BUILDING COSTS:						
I.	**OTHER EXPENSES:**						
	Telephone (installation, monthly service, long distance, etc.):						
	Postage						
	Fire, theft, liability insurance						
	Professional dues						
	Printing/copying costs						
	Subscriptions						
	Publications, books, tapes, etc.						
	Training expenses						
	Advertising and marketing costs						
	Other:						
	TOTAL OTHER EXPENSES:						
=	**TOTAL DIRECT COSTS (A-I):**						
+	**INDIRECT COSTS: Itemized or via cost allocation ratio**						
=	**TOTAL PROJECT OR PROGRAM-RELATED COSTS:**						

A. Salaries/Staff Positions

Who will be investing their time and expertise in this project as a staff member, and what is the value of that time?

FTEs = "Full-Time Equivalent" – as percentage of full-time 40 hours/week or 2,000 hours/year

- 40 hours/week (2,000/year) = 1.0 FTE
- 20 hours/week (1,000/year) = 0.5 FTE
- 10 hours/week (500/year) = 0.25 FTE
- 60 hours/week = _____ FTE
- Two half-time caseworkers = _____ FTE

Can also use hourly calculations if that makes more sense.

What about administrative and executive oversight?

What if you don't know the going rate for a particular position?

- Bureau of Labor Statistics: http://www.bls.gov/oes/current/oessrcst.htm

What about volunteers?

- Bureau of Labor Statistics: http://www.bls.gov/oes/current/oessrcst.htm
- Independent Sector: http://www.independentsector.org/volunteer_time (only if you absolutely have to!)

THE SCENARIO:

- YouthPlay's artistic director, Jen, is already on staff on a half-time basis. Her time will be increased by 10 hours a week to allow her to develop and direct the new program over 36 weeks. Her current half-time pay of $30 per hour is covered through YouthPlay's annual operating budget. How will you reflect the value of her project-related time on the project budget worksheet?

- You estimate that the mental health professional from Been There – George -- will spend about 200 hours total advising the project, developing resource materials, and making follow-up presentations. He will do this as part of his regular work assignment with Been There, for which he is paid a salary of $48,000 a year. How will this be reflected on your budget worksheet?

ITEM		DESCRIPTION/CALCULATIONS	TOTAL VALUE	MATCHING RESOURCES		GRANT RESOURCES	
				Amount	Source	Amount	Source
A.	SALARIES		=				

B. Employee-Related Expenses (EREs)

What other costs are associated with the personnel who will be supporting this project?

What Employee-Related Expenses (EREs) if any apply to paid positions at your organization?

Full-time only? 30 hours a week and up? Half-time?

Does your agency have a calculated ERE rate?

What about volunteers?

C. Contractual Services

What "outside" expertise or labor will you need to engage via contract for this project?

External third-party evaluation

Independent audit

Professional consulting

Labor -- skilled

Labor -- unskilled

THE SCENARIO:

- Two parents who are theater professionals have volunteered to do the costume and stage-set design. They estimate this will require a total of 100 hours of their time over a two-month period. Is it appropriate to include these parents as "contractors"? If so, how will this appear on your budget worksheet?

ITEM		DESCRIPTION/CALCULATIONS	TOTAL VALUE	MATCHING		GRANT RESOURCES	
				Amount	Source	Amount	Source
C.	CONTRACTUAL SERVICES:		=				

D. Space Costs

What is the cost or value of the physical space that will be committed to or used by the project?

Office rent, lease or mortgage (pro-rated)

Other space

Custodial/maintenance

Utilities

Donated space (other than above)

Renovation

THE SCENARIO:

- All of YouthPlay's rehearsals take place at a nearby high school, which has agreed to rent its stage for rehearsals for the measly price of $30 an hour. You estimate about 25 hours of rehearsal time for this project. Equivalent facilities at full market price would rent for $100 an hour. How will you reflect the value of this rehearsal space on your budget worksheet?

ITEM		DESCRIPTION/CALCULATIONS	TOTAL VALUE	MATCHING		GRANT RESOURCES	
				Amount	Source	Amount	Source
D.	SPACE COSTS		=				

E. Equipment: Rent or Purchase

- ✓ Office furniture
- ✓ Office equipment
- ✓ Audiovisual equipment
- ✓ Construction/maintenance equipment
- ✓ Other

F. Supplies and Materials

What are the "consumables" that are necessary to support this project?

- ✓ Office supplies – desktop
- ✓ Office supplies – other
- ✓ Participant materials and supplies
- ✓ Copying supplies
- ✓ Books, publications, etc.
- ✓ Don't forget "in-kind"!

THE SCENARIO:

- What are some of the supplies and materials you can anticipate would be necessary or helpful in this project? Which of these might you be able to secure as in-kind donations? Which would you most likely need to pay for through the grant award?

G. Travel

- Local mileage: ____ cents/mile x _____ miles

- As of Jan. 1, 2017, IRS deductible rate =
  - 53.5 cents/mile for work-related
  - 14 cents/mile for volunteer service

- Out-of-area travel: Transportation, lodging, meals, etc.

THE SCENARIO:

There is an opportunity for your drama project to be showcased at a regional conference of mental health/substance abuse prevention providers 12 months from now. You would like to request funds for Jen and George to travel to present at this conference. Currently, round-trip air fare is $275 per person. The conference hotel is $150 per room per night, and they will need to stay for two nights each. The conference registration fee is $150 per person.

- How will you reflect these costs in your budget worksheet?
- What other costs should be included related to the regional conference?

H. Building Costs

Is your project a "capital" or "bricks and mortar" project that will include building costs?

