Fourth Period: Economics

You have now arrived at the part you have been waiting for. You have thought through your project, found a funder, and perhaps have even written some descriptions of your project or proposal. It is now time to match what you need to complete your project with how much it all costs.

In this section, we will discuss the stakeholders involved in writing, reviewing, and executing the financial components of your grant; identify the needs of your proposal and assign costs to them; create and present your own proposed budget; ascertain alternative routes to funding projects; develop budget narratives; provide money management techniques; and report financial activities of a project.

We have provided flexibility in this section to include all levels of grant funding. As you read on, please be aware that every RFP is different and requires varying levels of detail. You may find that although some budgets are very simple, others require much more advanced techniques. When in doubt, always seek the assistance of a seasoned budget manager, including your school clerk, an administrator, or an outside source (business person, nonprofit leader, other project partner), or call the funders directly to clarify their needs. Oftentimes, program officers at granting organizations are more than happy to talk candidly about the requirements, because they want successful proposals to be submitted.

What Is a Budget?

When writing grants, budgets can take many forms. The simplest definition of a grant budget is *a plan for the coordination of resources and expenditures*. Let's break down this definition piece by piece.

A plan . . . With your proposal, you are developing a detailed plan of using the resources and funds available to you *over a set course of time*. As with your lesson plans, you must determine the length of your budget. If you are working on a small, one-time technology grant, for example, then your budget may cover

only the semester or year. It may specify when you will purchase the equipment as well as more detailed information about that equipment.

If you are working on a larger grant, however, your budget may need to be broken down by semester, season, year, or other specified length of time. When determining the length of time, be sure to take into consideration (1) the requirements and limitations outlined in the RFP; (2) the relevance of that time frame to your project; (3) the operating cycles of your institution and any other partner organizations (i.e., academic or fiscal year calendars); and (4) the logistical and operational ramifications of your selected time frame.

Although setting a time frame may not be a major factor in many small grants, it plays an integral role in the success of larger grants that require multiple organizations to collaborate over many years. One example of this can be found in a grant UNITE was recently a part of. A major state university was awarded a multiyear federal grant and partnered with UNITE to achieve specific grant objectives. With all three of these entities—the university, the federal government, and UNITE—the timing was complex, because each worked within a different fiscal year. For instance, the grant funds were dispersed based on the federal government's program year, September to August, but the university and UNITE followed their own fiscal years, July to June and August to July, respectively. The variety in fiscal year creates significantly more work for the operational end of the partnering organizations to ensure, despite the calendar differences, that each entity was spending the money appropriately, making all payments, and following the laws and guidelines set forth.

To alleviate these types of complexities that arise when working with multiple partners, try to align your budget timeline in order to streamline operations and avoid confusion. Similar to a marriage, nothing is worse for a relationship between partners than money issues.

. . . for the coordination of resources . . . There are two parts to this segment of our definition, beginning with coordination. Later in the chapter we will discuss how to present the various information needed in budgets, including how the resources will be coordinated and by whom. Many of these details will be presented in the **budget narrative**—a document that accompanies budgets to provide more detailed information. Start considering who might be responsible for paying bills, collecting money, ordering equipment, hiring personnel, and tracking the progress of your program.

The second part of this definition is resources. When most teachers think of grants, they think of funds given to them by another entity used to purchase goods that benefit their students. But grants and, more specifically, the projects they fund, can involve so much more than money. Later in the chapter, you will

learn what other resources should factor into your proposal, as well as the nonfinancial ways to achieve your program's objectives.

. . . and expenditures. Finally! In other words, what are you spending your money on? Similar to many teachers, you may have a money management phobia (after all, you didn't become an entrepreneur . . . yet!), but rest assured, this is the easiest part. If you follow the steps within this chapter, you will be rolling in dough and spending it in a responsible manner.

Stakeholders

Before you dive in and write the budget to your proposal, take a moment to consider the various stakeholders involved in this portion of your project.

You. Your role as author and potentially principal investigator (PI) is the most flexible of all roles, because you get to decide who else, if anyone, will take part in the budget. For instance, you may be writing a small, one-time grant to purchase a new reading rug for your classroom. Chances are, in this case, you will work alone and write your own budget, be awarded the money directly, make the purchase yourself, and report how you spent grant dollars. However, a larger grant may compel you to include other staff from your school in the process, such as appointing a budget manager to track money received and spent. Allow yourself the flexibility to play the role best suited for you. If you know you are not the best person to give money to, then bring someone else in. When dealing with money, it is always a good idea to have more people than too few, because it enables more checks and balances.

School personnel. Whether it be a school clerk, administrator, or school board, make sure to get the necessary permissions, gather the relevant information, and complete the correct processes before submitting anything. Each school is different in how it chooses to handle money, accounts, and permissions, so you will need to discuss how funds will be kept, recorded, and accessed with all necessary school personnel. For example, your proposal may include the creation of a new after-school activity. Your administration may want to create a brand-new account just for those funds or may want to include it in a different department's account. Overall, school personnel will be looking to make sure money and resources are being spent in a legal and responsible way. Remember it is the role of an administrator to make sure all activities are in compliance with the laws and mandates specific to schools. There may be rules you are unaware of that could get the school in trouble or even get you fired . . . always check first.

Also, by including more school personnel in your project, you create a positive buzz around you and your project, helping you sustain your project even after grant funding runs out.

One service-learning project ran into a problem when the granting organization restricted the grantee from using funds to purchase agricultural goods. However, the project required three hundred pounds of soil, an agricultural good, to fill school-based garden beds for a healthy eating program. In reading the fine print, the project staff discovered that, although they could not purchase agricultural goods, they could purchase potting soil in quantities of less than three pounds. After discussing their plan with the granting organization's program officer, the project purchased one hundred three-pound bags of potting soil to complete their garden bed restoration.

