



## Theology Institutes for High School Youth

### Guide for Budget Preparation

#### Introduction

An important part of the grant application process is the preparation of the project's budget. The Endowment reviews closely the information you provide and analyzes what you anticipate the proposed activities will cost. We encourage you to give careful consideration to these costs and make sure that the budget is clearly connected to the activities described in your Proposal Narrative. We also encourage you to prepare a budget that is based on your own organization's chart of accounts, to allow for easier monitoring of expenditures if the Endowment funds your project. You will want to work from the outset with those in your organization who are responsible for its accounting procedures and financial policies.

In the budget review process, Endowment program directors may wish to discuss with you items outlined in your proposed budget. During such discussions, the budget may undergo revisions. If the Endowment funds your request, your organization will receive a grant agreement with an attached budget. The attached budget will be the "official" budget for the project. You will need to share the grant agreement and the attached budget with those responsible for your institution's finances because it outlines your financial responsibilities. This agreement includes a schedule for the submission of program and financial reports for the project. The organization's chief executive officer or other authorized official will be required to sign and return the grant agreement.

#### Budget Preparation

*You will be responsible for submitting with your proposal a budget that is divided into two parts: (1) a detailed line item budget and (2) a budget narrative that explains how you have calculated specific line items. (If your detailed line item budget is longer than one page, we ask that you also submit a one-page budget summary. A fuller explanation of the summary budget is found below.) Because both Religion and Finance staff at the Endowment will review your budget information, you need to take care that it can be understood without referring to the proposal itself. If your proposal contains information that will strengthen the budget narrative, however, please reference the page number of the proposal.*

#### **A. Line Item Budget**

Your line item budget should list all the appropriate accounts where money will be spent (e.g., personnel, travel, etc.) and the anticipated costs of the project in each of these accounts.

To assist you in preparing a budget, we have provided two budget formats (and sample budgets for each). Use Budget Format #1 when you seek funding for 100% of the project's costs. If you will have other funding sources supporting the proposed project, use Budget Format #2. Other funding sources may

include your own organization's funds, other grant support, other contributions to the project, and/or income derived from the project (i.e., tuition, registration fees, fees for services, etc.).

The line items outlined in the samples indicate items *commonly* found in budget requests. They do *not* include all of the types of items the Endowment will consider funding. If there are items in your project that you want the Endowment to consider funding, please include these. On the other hand, please do not include line items that are in the sample budget if they do *not* apply to your project.

Likewise, the sample budgets do not indicate recommended amounts for particular line items. The amounts for each line item included in your budget should reflect a careful calculation of actual anticipated expenses for your particular project and should be developed in conformity to the policies of your institution.

*If you are requesting funds for more than one year, please arrange the budget in a calendar-year format, even though your own fiscal or academic year may be different. Each column should show the total of each line item for the specific calendar year. The last right-hand column should show the total for each line item for the entire grant period. The Endowment staff uses this calendar-year format to determine tentative payment schedules.*

In addition, please use whole U.S. dollar amounts in creating the budget. We also ask that you submit your line item budget on single-sided paper.

If a grant is awarded, the line item budget (or a summary budget [see below]) will be attached to the grant agreement and will become the official budget for the project. Your organization will submit financial reports based on this budget.

## **B. The Budget Narrative**

Each proposal should include a *separate* budget narrative. This section should include a written explanation of how you calculated each line item in your budget. Each line item should have a brief narrative description stating:

- the specific item
- how the specific item relates to the project
- how you calculated the amount requested

Here are some specific narrative guidelines for frequently used items.

### **1. Personnel**

#### **A. Salaries/Wages**

Here list the position and the amount of salary or wages requested for each person's work in the proposed project. Indicate whether you are asking the Endowment to fund all or only a portion of each person's time, and state what percentage of that person's salary the request represents. Note how often you will review the percentage of time actually worked during the grant period. *We require that it be reviewed, at least every six months*, to ensure that the percentage of time actually charged to the project is appropriate. If not clear from a person's title, state what each person's activities are with regard to the proposed project.

#### **B. Fringe Benefits**

Indicate the percentages of salaries your organization charges to fringe benefits. If you use different rates for different individuals, your narrative should contain a table summarizing calculations for each person.

### Sample Table

<u>Personnel</u>	<u>Annual Pay</u>	<u>Fringe Rate</u>	<u>Benefits Cost</u>
Project Director	\$40,000	25%	\$10,000
Secretary	15,000	20%	3,000
Research Assistant	20,000	N/A	0
			<hr/> \$13,000

## 2. Administrative Costs

Included in this category are general expenses directly related to performing the activities involved in the proposed grant project. Such items as supplies, printing, postage, and telephone are typical entries in this category. There may be others as well. These items should be explained in the budget narrative.

If your project involves several large, discrete administrative costs (such as purchasing books for seminar attendees, producing and printing brochures, generating mailings, or performing telephone surveys), list each as a separate line item and provide a brief justification of your calculations for each.

