PROJECT/PROGRAM APPLICATION BUDGET EXPLANATION

Budgets are a great tool to tell the story of the work to be done. Committee members learn how several funding sources are supporting this project or program. Budgets answer the question of whether or not the organization itself has any money dedicated for this work or additional financial support is needed. Using numbers, a budget can answer some of the following questions:

- Does most of the money need to go towards staff costs?

- What about equipment and supply needs?

- Does the organization budget for the overhead costs that factor into running a program?

The letter codes on the sample budget are there to serve as a guide to the most frequently asked questions. Below we offer some answers to those questions and further insights to Community Foundation thinking around budget items.

FREQUENTLY ASKED QUESTIONS:

A. Why a standardized form?
Using a standard budget form reduces the effort to find and use the correct form for applicants and provides consistent information for grant review committees.

B. Why whole numbers only?
Community Foundation grant program budgets are based on whole dollars for efficient budgeting purposes. As a result, we grant the nearest whole dollar only.

C. If we are asking several different donor advisors for different amounts, do I need to do a separate budget for each application?
Yes. Each competitive donor advisor fund requires a separate application. The budget for each application should reflect the request amount for that specific program.

D. What is internal funding?
This is funding from the organization budget to support this project, if any. It may come from a specific line item in the budget or from the organization's unrestricted funds.

E. What should be included in Program Service Revenue?
Clients' payments for services, entrance fees to events and exhibits, ticket sales.

F. We are asking for a sponsorship for a fundraising event. What revenue should be in the budget?

The revenue should only include the funds needed to cover the costs of the actual event. The expenses should match that. Do not include the amount to be raised from the event - that information can be mentioned in the grant application. If the request is for funding beyond the costs of the event, consider requesting general operating or program support instead.

G. Why must the revenue amount equal the expense amount?

Successful projects and programs are based on good planning. A balanced budget- where all income has been thought through and all expenses considered- shows good planning.

H. What is a contracted employee?

A contract worker, also known as an independent contractor or 1099 employee (based on the 1099 tax form they receive), is an individual who enters into a contractual agreement with a business to provide a service in exchange for a fee.

To be considered a contracted employee, a worker must generally meet the following requirements:
- Be responsible for paying their own taxes on the payment they receive from the business.
- Use their own equipment and supplies to complete their contracted work.
- Provide an invoice upon the completion of their work, as per their contractual agreement.

Contracted workers are not technically "employees" since they provide services on a short-term or individual project basis. Their paychecks typically do not include employee benefits such as insurance.

I. What overhead costs should be included?

Organizations are encouraged to include overhead costs – the percentage of administrative staff time, advertising budget, rent, and utilities - that are part of the full cost of what is needed to operate the program. Staff costs directly related to running the program should be included separately as a programmatic cost under the "salaries, compensation, employee benefits" line. Capital, Event Sponsorship, and Organization Support Grant requests should NOT include overhead costs.

ADDITIONAL THINGS TO CONSIDER

Prorating expenses:

This means dividing the expense to show the proportion to be used for this project or program. For example: if a staff person spends half their time involved with the project or program described in the application, then half of their salary should be a part of the budget.

It is also important to show costs limited to Linn County. If the organization is using the same staff person to deliver programming in three counties, the budget should only include the cost of providing the services in Linn County.

Where do I account for in kind support?

- In the revenue section, put the dollar value of the donated services or items in other revenue.
- In the expense section, put the same dollar value in other expenses.

QUESTIONS?

Contact a Program Officer at the Community Foundation to answer any further questions regarding budgets.

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PROJECT/PROGRAM APPLICATION BUDGET FORM

INFORMATION KEY		A
Please use the following template to submit your budget information for this project/program. Use whole numbers only. General Operating Support and Endowment Challenge applications do NOT use this form - use form on those specific grant program pages.		B
REVENUE		
Request Amount		C
Internal Funding		D
Government Funding		
United Way Funding		
Other Cash Contributions		
Program Service Revenue		E
Other Revenue - please list below (e.g. fund raising events, sponsorships)		F
Total Revenue (this amount must equal the total expenses)	-	G
EXPENSES		
Salaries, Other Compensation, Employee Benefits		
Fees for Services (contracted employees, vendors, consultants)		H
Overhead costs (encouraged to be included for program requests ONLY)		I
Other Expenses - please list below (e.g. equipment, supplies)		
Total Expenses (This amount must equal the total revenue.)	-	

8.14.23

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