Granting organizations. You may encounter a variety of stakeholders within a granting organization, but typically, the organization will have a program officer or some other staff member dedicated to the implementation of that particular grant funding. This person is your first point of contact whenever you need to reach the organization. In most organizations, these are staff members who are not included on the selection committee but are there to answer questions related to the RFP, help implement your project, manage money and other resources on the granting organization's side, and report to leadership about the successes and challenges you may be having. No matter your question, program officers are bountiful sources of useful information that could make or break a successful project.

Depending on the structure of the granting organization, you may work with junior or senior leadership at some point. Most foundations, corporations, and nonprofit organizations have a staff and a board of directors. It is the job of the staff to work day to day and produce the goods or services the organization provides. The board of directors guides the organization in its overall direction and most often serves as a financial watchdog to the organization's leadership.

The staff is often led by a chief executive officer, the highest-ranking authority on staff at any organization. He or she is primarily responsible for overseeing all functions of the organization and staff. The CEO answers only to the board of directors who, as an entity, hires or dismisses the CEO. Occasionally, the president of the board and the CEO are the same person. In that case, the board of directors can still vote out an old and elect a new president or CEO based on their own bylaws.

You may be asking, "Why do I care about all of this? I am only going to work with the program officer." or "My grant is for $500 to buy a new book set. Do I really need to know all of this?" *Yes!* First, board members and senior leadership will be looking at how you spend *their* money. They want to know they are getting the best for their dollars and that the money they chose to invest in your project will be well spent. Much of this has to be done in the narrative sections prior to the budget, but a clean budget that matches your narrative is essential in

winning a grant. Keep in mind that these people deal with budgets and money all the time and on a much larger scale than your proposal. They are very comfortable and confident in working with financial statements, meaning they should be able to understand your budget quickly and easily. If someone with their level of expertise is left with more questions than answers after looking at your budget, you will probably walk away empty-handed.

The second reason this information matters to you is because of the possibility of relationship. People get involved in foundations and nonprofits not to make money but to create change in the world. It is different from business in that granting organizations' leaders want to care about your story. If you have an opportunity to create a relationship with someone at the nonprofit, seize it.

By developing a relationship with your school, your project, your students, and the leadership or board of directors of an organization, it is more likely they will fund you and perhaps even explore other types of partnerships and support.

Identifying What to Buy

At this point, you have developed your project, identified who should be included, found a funder, checked the RFP for requirements, asked any clarifying questions to a program officer, and have received permission from your school to write the grant. Now, before you start writing your budget, you need to determine what to buy and where to buy it from.

Purchasing supplies. For the purpose of this book, supplies are anything that is not a service, piece(s) of equipment, or personnel. Supplies may be glassware for a new science lab, books for a classroom library, reeds for woodwind instruments, scissors, paper, postage, ink, potting soil, lumber, paint, light bulbs . . . anything. Oftentimes you will purchase supplies in bulk to meet the needs of your project. They are typically low in cost and are needed in larger quantities.

When ordering supplies, make sure to check with the granting organization's rules as well as your school's rules. Oftentimes items used in construction cannot be purchased with grant funds unless you are applying directly for that type of grant. For instance, perhaps your school or state has restrictions on what kind of paint you buy.

> When ordering supplies, make sure to check with the granting organization's rules as well as your school's rules.

Additionally, your school may have rules about how much it can order from one vendor. For example, if you want to purchase paper in bulk from the same vendor your district already uses, you may not be allowed to because your purchase could push the district over a certain dollar limit, requiring a different contract or approval process.

The supply line in a budget is often very flexible. If you are close to the specified dollar limit of the grant and you know a piece of equipment is a set cost, consider reducing the supplies requested or finding them from a different source. For example, if you are starting a new theater program at your school, use the grant dollars to purchase light equipment and either (1) ask the vendor to provide free bulbs for the first order in exchange for a one-year service contract, (2) work with another company to get a good deal on bulbs, or (3) ask your administration, school board, or parent-community group to provide a small amount of money to cover the supplies. Many parent groups and community groups hate to see equipment lying dormant in schools simply because there is no money for supplies (printers but no ink, smartboards but no cables, soccer uniforms but no goals). Use that to your advantage and strengthen your proposal by adding a match commitment (see Matching later).

Purchasing equipment. Equipment is any item that is not immediately consumable. Oftentimes, equipment requires supplies to function and will need some type of maintenance. Sometimes, the line between equipment and supplies is blurry. For instance, although items such as computers, kilns, musical instruments, cameras, and Bunsen burners are clearly equipment, other items such as football pads, physical education equipment, dry-erase boards, desks, chairs, software, and backpacks may or may not be considered the same. Always refer to the RFP when determining what is equipment and what is not. When in doubt, ask a program officer.

When buying equipment, you should make the same considerations as with supplies. Check with the granting organization and school district to ensure you comply with regulations. Furthermore, as mentioned previously, equipment items often need supplies in order to serve their function. A water polo goal needs a pool, water polo balls, swim caps, and players in order to serve its function. Smartboards need a computer, cables, electricity, and a physical location to serve their function. It is this distinction that needs to be highlighted within your grant. Let's say you are writing a Donorschoose.org grant for a document camera. Your budget may look something like this:

Quantity	Description	Product number	Unit cost	Total cost
1	Vidifox document camera	VDC-199547	$359.99	$359.99

Elsewhere in your proposal, you should include language telling the reader that you already have a projector and screen in your room. Perhaps the projector is the only piece of technology in your room and other than bringing in your personal computer, you have nothing else to use with this valuable classroom

tool. For a grant like Donorschoose.org, you may have already included that into your project narrative. In other grants, you will include this into a budget narrative where you provide greater detail on your requested line items.

Either way, it is important to remember to clearly indicate your capacity to use and maintain the equipment. A funder would not want to provide you with an expensive piece of equipment only to have it fall into disrepair quickly or for you to lack the supplies to operate it.

