

**GRANT WRITING 101**  
 Tips and Tools for Writing Successful Grants

# Show Us the Money

Budgets

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## Welcome!

- ▶ This is the last in a series of Grant Writing Webinars offered by the District Attorneys Council Federal Grants Division in 2011
- ▶ Today's Webinar provides some tips and tools to preparing grant budgets
- ▶ Presentation will be posted at [www.ok.gov/dac](http://www.ok.gov/dac) within two days of the Webinar




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## Introduction



- ▶ Budgets are simply cost projections
- ▶ Think of the budget as a window into how a project will be implemented and managed
- ▶ Well-planned budgets reflect carefully thought-out projects

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Goals of Budgeting  
»» What is the purpose?

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**Budget Purpose**

- ▶ A clear and detailed explanation, by budget category, of how the grant funds will be spent
- ▶ A Budget Should:
  - Support the goals and objectives listed in the application
  - Correspond with the eligible award amount (if known at the time of application)
  - Be **ACCURATELY TOTALED** and **REALISTIC**

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**Budget Purpose**

- ▶ Funders use these factors to evaluate budgets:
  - Can the project goals and objectives be accomplished with this budget?
  - Are the costs reasonable – or too high or low?
  - Is the budget consistent with the proposed project activities?
  - Is there sufficient detail and justification in the budget narrative?

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## Budget Categories

› Budgets are divided into two broad categories:

- Personnel Costs
- Non-Personnel Costs



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## Budget Categories

› Categories are detailed further:

- Personnel
- Personnel Benefits
- Equipment
- Travel
- Supplies and Operating
- Facilities/Equipment Rental
- Contractor/Consultant
- Other



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## Budget Categories

› Some funding agencies may require you to use matching funds

› Types of Match:

- In-kind
- Cash

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## Budget Preparation

» A List is a Good Place to Start

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## Budget Preparation

- ▶ Funding levels of grant programs change yearly, so:
  - Review grant awards over the past several years to try and project future funding levels
  - Never expect that the grant funds will be the sole support for the project
  - Restraint is key – Avoid padding budget line items, because grant readers know

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## Budget Preparation



- ▶ Review the project narrative
  - All expenses must be justified and consistent with the project narrative
  - Example:
    - If funding for a prosecutor is included in the budget, the project description must address the prosecutor's part in the proposed project

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## Budget Preparation

- ▶ Evaluate for Consistency:
  - Salaries in the proposal should be similar to those within the applicant agency
  - If new staff is requested, additional space and equipment should be considered
  - Expenses must meet the types allowed by the funder

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## Budget Preparation



- ▶ Make a list of items needed for the project under each category
  - Initially, make the list comprehensive
  - Narrow list down to items **most necessary** for project success
  - Can be a tool for monitoring the project once it begins
  - Can be a tool for closing out the grant

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## Budget Preparation

- ▶ Some hard-to-pin-down budget areas might be:
  - Utilities
  - Rental of Buildings and Equipment
  - Salary Increases
  - Telephones
  - Insurance
  - Transportation
  - Audits
  - Match Requirements
  - Evaluations



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### Budget Preparation



- ▶ **Do Your Homework**
  - Research actual costs of office supplies, equipment, airfare, etc.
  - Make sure all budget items meet the funding agency's requirements
  - Never Ask for Cents – Stick with whole dollar amounts

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### Budget Preparation



- ▶ **Federal or State Grants**
  - If a range is given, never exceed the highest amount – In fact, ask for less
  - Ask for an unusual amount (i.e. \$272,389 instead of \$300,000). Why?
    - It appears you are only asking for what is needed
    - It appears you have done your research for accurate pricing on budget line items

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### Budget Categories

» Personnel and Non-Personnel

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## Personnel Defined

- ▶ **Definition:** A full-time or part-time staff member of the agency/organization applying for the grant
  
- ▶ **Each employee to be funded out of the grant should be listed by:**
  - Name
  - Title
  - Annual salary
  - Percentage of salary paid from the grant
    - This may not equal "time dedicated to the project"
  - Total cost of salary to be funded from the grant



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## Personnel



### ▶ Narrative

- A brief description of each employee's function/skill set as it relates to the project
  
- Make sure staffing fits within the goals of the project
  
- If required, job descriptions should be attached to the application

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## Personnel Benefits Defined

- ▶ **Definition:** Employers' contributions for employee benefits, such as health insurance, pension, terminal leave costs, Medicare, FICA, unemployment insurance, workman's compensation insurance, and retirement



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## Personnel Benefits Defined



- ▶ **Benefits should be based on actual known costs or an established formula**
- **Benefits are for employees listed in the personnel section and only for the percentage of time being paid on the program**

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## Personnel Benefits



- ▶ **Benefits on overtime are limited to FICA, Medicare, workman's compensation, and unemployment compensation**
- ▶ **Review how the benefits and personnel costs are calculated on the application budget pages**

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## Equipment Defined

- ▶ **Definition: Tangible, non-expendable personal property, which is required for success and completion of the project**
- ▶ **Guidelines for what qualifies as equipment may be different depending on the funding agency**



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## Equipment Defined

- ▶ **Federal definition of equipment:**
  - Tangible, nonexpendable personal property having a useful life of more than 1 year and an acquisition cost of \$5000 or more per unit
- ▶ **DAC definition of equipment:**
  - Tangible property having a useful life of more than 1 year and/or and acquisition cost of \$500 or more per unit
- ▶ **Remember...The stricter definition applies**

