

GUIDE FOR BUDGET PREPARATION

INTRODUCTION

An important part of the grant application process is the preparation of a detailed budget and an accompanying narrative. The Louisville Institute closely reviews the information you provide and analyzes what you anticipate the proposed activities will cost. We encourage you to give careful consideration to these costs and when appropriate to work with those in your organization who are responsible for its accounting procedures.

In the budget review process, the Louisville Institute may question and negotiate items outlined in your proposed budget. During such discussions, the budget may undergo revisions. If the Institute funds your request, your organization will receive a grant agreement with a request that the appropriate administrative officer sign it and an “official” budget. You will need to share this document with those responsible for finances in your institution because it outlines your financial responsibilities. The grant agreement and attachments contain the following information:

- the grant number
- amount awarded
- the “official” budget against which expenditures will be monitored
- purpose of the project
- time period
- tentative payment schedule
- dates when financial and program reports are due
- financial monitoring guidelines required by the Institute
- legal information
- the Institute’s communication guidelines.

BUDGET

Your budget should include two parts: a **line item budget** and a **budget narrative** that supports your request.

LINE ITEM BUDGET

Your line item budget should list all the appropriate accounts where money will be spent (e.g., Personnel, Travel, etc.) and the anticipated costs of the project in each of these accounts. When appropriate, we encourage you to work with those responsible for accounting in your organization and to develop the budget based on your organization’s chart of accounts, which will enable both the Institute staff and your organization’s staff to monitor the budget easily.

The line items outlined in the attached sample budgets (see Attachments A and B) do *not* include all of the types of items the Institute will consider funding. These samples simply indicate items *commonly* found in budget requests. If there are items in your project that you want the Institute to consider funding, please include these. On the other hand, please do not include line items that are in the sample budget if they do *not* apply to your project.

If you are requesting funds for more than one year, please arrange the budget in a calendar-year format, even though your own fiscal year may be different. Each right-hand column should show the total of each line item for the duration of the project for the calendar year, and the last right-hand column should show the grant total of the budget. The Institute staff uses this information to determine tentative payment schedules.

OTHER FUNDING SOURCES

The Institute receives two types of requests for funding: one seeking entire support for a project and another seeking support for a portion of a project. If you are requesting support from the Institute to fund 100% of your project’s costs, your budget should reflect all anticipated expenditures. If you seek support from the Institute for a portion of a

project, your budget should include anticipated sources of income as well as anticipated expenditures. These other funding sources may include your own organization’s support, other grant support, income from registration fees, and/or other contributions to the project.

If you would like the Institute to consider funding specific line items within a larger budget, please include two budgets with your proposal:

- a budget identifying the specific line items you would like the Institute to consider
- a projected income and expense statement for the entire project noting sources of income and projected expenditures.

SAMPLE BUDGETS

To assist you in preparing a budget, we have provided two sample budgets. We encourage you to use these samples in preparing your own budget.

THE BUDGET NARRATIVE

This section should include a written justification for each line item in your budget. Each narrative statement should briefly describe:

- the specific item
- how the specific item relates to the project
- how you calculated the amount requested

Here are some specific narrative guidelines for frequently-used items. (Please note that not all items will appear in all budgets.)

1. Personnel

A. Salaries/Wages

Here list the position and the salary or wages requested for each person’s work in the proposed project. If appropriate, you may include here the salary of supply ministers or adjunct faculty who will fill in for you while you are conducting your project. If you would like the Institute to fund a percentage of someone’s salary, note that percentage. Next to each listing (if not clear from the title), state what that person’s activities are with regard to the proposed project.

B. Fringe Benefits

Indicate the percentages of salaries your organization charges to fringe benefits. If you use different rates for different individuals, your narrative should contain a table summarizing calculations for each person.

Sample Table:	Salary	Fringe Rate	\$\$
Project Director	\$ 40,000	25%	\$10,000
Secretary	\$ 15,000	20%	3,000
Research Assistant	\$ 20,000	N/A	0
			\$13,000

2. Administrative Support

Included in this category are general expenses directly related to performing the proposed grant project. Such items as supplies, printing, postage, and telephone are typical entries in the “administrative support” category. There may be others as well. These items need not be separately identified in the proposed budget, but should be explained in

the budget narrative.