JUST A STARTING POINT for major, detailed building projects:

- ✓ Land
- ✓ Materials
- ✓ Construction
- ✓ Renovation
- ✓ Other?

I. Other Expenses

Go back to your detailed project plan – with your project team – and brainstorm: ***What else? What else? What else?***

- Telephone (installation, monthly service, long distance, etc.)
- Postage
- Fire, theft, liability insurance
- Professional dues
- Printing or copying costs
- Subscriptions
- Publications, books, tapes, etc.
- Training expenses
- Advertising and marketing costs
- Other

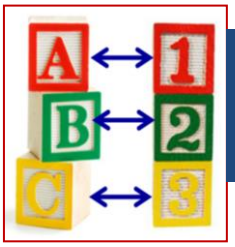
COMPLETED EXAMPLES FROM OUR REAL-LIFE SCENARIO:

ITEM		DESCRIPTION/CALCULATIONS	TOTAL VALUE	MATCHING RESOURCES		GRANT RESOURCES	
				Amount	Source	Amount	Source
A.	SALARIES		=				
	Artistic Director	10 hrs/wk x 36 wks x $30/hr	$10,800	0	NA	$10,800	Grant
	Mental Health Professional	$23.08/hr ($48,000/yr) x 200 hrs	$4,616	$4,616	Been There	0	NA

ITEM		DESCRIPTION/CALCULATIONS	TOTAL VALUE	MATCHING RESOURCES		GRANT RESOURCES	
				Amount	Source	Amount	Source
B.	EREs		=				
	Artistic Director	$10,800 x 16%	$1,728	0	NA	$1,728	Grant
	Mental Health Professional	$4,616 x 26%	$1,200	$1,216	Been There	0	NA

ITEM		DESCRIPTION/CALCULATIONS	TOTAL VALUE	MATCHING RESOURCES		GRANT RESOURCES	
				Amount	Source	Amount	Source
C.	CONTRACTUAL SERVICES		=				
	Theater professionals: Design and make sets and costumes	$26.40 (U.S. Bureau of Labor Statistics, mean wage, 2015) x 100 hrs	$2,640	$2,640	Volunteers	0	NA

ITEM		DESCRIPTION/CALCULATIONS	TOTAL VALUE	MATCHING RESOURCES		GRANT RESOURCES	
				Amount	Source	Amount	Source
D.	SPACE COSTS		=				
	Rehearsal space – rented from local high school	25 hrs rehearsal time x $100/hr market value	$2,500	$1,750	Contributed value, ABC High School	$750	Grant



Everything Else You Need to Know to Build an A+ Project Budget

The Bottom-Up Logic Model and Budget Planning:

The ABC=123 Model:

Direct and "Indirect" Costs: Intro

DIRECT COSTS:

Those items that can be *directly attributed only* to this specific project, service, or program.
If you weren't offering this project or service, you would not be incurring these costs.
Think of these as ***recipe-specific ingredients.***

"INDIRECT" COSTS:

Costs the agency incurs to "keep its doors open" – not specific to any one program, but supporting all the agency's operations.

- ✓ Overhead
- ✓ Administrative costs
- ✓ Infrastructure costs

Think of these as ***kitchen staples/kitchen equipment.***

More About Direct and "Indirect" Costs

Showing Indirect Costs On Your Budget Worksheet:

- Imbedded in the project budget categories – **BEST!**
- Itemized under the heading "Indirect (or Infrastructure) Costs"
- Negotiated or calculated rate as % of direct costs

Working with the Funder's "Indirect Cost Caps":

- If a funder will not allow its grants to support "indirect costs" …
- If there's a limit or cap on "indirect cost" coverage …
- Unrecovered "indirect costs" as a project match

What About the Funder's Budget Form?

Sample Foundation Budget Guidance:
Current "Common Grant Application" Examples

ATTACHMENTS

In addition to the cover letter an the information required on the Common Grant Application Form, please attach the following:

1. Verification of tax-exempt status under Section 501(c)(3) of the IRS code.
2. List of current board members (include member affiliations and any other pertinent information).
3. List of key organizational staff, including titles and main functions.
4. IRS Form 990 (if available).
5. Most recent audited financial statement (if available).
6. A one-page summary of actual income and expenses for the past two complete years; a one-page listing of funding sources and amounts received from these sources over the past two years.
7. Organization's current year operating budget.
8. A detailed budget of the project for which funds are being sought (if applicable).
9. If the project for which you are seeking funds is a collaboration with other agencies, include letters or other documentation from the collaborating agencies.

EXPENSES INCOME
Salaries & wages (breakdown by individual position and indicate full or part-time)
Fringe benefits & payroll Taxes
Consultants & professional fees
Travel
Equipment
Supplies
Training
Printing & copying
Telephone & fax
Postage & delivery
Rent & utilities
In-kind expense
Other (specify)
TOTAL EXPENSE

NOTES:

KEY POINT:

- The grantmaker's proposal budget form is a **REPORTING TOOL.**
- Our Master Proposal Budget Checklist and Planning Worksheet is a **PLANNING TOOL** and a **SOURCE DOCUMENT.**
- They are not the same thing!

“Total Value” – Why it matters

NOTES:

The GrantsMagic U
Total-Value Pledge:

“I hereby solemnly pledge
that I will never ever again
understate the total value
of everything it takes
to do our mission-critical work
in the world.”

Putting it into action – right away!

My **Quick-Win** Action:

What?

When?

Where?

With what resources?

Why? (In order to what?)

My **High-Leverage** Action:

What?

When?

Where?

With what resources?

Why? (In order to what?)