Nothing is too small. If you are ordering a new baritone saxophone for your jazz band, mention your existing contract with a local music shop to repair and maintain instruments. If you are requesting a laptop cart, write about where you intend to store it, how it will be charged, who will service the laptops, and what kind of system you will use to check the cart out. Showing evidence of a well-thought plan is always better than leaving readers to assume.

Contractual items. Contractual items are generally composed of the people power included in projects. Services, salaries, and stipends are common line items found in a contractual section of a budget proposal. Most small grants will not include these items, because they tend to be more geared toward supplies or equipment and assume the people power is already provided. However, if you find yourself in need of contractual services, unique considerations must be taken into account, as discussed later in the chapter.

Other items. Most items should fall into one of the preceding three categories. Occasionally, though, items may not fit easily into a classification because of the varying definitions and restrictions created by a funder. A more detailed discussion of some of these issues will be covered further on in the chapter and in the appendixes. For now, let's focus on the purchasing of goods.

Now that you have determined the supplies and equipment you need and have ensured you can indeed purchase it with the granted funds, it is time to shop around. Here are some best practices for shopping around.

• Go to real vendors whom you know and trust. In our Internet-driven world, it is easy to find and purchase products online. It will be tempting to hop online, find your products in a couple minutes, and put them into your proposal. Avoid this temptation, and take the extra time to discuss with others around you what items you intend to include. For instance, perhaps there is an existing relationship that would allow you to get a better price. Maybe a local business will sign onto the project and provide you a larger discount if you are funded.

If you do not have a personal connection to a vendor, make sure to read reviews. Do your research. Nothing is worse than receiving your grant award six months after you submitted your proposal only to find out the vendor went out of business or discontinued your product.

Some granting organizations take out the guesswork for you. Donorschools.org has a preselected list of vendors that you shop directly from, allowing them to control the price of goods, overhead costs, and negotiate for you. Other granting organizations, such as UNITE, ask for a proposal and best estimate but will buy the requested items directly from a vendor, often-times saving money and putting more resources into schools when possible.

- Shop around. Just as you would when buying a car, television, or any other major investment, shop around with different vendors. As mentioned previously, some vendors will even provide extra discounts when you explain your projects. If you go with that vendor, make sure to get the deal or discount in writing either in a contract form or a quote.

Your goal should not only be to find the lowest price but also to find the highest-quality product with a reputable vendor. Be flexible in the spending, especially with the supplies line, to ensure you get the best products available.

- Account for all the extras. How much is it to ship this item? Do I need to sign a service contract with this vendor if I buy this equipment? Are there specially designed supplies that I need to buy to get this product to work? All of these are some basic questions you should ask yourself prior to committing to a vendor. Hidden costs and fees can add up and throw a wrench into your well-designed plan.

Another extra can be tax. Each state handles tax differently; some states will not charge sales tax at all and others may. As a school, you should be exempt by the IRS from incurring sales tax; simply show the business your tax-exempt letter (available from your administration) and the vendor should not charge you tax.

Some smaller businesses may not want to accept your tax-exempt status or tell you that they don't participate in that program. This is not true. It is federal law that organizations with this designation be exempt from paying sales tax. You can decide if it is worth your time and effort to explain this to the business owner or simply find another vendor to order through. For more information on tax-exempt status, visit the IRS website at www.irs.gov/Charities-&-Non-Profits.

- Avoid private sales. There is often a delay in time between your grant submission and the award being provided. It could be as short as a couple weeks or as long as a full year. Ordering from a private person can cause problems with price, availability of the product, and reliability down the road.

Private parties often include websites such as eBay, Amazon, and Craigslist. For example, if you intend to request a cozy chair to add to your parent resource

room and find the perfect chair on eBay, that chair may be gone when the funding comes. Similarly, businesses like Amazon are able to instantly price their goods in response to market demands as often as they would like to. Perhaps you find that same chair on Amazon, and they have many in stock. The price could potentially change dramatically between submission and award, leaving you to explain the price difference to a funder.

If you must go with a private vendor, get an agreement signed between you and them. Even though this agreement may not stand up in court (not to mention it would cost more in legal fees to get your item at the original cost than it would be to just buy from another vendor at the new cost), it shows the granting organization that you have done your due diligence. It also puts the private party's reputation on the line if they don't follow through with their end of the bargain.

● Make best estimates when appropriate. Some items will be tough to quantify. It may be difficult to determine how much spray paint you need for the basketball court, chalk for the baseball diamond, or glue sticks for a prekindergarten creativity center. Use reasonable estimates in quantities but make sure to have a reliable unit cost.

Budget Prompts

Similar to many portions of your proposal, you may be required to respond to specific prompts in the budget section. Here are four examples of budget prompts for your consideration:

> UNITE has allocated $500 for this project. Proposals can request any amount up to $500. All proposals must include an itemized budget. The budget may allocate UNITE funds up to $500 for purpose of the classroom project only. No funds will be allocated to pay the proposer or any school staff for any time or skills performed during the course of this project. Grant funds cannot be used to reimburse individuals. Goods will be purchased by UNITE on behalf of the winning proposal's school and delivered. Services can be paid through school money, then reimbursed by UNITE. UNITE will not be responsible for paying the state income or federal income tax on any item purchased with UNITE funds due to all parties being tax-free organizations. Include an itemized budget for every aspect of your proposal.

> The program offers two levels of support: general field support grants, which provide up to $50,000 for capital projects not associated specifically with the field surface, including the installation or refurbishment of bleachers, concession stands, lights, and irrigation systems; and field surface grants, which

provide matching grants of up to $200,000 to help finance the resurfacing of a community, middle school, or high school football field and the installation of synthetic sports turf. In addition, a smaller number of matching grants of up to $100,000 are available to help finance the resurfacing of a community, middle school, or high school football field with natural grass or sod. All grant funds must be used for capital expenditures and may not be used to maintain field surfaces.

