

Sustainability Series Tip Sheet

The Logic of Program Design, Part 6 – The Budget

This tip sheet is the final installment in our series on the logic of program design. Programs can't exist without funding to support them. Previous tip sheets in the series focused on developing needs statements, objectives, activities and evaluation measures. Tip sheet number 6 discusses the important elements to include in a budget request to support your program proposal.

A **budget** shows how much money it will cost to provide the services outlined in the proposal. A budget consists of the amounts of money listed under certain categories: personnel, operating expenses, travel, training, consultants, subcontractors, indirect expenses (audits, payroll etc.).

A **budget narrative** is the thought process by which you arrived at the numbers listed in the budget. It may be helpful to keep budget and narrative pages side-by-side as you draft the budget so that you don't forget how you arrived at the figures. Be sure to include an explanation of **in-kind** support items (such as the value of project volunteers' time, materials you have on hand, or a percentage of the executive director's salary not charged to the project).

Most grant applications provide a **budget template** from which to develop the budget. Each funder may have a slightly different format and/or rules as to what is an acceptable expenditure. Follow the specific policies of the funder to whom you are submitting the proposal. Be sure to check out any questionable expenses, such as fixed assets or capital improvements to be sure that these are allowable under the rules of the funding source.

Often times, a funder will want to know whether you have requested or received funding from another source to support this project. When applicable, either because the funder asked for this information or because you know that it will cost more than what you are requesting from this funder, include a column or columns in your budget that identifies in-kind support, funding that has been requested of others or that has been obtained through other sources.

There are a few hints for developing good budgets:

- ✓ Check your numbers twice!
- ✓ Be sure that all of your columns add up from left to right and up and down!
- ✓ Do some research to be sure you know the real cost of your project!
- ✓ Ask for what you need: don't pad the numbers or underestimate the costs!

Contract negotiation will take place once a program has been accepted for funding. Be prepared to negotiate which activities you may need to eliminate or reduce if you are not successful in raising all of the money you need. For example, if you planned to provide 500 people with vaccinations, but you are not awarded all of the funding to support this, how many can you provide, and how does this number affect the other deliverables outlined in your request? Knowing the cost of each immunization, in terms of how much the vaccine costs and what is the human resources cost for administering and tracking the immunizations will help you to be prepared to negotiate fair and equitable program deliverables.

The National Viral Hepatitis Roundtable is a coalition of public, private, and voluntary organizations dedicated to reducing the incidence of infection, morbidity, and mortality from viral hepatitis in the U.S.

To support the increased capacity and sustainability of non-profit member organizations, NVHR produces a series of Tip Sheets on a variety of topics. If you have questions or suggestions for a future Tip Sheet topic, please contact [Martha Saly](mailto:Martha.Saly@NVHR.org).