Budget Planning and Resource Allocation

Why budget planning matters

A solid, well-thought-out budget is key to demonstrating that your project is financially viable, well-managed and considered. The clearer and more aligned your budget is with the grant guidelines, the easier it will be for funding panels to see the impact and sustainability of your program. Here's a step-by-step guide to help you create a comprehensive budget that ticks all the right boxes.

Steps for budget planning

Before diving into the details, it's important to map out the full scope of your program. Here are some steps to get you started:

1. List every potential actual program cost (salaries, operating and other expenses).
2. Understand eligible and ineligible grant expenses (avoid requests with recurrent / ongoing commitments).
3. Match costs to grant criteria.

Ensure your budget is realistic, balanced, and sustainable, and aligned to your proposal's aims.

1. Listing program costs

Start by identifying every potential/actual cost. Breaking down your budget into categories can help ensure nothing is missed.

Staffing and support

- Wages for program facilitators, casual or contract staff
- Volunteer costs
- (Note: Funding cannot cover salaries for existing staff performing usual business operations)
- Staff travel expenses (e.g., mileage, public transport specific to the project)
- Staff insurance
- Onboarding and training for new staff and volunteers (ensure costs are clearly related to the program and reasonable)
- Specialised training for stafff (e.g., cultural competency training, trauma-informed care)
- Certifications or required checks (e.g., Blue Cards)

Program delivery costs

- Venue or hall hire for sessions and workshops
- Activity supplies (e.g., art supplies, sports equipment, tools)
- Equipment rental or purchase (e.g., laptops, projectors, PPE)
- Car rental or leasing for program-related transport (e.g., deliving services directly to participants).
- Consumables (e.g., water bottles, hygiene products, stationery)
- Software subscriptions (e.g., online learning platforms related to your proposal)

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Participant support

- Transportation for participants (e.g., bus passes, ride-sharing specific to the program)
- Food and refreshments for program sessions or events
- Interpretation or translation services to ensure accessibility
- Volunteer reimbursements (e.g. Elders)
- Brokerage

Engagement and outreach

- Marketing and promotion costs (e.g., social media ads, flyers, banners)
- Hint: Marketing costs must be a reasonable portion of the total funding amount. Be clear on how these expenses will contribute to the program's success and align with specific strategies.
- Community engagement materials (e.g., posters, brochures)

Professional services

- External consultants (e.g., specialised trainers)
- Guest speakers or facilitators for workshops (must be relevant and clearly linked to program outcomes)
- Legal or compliance advice (e.g., setting up partnerships, ensuring regulatory compliance)

Administrative and operational costs

- Insurance for program activities (e.g., public liability)
- IT support and equipment maintenance
- Office supplies (e.g., stationery, printer ink)
- Storage rental (for equipment or supplies)

Monitoring and continuous improvement

- Data collection tools (e.g., surveys, software subscriptions) to track participant engagement and program outcomes
- Costs for staff training on monitoring methods, ensuring accurate data collection
- Program assessment materials (e.g., feedback forms, participant progress trackers)
- Regular monitoring costs (e.g., staff time dedicated to tracking and reviewing program performance)
- Resources for continuous improvement (e.g., updating materials, refining activities based on participant feedback

Hidden or one-off costs

- Setup fees for new services or equipment
- Special permits or licensing (e.g., to hold events or operate in certain areas)
- Unexpected repairs or maintenance (consider a contingency budget if allowed)

2. Understand eligible and ineligible grant expenses

• Make sure your budget aligns with the Program Information and Grant Guidelines. For instance, the grant will not cover salaries for existing staff performing their usual duties, large capital purchases, or gifts.
• Be aware of any specific rules about capital items - while some assets are allowed, they must be under $5,000 and essential to your program. (Vehicle purchases is not permitted as part of the grants).

3. Match costs to grant criteria

• After listing out all potential costs, ask yourself: are these expenses appropriate for this grant? Are they reasonable, justified, and aligned with the program goals? Do they have a recurrent (ongoing) implication?
• Remember, all costs should directly contribute to delivering your proposed project.

4. Ensure your budget is balanced and sustainable

• A balanced budget is key—make sure your total income (including the grant amount and any in-kind contributions) equals your total expenditure. This demonstrates a clear and complete financial plan.
• Show value for money by ensuring a reasonable distribution of costs. For instance, it may not make sense to allocate 70% of the budget to equipment if your project is mostly service-based with salary implications. Be sure to justify any high-cost items.
• Think about the sustainability of your program. Are there ongoing costs that need to be planned for outside of the grant, or a strategy, alternative funding sources to continue the program after the grant period ends?

Key hints for effective budget planning:

Creating a strong budget isn't just about listing costs—it's about demonstrating financial responsibility and maximising the impact of every dollar.

- **Realistic costing** - Be thorough and realistic. Avoid the temptation to underestimate. Instead of estimating "supplies - $200," break it down (e.g., "paints - $50, brushes - $30, canvases - $120") to show you've considered real costs. Seek multiple sources and quotations from suppliers within a supply chain to inform your costs to ensure you get the best price.
- **Value for money** - Show the grant panel that funds will be used effectively. When possible, choose cost-efficient options without sacrificing quality. For example, if buying supplies in bulk saves money, explain this as a value-driven choice.
- **Specific and transparent** - Avoid vague budget lines like "program costs." Instead, be specific: "art supplies for 10-week workshop," "facilitator fee for 5 sessions @ $X per hour for Y hours." Clear, itemised costs demonstrate careful planning.
- **Consider all categories** - Cover all key cost areas, from staffing and program delivery to marketing and admin, to avoid missing essential items. A balanced budget that spreads costs thoughtfully indicates careful planning.
- **Sustainability and impact** - If relevant, outline how you'll keep the program running once funding ends. For example, if the program is successful, you might propose seeking further grants or developing partnerships to sustain it.
- **Highlight value from in-kind contributions:** Be sure to list all in-kind support in your budget, showing how it enhances the program's value. For example, volunteer hours, donated venue space, or goods/services provided by your organisation and partners.

Avoiding common pitfalls

Underestimating or exaggerating costs

• If your budget seems too low (or too high), panels might doubt your ability to deliver the program. Make sure to include all aspects, even smaller items like stationery or refreshments and think critically about all the contributions your service delivery costs are making to the project.

Overgeneralising line items

• Broad terms like "program costs" or "other expenses" aren't helpful. Break it down—assessors need to understand exactly where the money is going.

Ignoring ineligible expenses

• Be aware of what the grant won't cover. For example, existing operational costs, major asset purchases, and audit fees are not allowed. Carefully review the guidelines to avoid wasting time on requests that can't be funded.

Making your budget stand out

Show connection to program goals

• Every budget line should connect directly to your program objectives.
• For example, if your program supports youth engagement, budgeting for recreational equipment can demonstrate a clear link to enhancing youth experiences.

Alignment with guidelines

• Demonstrate that your budget aligns with grant criteria by explicitly justifying unusual items.
• For instance, if including guest speakers, explain how their expertise will enhance participant outcomes.

Provide a complete financial picture

• Include both income (e.g., other grants or in-kind contributions) and expenditure.
• A balanced budget with realistic projections is key to building credibility.

Check for accuracy

• Double-check your figures and maths to avoid budget discrepancies. Panels may question the proposal's attention to detail if calculations don't add up.

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