Let's Play land use grants of $15,000 and $30,000 will support creation of joint-use agreements between local governments and school districts that address cost concerns related to safety, vandalism, maintenance, and liability issues to reopen previously unavailable playgrounds and recreational facilities. The $15,000 grants will support the opening of at least four playgrounds in cities with populations of less than 100,000 people. The $30,000 grants will support the opening of at least eight playgrounds in larger communities. Grants can be used for training and technical assistance, utilities, and other building related to the extra use of the facility, legal fees, contract security services, and marketing campaigns related to the joint-use agreement. Grant recipients must commit to opening the playgrounds within twelve months of the grant decision.

Windy City Youth provides grants ranging from $500 to $5,000 to support innovative programs that engage urban youth in job force development. The majority of proposals funded are at the $2,000 level with very few awardees receiving a full $5,000 grant. Funds may not be used to pay youth, capital expenditures, or indirect costs. Please provide a detailed budget along with a budget narrative describing each expenditure.

Looking at these examples, what sticks out to you? Take a moment and circle key elements of each budget prompt. Let's take a detailed look at each prompt and see if you caught the main points.

UNITE has allocated $500 for this project. Proposals can request any amount up to $500 (*1*). All proposals must include an itemized budget. The budget may allocate UNITE funds up to $500 for purpose of the classroom project only. No funds will be allocated to pay the proposer or any school staff for any time or skills performed during the course of this project (*2*). Grant funds cannot be used to reimburse individuals. Goods will be purchased by UNITE on behalf of the winning proposal's school and delivered. Services can be paid through school money, then reimbursed by UNITE (*3*). UNITE will not be responsible for paying the state income or federal income tax on any item purchased with UNITE funds due to all parties being tax-free organizations. Include an itemized budget for every aspect of your proposal.

1. This grant allows you not only to request a maximum of $500 but also allows you to request any amount up to $500. This useful knowledge indicates to you that this could provide funding for a smaller project and that you do not need to create new expenditures to meet a minimum.

2. This requirement prevents you from paying yourself or any other school colleague. Although it serves as a limitation, it is also an opportunity for you to use your time or a colleague's time later in the proposal as a grant match.

3. Here UNITE describes exactly how the money is spent. This is useful information for a few reasons. First, it alerts you that you must be very detailed in what you want to purchase and from where. Because the organization will be making the purchase, they will probably do some price checks of their own. Second, this eliminates many challenges of handling funds yourself, making it easier for your school to apply for this grant. An administrator will be happy to support you when it doesn't create more work for operational staff. Finally, the prompt specifically mentions that goods will be delivered to your school. This opens an opportunity for you and your school to create a relationship with this funder, potentially leading to more opportunities. Consider having an event or showing your appreciation when the goods are delivered.

The program offers two levels of support (*1*): general field support grants, which provide up to $50,000 for capital projects not associated specifically with the field surface, including the installation or refurbishment of bleachers, concession stands, lights, and irrigation systems (*2*); and field surface grants, which provide matching grants of up to $200,000 to help finance the resurfacing of a community, middle school, or high school football field and the installation of synthetic sports turf (*3*). In addition, a smaller number of matching grants of up to $100,000 are available to help finance the resurfacing of a community, middle school, or high school football field with natural grass or sod. All grant funds must be used for capital expenditures and may not be used to maintain field surfaces (*4*).

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1. You should determine the correct program to apply for.

2. Ensure that you will not be using the funds for these items or apply for the second option.

3. A key word here is *matching grants*. In order to apply for the $200,000 award, you need to have matching funds ready for use. Something to consider. You can also use this to your advantage by bringing this opportunity to a parent group, community organization, or school administration and asking them to fundraise to support this. If they know you can find other dollars, the goal line for reaching the required amount is not as far.

4. A third option is available to you. Also note that you can only use these funds for capital expenditures, which are funds to support a major project, typically construction or the acquisition of a long-term asset. These grants are rare, because capital projects are often very large, complicated, and involve multiple parties.

Let's Play land use grants of $15,000 and $30,000 (*1*) will support creation of joint-use agreements between local governments and school districts that address cost concerns related to safety, vandalism, maintenance, and liability issues to reopen previously unavailable playgrounds and recreational facilities (*2*). The $15,000 grants will support the opening of at least four playgrounds in cities with populations of less than 100,000 people. The $30,000 grants will support the opening of at least eight playgrounds in larger communities. Grants can be used for training and technical assistance, utilities, and other building related to the extra use of the facility, legal fees, contract security services, and marketing campaigns related to the joint-use agreement (*3*). Grant recipients must commit to opening the playgrounds within twelve months of the grant decision (*4*).
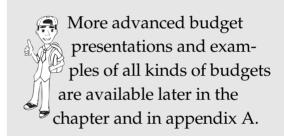
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1. This is different from the UNITE grant in that the funder did not provide a range but two specific dollar amounts.

2. They are very specific on whom you have to partner with and what you will do. This allows you to figure out quickly if you are able to accomplish this project or if it would be too much work to get local government to participate. They also provide you with many buzz words that you will want to incorporate into your proposal and budget narrative.

3. More specifics on what the funds can be used for and what the funder expects from you.

4. The funder provides a very strict timeline, which should be accounted for in your budget, budget narrative, and proposal. Consider adding an action plan to your proposal when you come across time-specific objectives.

Windy City Youth provides grants ranging from $500 to $5,000 to support innovative programs that engage urban youth in job force development. The majority of proposals funded are at the $2,000 level with very few awardees receiving a full $5,000 grant (*1*). Funds may not be used to pay youth, capital expenditures, or indirect costs (*2*). Please provide a detailed budget along with a budget narrative describing each expenditure.

