



# How to Build a Grant Budget

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*“A budget takes the fun out of money!”*

Mason Cooley (1994)



# Getting Started

## **What else is it called?**

- Budget Summary
- Budget Request

## **When is it used?**

Always



# Why is it Used?

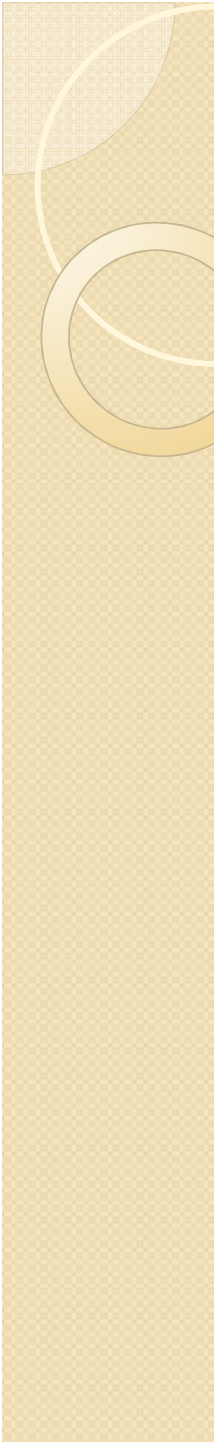
A budget tells the funder specifically what you are requesting for funding, item by item.

A budget is **NOT** a lump sum.



# Key Concepts

1. Be realistic for your project – do not overstate or understate.
2. Cost out your project as it is being developed
3. Be thorough. If you forget costs, they will be absorbed by your organization.
4. Don't make up figures – get real costs.
5. Follow the grant maker's directions – if you have questions, ask.

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6. Cost out what your organization will spend on the project – both in-kind and cash.
  7. Cost out what the partners will spend on the project – both in-kind and in cash.



# Formatting Issues

If the funder provides forms, use them. Use a clear format for the budget that can be read at a glance. Use standard margins and 12 point type.



# Create an Overall Plan

1. Involve all stakeholders – be sure to include your accounting department.
2. Develop the budget along with the:
  - Goals
  - Objectives
  - Activities or Strategies to be used
  - Include the cost of Evaluation if necessary
  - Add in-kind funds or other contributions to the project.





# Create a Spreadsheet

- Use Excel or some spreadsheet program.
- Use a digital projector and display the spreadsheet for stakeholders.
- Build the budget together.



# Items Included in Budgets

- Personnel – Salary
- Fringe Benefits
- Travel
- Contractual Services
- Construction or Renovation
- Materials
- Supplies
- Equipment (usually last longer than 3 years)
- Indirect costs



# What are In-Kind Costs?

- In-kind items are the contributions your organizations can make to the project without going outside to hire the services or purchase the goods.
- Examples:
  - Employee time and fringe (percentage or hourly).
  - Use of equipment at the going rate
  - Use of materials, including software licenses and books.
  - Supplies
  - Volunteer time at fair market value of donated time
  - Facilities
  - Access to special support services such as technical consulting.

# What are Indirect Costs?

Indirect costs are costs that are difficult, or impossible, to assign to a specific project. (ex. heat, lighting, bathroom facilities, chairs and desks etc.) Sometimes called overhead.

- Often allowed on Federal and State grants. Calculated as a percentage of the total grant budget.
- Almost never allowed on private or foundation grants.



# Matching Funds

- Often matching funds are required.
- If they are not required, they look good to a funder. Funders want to know that there is enough local investment indicating the project is important to the applicant organization and partners.



## A Final Note

- **Double check your math and make sure that your budget total is accurate.**



# Resources

- Quick, James Aaron and Cheryl Carter New (2004). *How to Write a Grant Proposal*. Polaris. John Wiley and Sons Inc., NY.
- W. K. Kellogg Foundation Evaluation Handbook.