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## Equipment

- ▶ **List the type of item, per unit cost, and quantity**
- ▶ **Narrative:**
  - State how the equipment is necessary for the success of the project
  - Show the need...not just the "want"

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## Equipment

- ▶ **Analyze the cost benefits of purchasing versus renting/leasing equipment**
  - Especially true for high cost items and those subject to rapid technical advances
    - Vehicles
    - Copy machines



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### Travel Defined



- › Definition: Travel related expenditures pertaining to the project or necessary to complete the project
- › Provide location, type of cost (hotel, airfare, etc.), cost, and a brief description in the narrative justifying the travel



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### Travel



- › Itemize travel expenses of project personnel by purpose and show the computation (e.g. six people to a 3-day training at \$x airfare, \$x lodging, \$x per diem).
- › Identify the location of travel if known

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### Supplies and Operating Defined

- › Definition: Any materials that are expendable or consumed during the course of the project (office supplies, copying paper, books, CD's)
- › List items by type, quantity, per unit cost
- › Narrative: Brief description of the intended use and how it relates to the project

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### Supplies and Operating



- ▶ List items by type (office supplies, postage, training materials, copying paper) and expendable equipment items costing less than \$5000 (or \$500 depending on the funder) such as books and handheld tape recorders and show the basis for the computation



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### Facilities/Equipment Rental Defined

- ▶ Definition: The cost of space in a privately or publicly owned building used for the benefit of the program or the cost of renting equipment (e.g. copy machine, motor pool vehicle) used for the project



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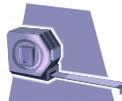
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### Facilities/Equipment Rental Defined

- ▶ List by type, annual rate, total requested



- ▶ Narrative:

- Brief description on how it relates to the project
- Detail the square footage and comparable costs for similar space

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### Facilities/Equipment Rental



- ▶ Total cost of space may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality
- ▶ Rent cannot be requested if the building is owned by the applicant agency or they have a substantial financial interest in the property
- ▶ The amount of rent charged to the grant must be related and proportional to the personnel funded through the grant program

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### Contractor/Consultant Defined

- ▶ **Contract Definition:**
  - Legal agreements entered into with vendors to provide services to the grant
- ▶ **Consultant Definition:**
  - Legal agreements with an outside entity/individual to provide technical or programmatic services you cannot provide directly with agency staff



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### Contractor/Consultant

- ▶ **Contractors:**
  - For each contract, a description of the product or services to be procured by the applicant and an estimate of the cost should be provided
- ▶ **Narrative:**
  - Provide a description of the product or service to be procured by contract and an estimate of the cost



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### Contractor/Consultant

- ▶ **Consultants:**
  - For each consultant, name/company, if known, service to be provided, hourly or daily fee (8 hour day) and estimated time on project. Consultant fees in excess of \$450/day require additional justification and prior approval from the funding agency
- ▶ **Narrative:**
  - List all expenses to be paid from the grant to the individual consultants in addition to their fees (i.e. travel, meals, lodging, etc.)

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### Contractor/Consultant

- ▶ Always indicate the procurement method followed (state, federal, or local)
- ▶ If the method is local, a copy of the procurement method should be submitted with the application
- ▶ Procurements should follow a competitive process
- ▶ A separate justification must be provided for sole source contracts in excess of \$100,000

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### Other Defined



- ▶ **Definition:** Costs that do not fit into the previously mentioned budget categories (registration fees, meeting supplies, uniforms)
- ▶ List the item, and the basis for the computation
- ▶ **Narrative:**
  - Justify the need for the items in relation to the project

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## Matching Funds

» In-Kind versus Cash

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### Matching Funds

- ▶ **Cash Match (Hard Match)**
  - Includes cash spent for project-related costs
  - Allowable cash match must include those costs which are allowable with Federal funds
  - Appropriated funds may not be used as match
  - Example:
    - A programmer working for the applicant agency is not being funded by federal funds, but is working solely on the federally funded project. The programmer's salary may be used as cash match.




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### Matching Funds

- ▶ **In-Kind Match (Soft Match)**
  - Includes, but is not limited to, the valuation of in-kind services. "In-kind" is the value of something received or provided that does not have a cost associated with it.
  - Example:
    - If in-kind match is permitted by law, then the value of donated services or donated office space could be used to comply with the match requirement.




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### Tips and Tools



- › The detail of any budget will vary depending on the nature of the project and the requirements of the funders
- › A complete, well thought-out budget serves to reinforce your credibility and to increase the likelihood of the proposal being funded

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### Tips and Tools



- › The estimated expenses in the budget should build upon the justifications given in the project narrative
- › A well-prepared budget should be reasonable and demonstrate that the funds requested will be used wisely
- › Do not attempt to add "fluff" to the budget, as most grant evaluators won't be fooled

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### Tips and Tools



- › The budget should be concrete and specific as possible in its estimates
- › Every effort should be made to be realistic, to estimate costs accurately, and not to underestimate or overestimate staff time
- › The budget format should be as clear as possible

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## Tips and Tools



- ▶ Make certain that the calculations are accurate and the Budget Summary matches the amounts stated on the individual budget category pages
- ▶ Ask someone in the agency to tabulate the budget for accuracy in the calculations and proofread for clarity in the narrative sections

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## Questions?




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## Presentations

- ▶ Available at:  
[http://www.ok.gov/dac/Federal\\_Grants/Grant\\_Writing\\_Training\\_and\\_Resources/index.html](http://www.ok.gov/dac/Federal_Grants/Grant_Writing_Training_and_Resources/index.html)



- ▶ Top right corner
- ▶ Within 2 days of the Webinar




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