1. Much like the UNITE grant, Windy City Youth also provides a range of funds. However, they go one step further and tell you what a typical grant size is. Always shoot for their suggested size. By starting small, you are more likely to get funded as a new funder. If your project is successful and you are allowed to continue to apply for funding, the organization is more likely to fund larger projects once you have built a history and rapport.

2. Windy City Youth specifies items it cannot pay for. One of those is indirect costs. As discussed previously, indirect costs pay for overhead expenses incurred by an organization. Your school district will be interested in knowing this, because they may require indirect costs at a predetermined rate for incoming funds at certain levels.

Budget Presentation

Chances are, as a teacher, you will be applying for smaller grants (under $2,000) the majority of the time. If you have never written a grant before, it is better to start there and gain some experience before moving on to larger grants. In this section, you will learn how to create and present a budget to support a small program.

 More advanced budget presentations and examples of all kinds of budgets are available later in the chapter and in appendix A.

Use their outline. Many organizations who work with schools and teachers know that creating a budget from scratch can be a barrier to getting high-quality candidates. You will probably encounter a funder that provides a budget format for you to complete in lieu of creating one from scratch.

Always use these forms. This also simplifies your life creating more time for you to write more grants! Also, reviewers will be looking closely at your proposal, and submitting your own or changing the provided form will create more questions than answers.

Be careful of these dangers when using a provided form:

- **Misplacing items.** Make sure that all of your supplies are listed in supplies, equipment in equipment, and so on. They provide you a format to ease the budget-review process, not complicate it. Your requests need to be clearly categorized into the provided columns and rows. Avoid creating a disorganized shopping list.

- **Check your math.** Assuming the form is a paper form and not an online program where you input information (such as Donorschoose.org), triple check your math. Create your own version in spreadsheet software first, and allow the program to do the math for you.

- **Complete it last.** You may realize you forgot to account for space rental, gasoline, or other supplies that will make your project work. By completing your budget last, the form will be well organized, preventing you from reprinting and correcting budgets.

- **When in doubt, ask a program officer.** Perhaps there is not a column or quantity, or there are not enough lines for you to list everything you intend to purchase. Instead of trying to create a solution that you hope they will understand, call a program officer and ask for his or her advice. If that officer tells you to add your own budget or adjust their form, make sure to reference that clearly on your application by stating what adjustments were made, why you made them, and the program officer's name who advised you to do so. This will ensure you will not lose points off your application.

There will be many organizations that do not provide you with an exact format, form, or guidelines on what to include. The following is a short list of core items that should be on every budget.

> Be mindful of application requirements, because some grantors do not want you to provide any kind of identifying features to ensure a fair evaluation. Always follow their directions.

Identifying features. This may include your name, school name, project name, application number, or any other identifying item that will match your proposal to your budget. Adding these features to your budget in an easily visible location will help reviewers who may have separated your proposal and are reviewing hundreds of applicants.

Quantity. This is your first column on the left of the page. How many of that specific line item will you purchase? Make sure to match this number with the program narrative. It would be highly suspect if you are running a painting program and choose not to order much paint.

Description. This column should be shown immediately to the right of quantity and provides a brief description of what it is you are purchasing. Context is important when discussing how much detail you should provide in this brief mention. If you are only asking for $300 for a new dry-erase board, consider listing "24′ × 4′ Acme dry-erase board" instead of simply "dry-erase board." If you are requesting many different items, such as $2,000 worth of musical instrument supplies, it may be too much information to be that detailed. In that case consider listing "Vandoren clarinet reeds" instead of "Vandoren Pro-line 2, 2.5, 3, 3.5, and 4 sized clarinet reeds." Be efficient, clear, and precise. If you

find that you need more space to explain, simply include more detail in the budget narrative.

Product number. This column will be to the immediate right of description. Information such as product number may not be needed depending on your project, but it can be useful to some funders. When ordering from a smaller organization, an organization that will purchase items for you, or when requesting very specific items, include this number to ease the process of price checking, procurement, and delivery. This is also a handy way to free up space in your description. You can create a simple explanation but provide a product number allowing funders to search out exactly what it is you want.

Unit cost. To the right of product number (or the description, if you are omitting product number) comes the unit cost. How much does each item cost individually? This should be without tax, shipping, or any add-ons. Depending on the size of your grant, you may not want to include cents and change into your costs. If you are buying a product that is $356.78, simply round up to $357. A good rule of thumb is to round up on all proposals unless otherwise stated.

Total cost (line). The final column appears just after the unit cost, including a total cost. This should simply be the quantity multiplied by the unit cost. Again, do not include tax, shipping, or other add-ons.

Shipping. Include any cost of freight and shipping. Make sure to use conservative estimates and not simply the lowest cost possible because shipping rates can change. This should not be shown as a separate column but as a line item within those columns, as if you were purchasing shipping. Specifically, as written across the budget, the shipping should be presented with no quantity with a simple description such as "ground shipping," no unit cost, and a total cost. It should also include the total amount required to ship all products. If your project requires the purchase of stamps or other shipping needs, that should not be included here; it should be a separate line item. This shipping cost is only the costs associated with shipping the goods indicated in the budget.

Total cost (project). At the end of your budget, a total cost including all of the line items and shipping costs should appear on the lower, right side. It should be aligned with the total cost of each line. This figure is oftentimes bolded or underlined.

Take a moment to sketch out a format using these columns. Once you have created all of your columns, fill in as many rows as needed. After completing all of your expenditures, leave a blank row, then include shipping. Add another blank row, then compute your total cost.

Compare your sketch budget to this. How did you do?

Quantity	Description	Product number	Unit cost	Total cost
1	Vidifox gooseneck document camera	VF-243654B	$ 300	$ 300
2	Sony USB connecting cables	46599846	$ 17	$ 34
1	Acme power strip		$ 16	$ 16
	Ground shipping			$ 20
	Total cost			$ 370

Here are some real examples of simple budgets. The formatting has not been changed from their submission to highlight the importance of a structure in your budgets. As you review them, recall the list of items and general formatting rules previously outlined. Take some notes on elements you find appealing and elements that could use some work. Try and view them not only through the eyes of a grant writer but also through the eyes of a funder. How does this affect the list of items you wrote down?