Sometimes organizations will charge percentage allocations for consolidated expenses. If you use such an approach, describe the expenses being consolidated and the basis for the percentage calculated. In addition, please note how often you plan to review the percentage allocation for administrative costs. *We require that you review the percentage charged to the Endowment grant at least every six months to ensure that the actual amount charged to the grant is appropriate.*

## 3. Equipment

Although the Endowment does not ordinarily award grants for capital expenditures, some projects may require the purchase of additional equipment for the achievement of project goals. Please list equipment requests separately from administrative costs, provide estimated purchase prices, and document why you need this equipment. If the Endowment awards equipment purchases, the equipment becomes the organization's property, not the property of an individual. However, the organization must provide the equipment for the grant purpose for the duration of the project.

## 4. Travel

Please indicate your projected travel expenses and document your calculations. You should estimate travel expenses based on your organization's standard travel policies. If the Endowment funds your proposal, we request that the supervisors of the individuals traveling note their written authorizations on expense reports. The project director must authorize all travel expenses charged to Endowment grant funds; the project director's supervisor or an authorized board member must approve the project director's travel.

If your organization specifies a per diem amount for travel, please indicate this amount and note what the figure includes. For instance, some per diem amounts include hotel expenses and others do not.

If the Endowment funds your request, we require that your organization retain ticket stubs and itineraries to document air travel. We also require that someone other than the person charging items for grant purposes on a corporate credit card authorize corporate credit card expenses.

## **5. Consultants**

If you plan to hire consultants, describe the purpose and expected duration of each consultant's work as well as the daily/hourly rate you expect to pay. Please note that consultants' fees and travel should be on separate lines unless fees include travel costs.

When you hire consultants, you should initiate and retain in your files a contract that includes the following:

- Consultant's name, address, and social security number
- Beginning and ending dates of engagement, and estimated number of consulting hours to complete the project
- Description of work to be performed, reports written, etc.
- Hourly rate and method of payment for work performed
- Description of any special arrangements such as the hiring of secretarial/clerical assistance, renting of office space or equipment, overhead expense, etc.
- A termination statement noting time requirement and obligations for payment.

The Endowment has sample copies of such contracts available should you need one.

## **6. Conferences**

If your project includes one or more conferences, please list all costs directly related to each conference, using separate line items, e.g., travel, food, lodging, honoraria, etc.

## **7. Indirect Costs**

The line item titled "indirect costs" is intended to cover grant-related costs that are not itemized above and are not easily identified, but may be necessary to conduct the project. Ordinarily, the Endowment will allow *up to 10%* for indirect costs. In order for the Endowment to consider indirect cost allocations, you must explain the types of items/activities you intend the indirect costs to include.

If you would like additional information, please contact the Endowment program director with whom you are working.

## **C. Budget Summary**

If the detailed line item budget is longer than one page, we ask that you also submit a one-page budget summary with your proposal. This summary will include the same budget categories included in your detailed line-item budget as well as major and/or consolidated budget lines within them. If a grant is awarded, this budget summary will be attached to the grant agreement and will become the official budget for the project for the purpose of financial reporting to Lilly Endowment.

**BUDGET FORMAT #1**

Use this format when requesting 100% funding from the Endowment

LEGAL NAME OF INSTITUTION

Indicate calendar year (do not use academic or fiscal year)

	<u>201</u> <input type="checkbox"/>	<u>201</u> <input type="checkbox"/>	<u>201</u> <input type="checkbox"/>	<u>Total</u>
1. PERSONNEL:				
Salary\Wages				
Fringe benefits				
[list by position]				
2. ADMINISTRATIVE COSTS				
Supplies				
Printing				
Telephone				
Postage				
3. EQUIPMENT				
4. TRAVEL				
5. CONSULTANTS				
Consulting Fees				
Consultants' Travel				
6. CONFERENCES				
Participants' travel				
Participants' honoraria				
Facility rental				
Lodging/meals				
Other conference expenses				
7. INDIRECT COSTS	_____	_____	_____	_____
<b>GRAND TOTAL</b>	<b><u>\$</u>_____</b>	<b><u>\$</u>_____</b>	<b><u>\$</u>_____</b>	<b><u>\$</u>_____</b>

**NOTE:** These budget categories and line items are used for illustrative purposes only. They do *not* include all the types of items the Endowment may fund. If your project involves other expenses you would like the Endowment to consider, please include those items in the budget. Please do *not* include line items from this budget format if they do not apply. Use budget categories that are based on your own organization's chart of accounts.

