**Budget development and justification for your grant**

**Overview**

Developing a realistic budget is really fundamental to your grant proposal. This includes several considerations:

1. Only ask for the amount of funding you need. Grant review panels will scrutinize large, unusual or non-allowed requests.
2. Make sure you can justify and provide detail for the full amount of your request in your budget narrative.
3. Choose project partners in whom you have confidence to complete the work and use the grant resources wisely. If matching funding is required, make sure you can identify and document who, how much and when this matching will be provided to your project.
4. Select a fiscal agent and grant manager before you apply for a grant. These may be two different people and organizations. Your fiscal agent[[1]](#footnote-1) will hold the grant funding in its account and pay invoice based on this fund. A grant manager will track your expenses under the grant, make sure you do not exceed your budget line items, and track any in-kind (time or materials donated to the project) that you may have committed to. The grant manager will also record any income the project takes in such as registration fees for workshops.

Your project’s budget will consist of two parts: the budget detail and the budget narrative. Use the following sections to build your budget. Note: this is only a worksheet! Please complete your project’s budget on the required form(s).

**Budget outline**

List activities that will be completed under your project, along with an estimated cost for each one.

| **Activity** | **Who** | **When in project timeline** | **What** | **How much it will cost** |
| --- | --- | --- | --- | --- |
| Ex. *Hold a networking meeting for farmers interested in selling to food hub.* | *Estimated 20 farmers + 4 people from project planning committee* | *Month 2 (Nov 2021)* | *1. Reception*  *2. Handouts on pricing & food safety requirements* | * *Food (24 people at $5/pp)* * *Building rental ($50)* * *Copies (20 people \* 10 copies each)* |
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**Budget line items**

Using the information you noted in your budget outline above, now compile your budget by line item (e.g. group all personnel costs together, by each year of your project).

|  |  |  |
| --- | --- | --- |
| **Typical items** | **Include**  *(this detail will become your budget justification)* | **Example** |
| Personnel - people who will receive salaries + benefits or hourly compensation for work on the project) | Hours worked \* hourly rate (or percentage of time spent on project), for each individual |  |
| Equipment – purchases necessary to the project (if allowed) | Cost, anticipated useful life of item, rationale for purchased |  |
| Travel – to workshops, to farms or ranches, to project pilot sites | Purpose of trip and miles to be traveled \* reimbursement rate \* number of travelers |  |
| Supplies – copies, seeds, small equipment | Reason for purchase and number of items \* per item cost |  |
| Other – any items not mentioned above but needed (rentals, etc.) | Reason for purchase and cost of each item |  |
| Indirect costs – these funds cover your organization’s overhead and may be capped at 10% or 15% of your project’s total direct costs | Typically calculated as a percentage of all direct costs (e.g. personnel + equipment + travel + supplies + other). |  |

**Budget justification**

For each line item you noted above, use the required text to build your budget narrative, so the grant reviewers understand the purpose and specific costs of each item you intend to use for your project, and why each line item is relevant to your project’s success.

**Checklist**

* Did you complete your budget on the correct form(s)?
* Include ONLY costs *allowed* by the grant program?
* Did you include any required letters justifying matching funds contributed to your project?
* Did you include an explanation/narrative for each line item requested in your budget?

1. [↑](#footnote-ref-1)