Example 1

    Budget:
Transportation = $200
Supplies for the project = $100
Supplies to promote awareness (fliers, posters, pamphlets, mail-ings) = $200

Example 2

DESCRIPTION	QTY	Unit Price	Total Price
M0912E BLANK UNLINED 9" x 12" Dry Erase Board Review Item	4	$2.60	$10.40
MC0912 BLANK UNLINED 9" x 12" 30 Student Combo - includes 30 Dry Erase Boards, 30 Dry Erase Markers and 30 Erasers Review Item	2	$108.00	$216.00
DEM – Item Code Student Dry Erase Markers 36 Pack Purple Review Item	1	$25.20	$25.20
Total			$251.60
Coupon			
Shipping U.S.A.		$25.16	$276.76
Grand Total			$276.76

Example 3

Budget

Item	Price per item	# of item	Price
Elastomeric paint (5 gallons)	$118.00	2	$236.00
Striping tape (180 feet/roll)	$20.77	5	$103.85
Bean bags (set of 8)	$15.95	4	$63.80
Playground balls (set of 6)	$27.95	1	$27.95
AcceleRope speed ropes (set of 6)	$17.95	2	$35.90
NFHS baseballs	$3.95 each	8	$31.60
			Total: $499.10

[*]No additional charges for the following items:

- Measuring tape, which will be provided at no additional cost
- Power washer to clean concrete prior to painting will be provided at no additional cost.

[*]Prices taken from the following sources:

- www.gophersport.com
- www.homedepot.com

Take the list you just made and compare it with ours. What items did you catch that we did not? Do some items conflict? Which ones are in agreement?

Example 1

- This was submitted as it looks. Just a quick block of text under the narrative section. Although the numbers are simple, it still lacks presentation, giving the impression that it was done quickly.
- The specific items were very vague. Even though the project's need statement may explain how you intend to spend the money, always be detailed in budget. For example, is the $200 for transportation for a bus, train tickets, or gas reimbursement?
- Instead of saying "supplies to promote awareness" and listing a few items, those items should be listed as separate line items for this small of a grant. How many fliers do you intend to make? Are you paying for postage? If so, how much and why not use a cheaper alternative such as e-mail?

Example 2

- This was also submitted as it looks. The advantage of copying and pasting an online shopping cart is that it makes the writing process quicker and easier for you. The disadvantage is that it sticks out in a bad way to the reader and once again shows that you may have not taken the time to author this yourself. Not only is this visually distracting but it also includes elements not needed such as "review item" and "coupon." Plainly stated, this looks unprofessional.

- The reviewers of this proposal commented that the teacher may be able to get better prices on the dry-erase markers and erasers by purchasing in bulk instead of a "student set." Remember that the grantor will typically know the field and items associated with your grant. Practice due diligence in shopping around.

Example 3

- This example follows formatting procedures: a clear, left-justified title, subtitles for each column, and an itemized listing of products.

- The author should have used the word "Quantity" instead of "# of item." When possible, spell out words instead of using symbols.

- The notes at the end are a strong element to this proposal. The RFP did not call for a budget narrative, so the author snuck in important information that the grantor might be wondering at the end. Not only does it show that they made an effort to find matching resources but also that they have thought through their project and will not be scrambling in the eleventh hour to find a measuring tape or pressure washer.

Final Tips: The Simple Budget

We hope you have gleaned some good ideas on how to create a simple budget for your proposal. When in doubt, remember these few tips:

- Keep it simple. Stick to the major headings, and make the budget easy for your grantor to read.

- Formatting goes a long way. It is not difficult to build a table in a word processor or copy and paste from a spreadsheet program. Take the extra couple of minutes to present your budget in a professional manner.

- Whenever allowed, send all of your grant items, especially the budget, in a PDF format. This will enable your formatting to remain consistent each time someone opens or prints your document.

- Do not overspend. Even if you plan to cover the costs with your own money, do not overspend the budget. Instead, highlight in-kind or in-cash matches (more detail later in the chapter).
- Get assistance when you need it. It is better you submit a well-crafted budget that someone helped you with than to do it yourself and submit something that will leave a reviewer with questions. Ask your administrator, mentor, and even family member to take a look to get their opinion.

Advanced Budget Techniques

Imagine you are hurrying into school, three bags under one arm holding a coffee precariously in the other hand, trying to sign in for the day minutes before the first bell rings. Your principal sees you walking in, and despite your best attempt at dodging eye contact, she catches your eye . . . and she has you.

"Good morning! Didn't you just pick up that new grant-writing book?"

"Yes . . . ," you manage to squeak out trying still not to spill your precious coffee.

"Great. I came across this wonderful grant opportunity to help us start small learning communities here in the school. I am really slammed with work [a lie . . . we all know it], so do you think you could take a stab at it?"

Once you are labeled a successful grant writer, that new title will stick with you everywhere. Suddenly teachers and administrators will be asking for your help on their projects or simply to take another one of your own. Eventually, you will bump into a larger grant that may require a few more items than the items in a simple budget.

This next section is designed to be a quick crash course in some of the more common advanced budgeting techniques to get you started on a more complex project. Keep in mind that we will be focusing again on how to create and present a budget with advanced elements inside. The topic of money management is one many other books cover.

Some larger grants may include the items that follow. Some of these may not be specifically mentioned but will often be found in more advanced proposals, so it is good to have a basic understanding of them.

"The Cost of Doing Business"

There are some items that you may have to include to simply make your project work. Here is a quick list of items for you to consider and suggestions on how to account for them in your proposal.

