BUDGET GUIDE

The goal of your budget is to comprehensively incorporate strategic goals, management priorities and your financial needs.

A budget is the organizational plan for a stated period of time, expressed in dollars. It is the road map of your organization and represents all of the work you want to accomplish. It helps the organization allocate resources, set and clarify goals and monitor progress.

Your budget shows the Revenue, Expenses and the resulting Surplus/Deficit.

Revenue
Earned Revenue (contracts, fee for service)
[illegible]

What are the regular and recurring revenues and expenses? What are one-time, special, or episodic revenues and expenses?

administrative/executive staff may still be contributing to the project (either through direct service delivery or by helping with reporting, supervision, or evaluation).

List each employee title, the annual pay rate and the portion of their time dedicated to the project. For contractors, list their hourly fee or the flat rate negotiated. For example:

- Outreach Worker ($40,000 x 100%) = $40,000
- Executive Director ($80,000 x 10%) = $8,000
- Community Artist ($75/hour x 50 hours) = $3,750

Direct Project Expenses

These are non-personnel expenses that are directly tied to your program. This means if your program didn't exist, the expense would not be incurred. These expenses are anything *except* personnel. They include program supplies, taxi vouchers, marketing and printing, equipment rental, insurance, travel, food and meeting expenses. This may include occupancy expenses if you rent a specific space to deliver your activities (for example, a counselling office or classroom).

Administrative and Indirect Expenses

These are expenses that are not directly attributable to a specific program. The expense will be incurred by the organization regardless of your program. For example, your organization may pay rent of $1,000 monthly for their office space of 5 employees. They will continue to rent the office even if your program doesn't happen. But if the project does happen, one-fifth of the office space will be "occupied" by the project director. Therefore, you can charge one-fifth of the office rent, utilities, maintenance of space and total administrative costs (phone, internet, office supplies, computer equipment). The RFP may allow you to charge a percentage of all other administrative costs as indirect, or overhead.

Other expense considerations

- In-kind expenses: this is an accounting recognition of donated goods or volunteer services. If you include in-kind, there is an equal amount of revenue and expenses – resulting in $0 in terms of overall financial impact. Volunteers are important aspects of a program as in their absence, there could be a negative impact both in operations and financials.
- Pass-through dollars: these are funds that are either spent on behalf of, or passed through to, a secondary recipient. If you plan on using grant dollars to "pass-through" to other organizations, there is a cost to manage the process. Ensure you add this expense in your budget.
- Depreciation: used as a proxy, this non-cash "expense" reflects fixed assets losing their value over time. Fixed assets are "capitalized" and not listed as an expense on the income statement but appear on the balance sheet. An approximation of dollars is set aside for replacements. Consider adding the depreciation expense to your program budget if you are contributing to the "wear and tear" of a physical asset.
- Capital expenses: you may request funds for a building project. Consider the ongoing