If your project requires purchasing books for seminar attendees, producing and printing brochures, generating mailings, or performing telephone surveys or large item charges, please include, large expenditures as separate line items, not under the “administrative support” category. Please provide a brief justification of your calculations for each line item.

Sometimes organizations will charge percentage allocations for administrative support. If you use percentages, please indicate that percentage and how it was calculated.

3. Equipment

Although the Institute does not ordinarily award grants for capital expenditures, some projects may require the purchase of equipment for the achievement of project goals. Please list equipment requests, with estimated purchase prices, separately from administrative support, and document why you need this equipment.

4. Travel

Please indicate your projected travel expenses and document your calculations. You should estimate travel expenses based on your organization’s standard travel policies. The project director must authorize all travel expenses charged to the Institute grant funds; the project director’s supervisor or board member must approve the project director’s travel.

If your organization specifies a per diem amount for travel, please indicate this amount and note what the figure includes. For instance, some per diem amounts include hotel expenses and others do not.

If the Institute funds your request, we require that your organization retain ticket stubs and itineraries to document air travel. We also require that someone other than the person charging items for grant purposes on a corporate credit card authorize corporate credit card expenses.

5. Consultants

If you plan to hire consultants, describe the purpose, expected duration of the consultant’s work, and the daily/hourly rate you expect to pay. Please note that consultants’ fees and travel should be on separate lines unless fees include travel costs.

When you hire consultants, you should initiate and retain in your files a contract that includes the following:

- Consultant’s name, address, and social security number
- Beginning and ending dates of engagement, and estimated number of consulting hours to complete the project
- Description of work to be performed, reports written, etc.
- Hourly rate and method of payment for work performed
- Description of any special arrangements such as the hiring of secretarial/clerical assistance, renting of office space or equipment, overhead expense, etc.
- A termination statement noting time requirement and obligations for payment

The Institute has copies of such contracts available should you need one.

6. Conferences

If your project includes a conference, please list all costs directly related to the conference, using separate line items, e.g., travel, food, lodging, honoraria, etc.

7. Miscellaneous Costs

A separate line item may include miscellaneous costs that are not itemized above and not easily identified, but may be necessary to conduct the project. Please explain the types of items/activities you intend the miscellaneous costs to include.

8. Indirect Costs

A line item for "indirect costs", up to 10% of the direct costs, may be included to cover charges by your institution for administration of the grant. Please note that we allow indirect costs only in the following programs: Sabbatical Grant for Researchers and Project Grant for Researchers.

If you would like additional information, please contact the Institute's Executive Director.

SAMPLE BUDGET #1

		Project Title		
		Proposed Budget		
		2010	2011	Total
1.	Personnel			
	Salary replacement (3 months @ \$2,342 per mo)	7,026	7,026	14,052
2.	Research Costs			
	Books & Reference Materials	250	200	450
	Telephone, FAX, mailing, copies, supplies	300	300	600
	Travel & Lodging	725	350	1,075
	Total Requested	8,301	7,876	16,177

SAMPLE BUDGET #2

Project Title	Proposed Budget		
	2010	2011	Total
Release time: hiring of supply minister or adjunct professor	\$ 2,000.00	\$ 2,000.00	\$ 4,000.00
Travel			
1. Denver trip - Fall 1998 & Spring 1999 (2 days each trip)			
Airfare	\$ 298.00	\$ 298.00	\$ 596.00
Ground transportation - car rental	\$ 50.00	\$ 50.00	\$ 100.00
Meals for two days	\$ 70.00	\$ 70.00	\$ 140.00
Hotel accommodations (2 nights)	\$ 250.00	\$ 250.00	\$ 500.00
2. Washington DC (2 days)			
Airfare	\$ 300.00		\$ 300.00
Hotel	\$ 250.00		\$ 250.00
Meals	\$ 100.00		\$ 100.00
Ground Transportation	\$ 50.00		\$ 50.00
Registration fee for conference	\$ 50.00		\$ 50.00
Personnel & Supplies			
1. Summer Salary: calculated by dividing 10 mos. contract by 10 to obtain per month salary, multiplying by 2 mos which will be spent finishing project	\$ 7,000.00		\$ 7,000.00
2. Fringe Benefits on summer salary	\$ 1,235.50		\$ 1,235.50
3. Transcription assistance (40 hrs @ \$10 an hour)		\$400.00	\$400.00
Total requested	\$ 3,418.00	\$ 11,303.00	\$ 14,721.50