Sales tax. When we say sales tax, we include any tax attached to the procurement of a good or service. Common examples are state sales tax on goods purchased through a merchandiser, hotel taxes for hotel rooms, and environmental taxes for the procurement or disposal of certain materials. First and foremost, check with local and state laws regarding your tax code. Some states do not charge sales tax and others charge only for service industries. As a school, you are exempt from federal tax and usually, by extension, state sales tax. That often does not extend to certain types of tax, such as hotel tax.

You do not necessarily need to include tax directly into a line of your budget, especially when working with large figures. Instead, make sure you account for the after-tax amount in the request. For example, if you are including travel expenses to attend training on small learning communities, factor the tax of airfare and lodging into the cost of those two line items.

Due to loopholes in our current (2013) tax system, many online retailers do not charge tax if they are shipping goods out of state. When possible, quote online retailers for goods and compare to a local provider.

If you are unsure of the exact tax dollar amount, find the general tax rate for the particular state and add it to your line item. Best-case scenario, you overrepresent that particular line item and end up saving the grant money by being under budget.

Shipping. Although we have already discussed shipping, it is worth mentioning again in the context of a larger grant. It would be excessive to include shipping into a large grant budget, especially if you are dealing with multiple purchases over multiple years. In some cases, it is beneficial to have a line item specifically for shipping costs, especially if you plan on sending and receiving many parcels. In other cases, shipping may be wrapped into the line item and not specifically mentioned.

Make this judgment call based on the overall presentation of your budget. When in doubt, simply call the program officer and ask if he or she wants it included or not.

Copying, postage, and other consumables. When working on larger grants, it may not make sense to articulate exactly how much paper you will need. For example, if you are writing a grant to start an extension of your school's special education services that will serve students with autism, then trying to determine exactly how much paper you will need is probably not possible. Same could be said for postage, pens, pencils, and other consumables used during the usual and daily operations of your project.

There are a couple of different methods you can use to associate cost to those items:

- Most people simply take their best guess. They will treat this money as "filler" and throw it in as an afterthought. However, this is not the preferred method of accounting for consumable needs because it has many pitfalls. What if you underbudget and find yourself mid–school year with no copy paper left? What if you overbudget and your proposal gets thrown out because your budget is off? Avoid this method at all costs.

- Ratios. Take a moment to figure out how many pens or paper your whole school uses in one year. Divide that amount by the number of people in your building who use paper (don't forget office staff, community groups, and others who have access to school resources). Then apply that figure to your expected staff number for your new program. Last, add in any additional need you may expect over the average. You could also apply the number of students in place of the number of users to account for student-specific usage of a material. Here's the equation:

School paper use/number of users × number of users included in proposal
  = total requested amount (plus any additional need)

- Research similar programs. When developing larger programs, it is typically best to follow a model that has been tested. This enables you to learn from others' successes and shortcomings and get the most out of your new venture.

  We hope you have developed a relationship with another institution that is already implementing a similar project. Go beyond just asking about their programmatic structure and ask detailed budgeting questions. You may be surprised to hear some valuable suggestions from colleagues. Use of pens, paper, and postage may not be riveting conversation, but it sure can make your life a lot easier and provide a concrete basis for your request.

Hiring People

Personnel can be a very tricky part of grant writing. If you are working on a proposal that involves bringing new people on board or simply providing more funds for current workers, make sure to take into consideration these few steps:

- Do not assume you can hire people. School districts in particular have extensive human resource rules and regulations set in place. Many grants have been written and awarded only to find out they cannot perform a major function of their project simply because there is no way to hire people.

- ○ Check with your human resources office, administrator, or school board to determine the exact processes. This would be a conversation you want to have early on before you invest hours into writing a proposal.

- Be thorough. Is the new employee a full-time or part-time employee? If he is part-time, does he receive benefits? How about full-time? Is she a union member? Does an official human resources designation exist for the work that person will be performing?
  - ○ These basic questions should start this conversation with officials at your school, but a mock-up of a draft job description is also a useful tool in this conversation, because oftentimes designations come down to the work being performed.

- Explore all possibilities. Is there another option? Can you provide a stipend to someone? Is there a partnering organization willing to hire that person for you? Is there a professional service you can hire out?
  - ○ Nonprofits are your friends here. There are many nonprofits around the country doing great work and looking for new projects with money attached. Sometimes, you may be able to split a position with a partnering organization, giving you a part-time worker and the organization a part-time employee. That arrangement also allows your school simply to cut a check to the nonprofit and let the organization deal with all of the implications of hiring someone.

- Factor in all of the costs. If you are going ahead with hiring someone, include all of the costs associated. Benefits, FICA, and unemployment tax are just a few items to consider. Simply listing the base salary will not cover your costs.

- Consider the extras. What is the cost of background checks? Will this person need a desk, chair, office, or other resources that you do not already have? If you are hiring the person as an independent contractor and providing a stipend, do you want to include a buffer amount for the tax the person will have to pay come April 15?

The best advice when considering hiring people is to go to the people who know best—those who hire for your school district. This can be a very complicated process, but it is one well worth it. If you can find a way to do programmed recess, start an after-school program, or provide in-school tutors using grant dollars, you are providing a very rich experience for your students. Make sure to follow the rules outlined by your district, state, and funder, and you should be fine.

Indirect Costs

Indirect costs are fees included into your proposal by your own school district or partner organizations for the cost of managing the grant. This is how many

nonprofits and some school districts fund or offset the cost of administrative staff, office space, and utility bills. These costs are usually expressed in a preset percentage that should be attached to your final subtotal. See the following partial budget example.

