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# 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.

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

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

**Making your budget stand out**