

Budget tips for planning your project



Your budget needs to be an explanation of your plan in financial terms. It tells the story, in money terms, of what your group's plans are. You need to make a realistic estimate of the things that are predictable, with assumptions based on:

- Evidence where that is possible based on previous spend.
- Intelligence gathering to reach realistic figures for future spend.
- Best guess based on research and project planning which then gives you something to measure against

Preparing a budget

1. What will you need to pay for? What is the overall cost of the expenditure?
2. How much will you receive as income and from where?
3. How much do you already have?
 - Are you investing some of your own reserves, if so, how much?
 - Have you secured grant fund?
4. Write up your draft budget.
5. Check your draft with other people in your group (board, management committee etc), and agree it.

Your budget needs to:

- Show projected income and expenditure for each year that you are requesting our support.
- Clearly show, in each year, what income is secured and what is still pending from other sources.
- Make sure the budget is aligned with the narrative of your application.
- Include costings for everything you are proposing to deliver in your application. Its important to be realistic here, for example, if you're employing staff its important to include all the costs associated with this, such as the recruitment costs, pension contribution, national insurance contribution. Leaving these additional costs could make the project undeliverable.
- Add up. Check your figures carefully to make sure your budget adds up correctly.
- Include **costs to support the core work of your organisation 10-15% of the cost of your project is reasonable** to enable you cover costs such as utilities/insurance etc. Unless you have specific funding that enables you to cover your core costs, you should be including this in all applications to help with sustainability

If your application is solely to cover your core costs please identify the budget areas you expect the grant to cover such as insurance, utilities, memberships, office rent, salaries and on costs for a key staff member etc.

Reserves

Our application form asks you to detail your unrestricted reserves.

- **Restricted reserves:** This is money that must be spent on specific things. It is usually grant funding that has been given to your group to run a particular activity or project.
- **Unrestricted reserves:** This is the money that is available to spend at the group's discretion, if you've already allocated some part of it to some particular future cost, please make that clear and we can then see how much the group holds but has not yet decided how to use.

If you have a reserves policy, share it with us.



Please note, we are unlikely to award a grant to an organisation that has more than 12 months in Unrestricted Reserves.