**BUDGET SAMPLE #1**  
**LEGAL NAME OF INSTITUTION**

	<b>Budget</b>			
	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>TOTAL</u></b>
<b>PERSONNEL</b>				
Director	\$50,000	\$52,500	\$55,125	\$157,625
Fringe Benefits	5,000	5,250	5,513	15,763
Administrative Assistant	25,000	26,250	27,563	78,813
Fringe Benefits	2,500	2,625	2,756	7,881
Research Assistant	25,000	26,250	27,563	78,813
Fringe Benefits	2,500	2,625	2,756	7,881
	<u>110,000</u>	<u>115,500</u>	<u>121,276</u>	<u>346,776</u>
<b>ADMINISTRATIVE COSTS</b>				
Supplies	500	527	598	1,625
Printing	255	275	290	820
Postage	325	367	384	1,076
Telephone	510	555	598	1,663
Seminar materials	1,497	525	500	2,522
	<u>3,087</u>	<u>2,249</u>	<u>2,370</u>	<u>7,706</u>
<b>EQUIPMENT</b>				
Computer Hardware	2,500	0	0	2,500
<b>TRAVEL</b>				
Airfare	5,560	4,875	3,250	13,685
Meals	265	280	280	825
Lodging	650	550	450	1,650
	<u>6,475</u>	<u>5,705</u>	<u>3,980</u>	<u>16,160</u>
<b>CONSULTANTS</b>				
Fees	10,470	5,650	3,850	19,970
Travel	620	645	580	1,845
Expenses	200	200	200	600
	<u>11,290</u>	<u>6,495</u>	<u>4,630</u>	<u>22,415</u>
<b>CONFERENCES</b>				
Travel	3,200	3,550	3,780	10,530
Honoraria	500	500	500	1,500
Food/Lodging	1,000	1,115	1,260	3,375
	<u>4,700</u>	<u>5,165</u>	<u>5,540</u>	<u>15,405</u>
Sub-Total Expenses	138,052	135,114	137,796	410,962
Indirect Costs	13,805	13,511	13,779	41,095
<b>TOTAL EXPENSES</b>	<b><u>\$151,857</u></b>	<b><u>\$148,625</u></b>	<b><u>\$151,575</u></b>	<b><u>\$452,057</u></b>

**BUDGET FORMAT #2**

Use this budget format when requesting Lilly Endowment to fund *a portion* of a larger budget. This budget should reflect both projected *income* and *expenditures* for the entire project. At the bottom of this budget, please identify the percentage of the project cost your organization is requesting from Lilly Endowment. Also, indicate by a star (\*) any line items to which you will specifically allocate Endowment support.

LEGAL NAME OF INSTITUTION

Indicate calendar year (do not use academic or fiscal year)

<b>INCOME:</b>	201	201	201	Total
Lilly Endowment Grant				
List other funding sources				
TOTAL INCOME				
<b>EXPENSES:</b>				
1. PERSONNEL:				
Salary\Wages				
Fringe benefits				
[list by position]				
2. ADMINISTRATIVE COSTS				
3. EQUIPMENT				
4. TRAVEL				
5. CONSULTANTS				
Consulting Fees				
Consultants' Travel				
6. CONFERENCES				
Participants' travel				
Participants' honoraria				
Facility rental				
Lodging/meals				
Other conference expenses				
7. INDIRECT COSTS	_____	_____	_____	_____
 <b>GRAND TOTAL</b>	 <b>\$</b> _____	 <b>\$</b> _____	 <b>\$</b> _____	 <b>\$</b> _____

**BUDGET SAMPLE #2**  
**LEGAL NAME OF INSTITUTION**  
**Budget**

<b>INCOME</b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>TOTAL</u></b>
Lilly Endowment	\$312,715	\$292,891	\$194,400	\$800,006
Foundation #2	100,000	0	0	100,000
Foundation #3	50,000	40,000	40,000	130,000
Denomination	0	27,500	14,205	41,705
<b>Total Income</b>	<b><u>\$462,715</u></b>	<b><u>\$360,391</u></b>	<b><u>\$248,605</u></b>	<b><u>\$1,071,711</u></b>
<b>EXPENSES</b>				
<i>Personnel</i>				
Project Director	\$50,000	\$52,500	\$55,125	\$157,625
Project Manager	27,500	28,875	30,319	86,694
Assistant Professor	25,000	26,250	27,563	78,813
Administrative Assistant	25,000	26,250	27,563	78,813
Fringe Benefits	37,620	41,420	41,420	120,460
	165,120	175,295	181,990	522,405
<i>Equipment</i>				
Computer Hardware	6,000	0	0	6,000
<i>Travel</i>				
Airfare	20,172	24,762	31,845	76,779
Meals	4,230	4,367	4,662	13,259
Lodging	14,450	0	0	14,450
	38,852	29,129	36,507	104,488
<i>Consultants</i>				
Evaluator	11,250	12,732	13,840	37,822
Web developer	3,960	3,960	3,960	11,880
Audio-Visual Specialist	7,200	7,200	7,200	21,600
	22,410	23,892	25,000	71,302
<i>Conferences</i>				
Travel	0	0	82,479	82,479
Honoraria	0	15,000	27,400	42,400
Food/Lodging	0	0	126,418	126,418
	0	15,000	236,297	251,297
<i>Administrative Costs</i>				
Supplies	1,200	1,419	13,98	2,730
Graphics/Printing/Copying	5,500	5,400	5,160	16,060
	6,700	6,819	5,271	18,790
Sub-Total Expenses	239,082	250,135	485,065	974,282
Indirect Costs	23,908	25,014	48,507	97,429
<b>TOTAL EXPENSES</b>	<b><u>\$262,990</u></b>	<b><u>\$275,149</u></b>	<b><u>\$533,572</u></b>	<b><u>\$1,071,711</u></b>