



Budget Basics

These are generally accepted principles. On specific issues, check with your organization's finance department or accountant.

Generally accepted principles

1. A budget is a plan for expenses (costs) and revenue (where money will come from).
2. When creating a budget, it's typically recommended to start with expenses, then revenue.
3. Expenses and revenue should balance.
4. Rely upon past budget performance and finance figures.
5. Give the most attention to identifying and accounting for regular expenses — staff salaries and benefits, rent and utilities, supplies and materials, insurance, travel, training.
6. Cost-sharing among programs should be fair and consistent.
7. Pro-rate and appropriate expenses fairly to “program” or “administration” whenever possible to avoid appearing “top heavy”
8. As plans change, so should a budget — with respect to the agency's budget modification procedures.

Budgets for grants and proposals or applications for funding

1. Present the “big picture” and spare the details (unless asked). Compile expenses into *commonly* recognized categories and be prepared to provide specifics, if asked.
2. If necessary, provide a budget narrative to explain unusual expenses, revenue, or grant requests. Keep it short and to the point.
3. Typically, 8–15 percent is allowable to administer or oversee a grant.
4. Request funds for actual or planned expenses that will be used over the life of the grant.
5. If possible, indicate how the grant you are seeking will be used toward expenses, and include the requested grant as projected revenue.
6. Make sure that all finance or budget portions of a grant application match your organization's budget, the program / project budget, annual report, etc.
7. Always seek the funder's permission if you need or want to use grant monies differently than you originally proposed.