	Abbreviated example	
Project subtotal	$13,589	
Indirect cost at 7.5%	$1,019	
TOTAL AMOUNT		$14,608

Indirect costs can be a sticking point for major funders. If you are working with multiple partners, you run the risk of incurring large indirect costs from each partner, limiting the amount of money that goes directly to the project. Some organizations' indirect percentages are also very high (20 to 30 percent), which can deter some funders. Here are some techniques to combat that:

- Check with the grantor to see if they have a set limit or set percentage rate that should be applied. The federal government is very good at setting low indirect costs as requirements for obtaining grants, forcing organizations to lower their cost to get funds.

- Use it as a bargaining tool. If you are partnering with an organization and the organization has a high indirect cost, you can target that first in negotiations to increase the amount of funds directed to project activities. Keep in mind, indirect costs support the project indirectly (thus the name). You can make a strong case for a smaller percentage, especially if the partner is heavily invested in the project.

- Consider managing the grant yourself. If a partner organization is going to charge a 20 percent indirect fee for grant management, make the case that you and your school staff will manage the majority of the grant. The organization may bring its amount down if you have clear roles specified for each partner. Plus, by managing the grant yourself, you are bringing more indirect funding to your own organization.

- Convince your school and partners to provide their indirect cost as a match to the grant. This is a great way to allocate funds to the project without actually spending money or resources directly on the project. Read the following detailed section on matching.

For more information on advanced budgets, as well as examples, see the appendixes.

Matching

Matching is the allocation of funds (in cash) or resources (in kind) to a project that offsets the cost of the proposal. This section will outline the two major types of matching, demonstrate how to present a match in a budget proposal, provide common types of matches that can be used to support your project, and discuss the processes required to secure a match from partners.

A match shows funders three things:

- That you are serious about completing this project and have already dedicated time, energy, and resources into its development
- That the financial burden is not placed solely on their funding
- That your match, especially in multiyear grants, will demonstrate how you plan on sustaining your work once grant funds are used up

As mentioned, some RFPs may require a match. This is usually expressed in a percentage of the total amount received. For example, if you are requesting $100,000 from a federal grant, you may be required to match 25 percent (or $25,000) in cash or in kind. Other grants may not require or even mention a match in their RFP. Demonstrating a match commitment, though, can go a long way in showing your dedication to this project.

In-Cash Matches

The first kind of match is an in-cash match. This is simply as it sounds—a cash amount already dedicated to your project. You can procure in-cash matches in a number of ways. For one, you may already have funds allocated from a school budget line that will go to supporting this project, or perhaps another organization will promise to provide funds when you are awarded the grant you are working on. Whatever the source, there are a couple of items to consider:

- Make sure the in-cash amount is reasonable in your overall project. Although some may say that no amount is too small, an in-cash match of $100 in a $300,000 grant may not be worth presenting in your proposal. You can still use that match, but do not feel pressured to incorporate disproportionate amounts in your budget.
- The cash must be real! The best kind of in-cash contribution to put in a proposal is one that you already have. The next best option is promised money with documentation (see later in the chapter). You cannot count items such as "anticipated donations" or "projected ticket sales." If a grant is asking for specific information on how you will meet the match, stick to real cash. If the RFP is general and asks you only to commit to meeting a match, items like

those just listed will work, because you do not need to account for them in your proposal. Check the RFP or with a program officer for details.

- When accepting cash donations from other organizations, ensure that they are organizations your grantor would want to be in business with. Small details such as foundations restricting matching gifts from other foundations can lead to a snag into your plans. For instance, when applying for federal funds, you cannot use other federal funds as a match. In another scenario, if you are applying to a grant through an environmental organization and one of your partners was recently in the news for creating havoc in the environment, you may rethink your partnership with them.

In-Kind Matches

In a typical grant, the majority of the match requirement will come from in-kind matches. An in-kind match is any noncash resource used during the operation of your project. These items can vary from individuals' time to the use of equipment or space within an existing building. Often, there are very stringent requirements on what will count as an in-kind match and what will not. Here are some general guidelines to get you started:

- When using someone's time as an in-kind match, ensure that you use an appropriate rate. For example, if you hold a meeting with a partner and the grant does not pay for that partner's salary, you can allocate the time spent in the meeting on your match report. Take the duration of the meeting and multiply it by the partner's hourly rate. (You may need to figure out the hourly rate from the partner's salary. Contact the partner's budget manager to see if there is a predetermined rate to use because oftentimes "consulting rates" do not actually make up the "hourly rate.")

- If you use a building space and your grant is not covering any cost associated with that space (including rental fees, utilities, rent), you can count that as a match. The manager of that space will either need to provide you with a quote of how much he or she would usually charge an outside group to use that space or a cost breakdown of how much per square foot it costs to operate that space.

- Make sure to get accurate documentation. Simply saying an organization provided $5,000 of in-kind services is not enough. Have sign-in sheets at meetings. Get invoices that indicate the amount of services rendered with a zero balance showing it was donated. Keep accurate monthly or quarterly logs of in-kind contributions.

- Push other members of your team to find in-kind donations and report them. The task of reporting in-kind matches is often pushed aside until the year or grant end when you need to report back to your granting organization. Stay ahead of the game by having team members report back to you regularly.

Fourth-Period Review Guide

- ✎ A budget is a plan for the coordination of resources and expenditures.
- ✎ Five best practices when shopping for goods or services are as follows:
  - Go to real vendors that you know and trust.
  - Shop around.
  - Account for all the extras.
  - Avoid private sales.
  - Make best estimates when appropriate.
- ✎ Read grant prompts carefully and adhere to their requirements.
- ✎ A simple budget presentation should show the following:
  - Quantity
  - Description
  - Product number
  - Unit cost
  - Total cost
- ✎ Never overspend your budget!

Fourth-Period Exit Ticket

1. Who are the stakeholders interested in your budget and why do they matter?

2. Which of the following would *not* be considered an in-kind match?

   a. A volunteer's time working on your project

   b. Donated space for an event

   c. The use of equipment that was not purchased by the grant

   d. A skilled worker's labor for which you paid for with grant funds

   e. None of the above