

How to Build a Budget

The preparation of a detailed budget is an important readiness step in developing a competitive grant proposal. Identification of project costs, and the gulf between resources on hand and funding needed will lead you to a thoughtfully considered ask amount. A well-organized budget will make clear to the grant maker what their funding will be used for and demonstrates your preparedness for successful execution of the project within the time constraints of the grant period. Follow the steps below to prepare your grant budget.

Step 1.

Work from a **project timeline** that includes preparation activities, milestones related to the execution of the project, and evaluation of the project. Consider what costs are associated with each entry.

Step 2.

Make a list of all anticipated expenses and gather quotes as needed. See next page for a list of common program expenses.

Step 3.

For each expense, record as much detail as possible, and apply a calculation.

For example:

Breakfast and lunch for 36 children and two instructors (38 participants) during a two-week summer intervention (10 instructional days). Breakfast and lunch will cost \$25/day, per person. This includes food, beverages, cutlery, plates, and taxes (quote provided by vendor).

Calculation: 38 participants x 10 instructional days x \$25/person

Step 4.

Work with staff in the Office of Sponsored Programs and Research to translate your notes into a simple Excel chart, building the formulas from your expense calculations. Add total columns, vertically and horizontally, to check your work.

If your budget includes cash and in-kind contributions from TU or a third-party, these should be noted on the budget to demonstrate commitment to the project. For information on how to attach a dollar value to volunteer hours, the [Independent Sector website](#).

Here are a few lines excerpted from a simple chart as an illustration:

Item	Description	Cost	Committed cash	In kind	Requested of Funder	Total
Program Assistants	Program assistants (3 volunteers) for 6 hours/day for 10 instructional days (180 total hours) x \$31.80/hour assigned value for volunteer time	3 x 180 x 31.80		\$17,172		\$17,172
Materials	Educational materials for 36 children valued at \$25	36 x 25	\$900			\$900
Meals	Breakfast and lunch (2 meals) for 36 children and 2 instructors (38 people) participating in 2-week intervention (10 instructional days) @ \$25/day	2 x 38 x 10 x 25			\$19,000	\$19,000

As you prepare your budget, consider if you need to plan for the expenses below. This list is illustrative and not meant to be comprehensive. Consider what else will you need, specific to the project for which you are seeking funding.

Indirect Costs

Does the grant allow for indirect costs? Grant guidelines often list the allowable indirect costs as a **percentage** of your total grant award. This cost is reported as a single line called “indirect costs” rather than listing out what might be covered by these funds.

Personnel

Will you need to hire personnel to carry out the proposed project? Will this person be an employee or a consultant? This decision has tax implications, as you will need to budget for fringe benefits for employees. For consultants, taxes are the responsibility of the payee.

For university submissions, the Office of Sponsored Programs & Research can assist in confirming allowable salary and fringe rates.

Participant stipend/guest speaker honoraria

Will you offer participant stipends or speaker honoraria? Taxes are the responsibility of the payee.

Graduate student stipend/tuition waiver (universities only)

Consult with the Office of Sponsored Programs & Research to determine how to calculate rates for an assistantship, which conveys a stipend and tuition waiver. If your budget is limited, you can hire a graduate student as an hourly employee.

Finger printing

Will project personnel and volunteers have contact with minors? Factor in background checks.

Travel

What travel expenses will your project incur (i.e., hotel, airfare, conference fee)? Are these expenses factored into participant stipends/guest artist honoraria or negotiated to be paid separately?

Meals/refreshments

Will you provide meals/refreshments for program participants? Is a reception planned? Are there additional costs for room reservations, set up, tables, plateware, linens, etc.?

Publications/educational materials/printing

What materials will need to be purchased or produced? Consider what internal design and photography resources are at your disposal prior to seeking a quote from an outside consultant.

Equipment/technology/web hosting

What technology or equipment needs are anticipated beyond TU’s existing resources?

Marketing

What marketing needs exist? Which have a cost (i.e., print ads, radio spots, etc.) and which can be absorbed through personnel time (social media postings?) or promotion by partner organizations?

Transportation/parking

What transportation and/or parking needs are anticipated?