

Project Budget Development Guidance and Examples

A. Introduction

For each application, two related budget documents are required:

1. The completed project budget template.
2. The project budget narrative.

This document includes guidance on and examples of what to include in both budget documents. The budget documents should tie closely to the proposal itself and complement the project proposal. The budget narrative will help reviewers make the connection between what an applicant proposes to do (the project) and what resources are needed to complete the project successfully.

B. General Guidance

Kaiser Permanente follows the guidelines below for all grantfunding opportunities:

1. Kaiser Permanente does not generally fund capital expenditures (land acquisition, buildings, remodeling, capital maintenance or acquisition of major equipment).
2. Kaiser Permanente will consider funding administrative/operating costs relevant to the proposed project OR indirect costs of 10% or less of total salaries and benefits—not both.
3. Kaiser Permanente strongly discourages applicants from requesting funding that underwrites administrative infrastructure and/or to maintain core programs or essential staff.
 - Applicants that request more than 50% of salary and benefits for an individual FTE must articulate within their proposal and budget narrative if the position is a temporary position or if the organization plans to sustain the position and/or work post-grant.

C. Specific Guidance

The following guidance provides specifics on what to include in the budget documents. For multi-year requests, the budget template should include each year of the project. If the project budget is the exact same for each year, the budget narrative only needs to be prepared for the first year.

If the proposed project budget is the same for each year, the detailed budget narrative only needs to be prepared for the first year. However, narrative information for subsequent years should be provided within the budget narrative if

1. New expenses are included in subsequent years.
2. Any revenue line item or expense line item for future years varies by more than 15% from the first year.

If either apply to the project proposal, provide written information describing the new revenues and/or expenses and significant variances.

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Proposed Revenue

On the budget template, provide a full-picture of the project budget including committed funds, funds pending review/decision, and funds yet to be identified. In the budget narrative, provide the total revenue and explain each source of funding, including whether it is already committed, pending review/decision, or yet to be identified. Indicate whether the revenue is cash or in-kind.

Specific budget narrative instructions:

- A. Describe the revenue already committed for this project in all categories included on the budget template.
- B. Describe any revenue pending for this project (other grant proposals already submitted, internal sources of funding, earned revenue for/from this project) in all categories included on the budget template.
- C. Describe any additional funding needed and plans to obtain the funding.

Proposed Expenses

On the budget template, only complete the expense line items relevant to the project proposal. All expense entries on the budget template should be explained in the budget narrative, as described below.

Personnel: Salaries and Wages. For each position included in the personnel: salaries and wages line item in the budget template, provide in the budget narrative:

1. Name and title of staff member (if a position is not yet filled indicate only title and TBD)
2. Annual salary
3. Percentage of time allocated to this project/program
4. Scope of responsibility related to the program/project proposed

Fringe Benefits. Fringe benefits are generally applicable to direct salaries and wages. Fringe benefits include employer-paid taxes, insurance, retirement, paid time off, or other employer-provided benefits. In the budget narrative, provide information on the rate of fringe benefits used and the basis for their calculation. If a fringe benefit rate is not used, itemize how the fringe benefit amount was computed.

Consultant Costs. Use this category if there are plans to hire individuals or organizations to give professional advice or services for a fee, but not as an employee (examples include staff training, subject matter expertise, evaluation services). In the budget narrative, for each consultant planned, please provide:

1. Name of consultant (if known) or kind of consultant anticipated (e.g., trainer, economist, evaluator)
2. Organizational affiliation (if known)
3. Nature of services
4. Relevance of services to the project
5. Basis for the fee (unit of service – hours, days, number of trainings)
6. Rate of the fee

If the name/organization is not known at the time of application, but use of consultants is expected, provide information for items 3– 6 only. Estimates are acceptable.

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Program Costs. In the budget narrative, describe each item included in the program costs line item on the budget template. Examples of program costs include trainings, materials, incentives to participants, and other items directly related to delivering the intervention, service, or product.

Administrative/Operating Costs. In the budget narrative, describe each item included in the administrative costs line item of the budget template. Examples of such items include occupancy (rent, mortgage), utilities, phone, Internet, insurance, office supplies. Include explanation of how the costs were calculated and allocated to the project/program proposal. As described above in general guidance, an applicant may use this cost category (if relevant) OR the indirect cost category, but not both.

Travel/Mileage. In the budget narrative, describe each item included in the travel/mileage line item on the budget template. Funds requested for travel should be for organization's staff travel only. Travel for consultants (if applicable) should be itemized in the consultant's cost. Include both local and long-distance travel, providing information for each (where, number of trips, traveler information). If travel is local mileage, provide estimated mileage and cost per mile. For out-of-town travel, please provide estimate of airfare, lodging, ground transportation, and meals/incidental expenses.

Conferences/Meetings. In the budget narrative, describe each item included in the meetings/conferences line item on the budget template. Include expenses for meetings or conferences anticipated, either sponsored by the applicant or to which applicant intends to send participants.

Training. In the budget narrative, describe each item included in training on the budget template. Include any training expenses for staff or program participants (e.g. sending staff or participants to local classes or trainings).

Contractual Costs. In the budget narrative, describe each item included in the contractual costs line item on the budget template. These contractual costs should be program-related (collaborators or sub-contracting organizations on the project). For each contract, provide:

1. Name of contractor (if known)
2. Scope of work on this project for program-related contracts
3. Period of performance
4. Basis of fee

Other. In the budget narrative, describe each item included in the other line item on the budget template. Include any miscellaneous expense related to the program/project that do not fit into other categories. Also include any sub-grants to other organizations, and describe:

1. Organization to receive the sub-grant
2. Scope of work or role of the sub-grantee
3. Basis of determination of the amount of the sub-grant

Fiscal Sponsor. If the applicant will be using a fiscal sponsor for this project, please enter the cost on the budget template and describe the fee and basis for the fee in the budget narrative. The fiscal sponsor fee should only include fees specific to the proposed project, not for the organization as a whole.

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Indirect Costs. If relevant to the proposed project and the applicant is not itemizing administrative/operating costs, Kaiser Permanente will consider up to 10% of total salaries and benefits. As described above in general guidance, an applicant may use the administrative/operating cost category (if relevant) OR indirect cost category, but not both. If indirect costs are budgeted, explain the method used to determine the indirect cost percentage.

D. Example Budget Narrative

The below example budget narrative is provided as a reference. In addition, [click here](#) for an example budget template that corresponds with the example budget narrative. The figures entered on the budget template and budget narrative documents should always match.

Proposal Revenue.

1. **Revenue Committed:** \$61,500
 - a. Foundation grants: \$50,000 from
 - i. Colorado Health Foundation – \$20,000
 - ii. Denver Foundation - \$20,000
 - iii. Smith Family Foundation - \$5,000
 - iv. Jones Family Foundation - \$5,000
 - b. Corporate support: \$11,500
 - i. \$10,000 from Acme Industrial
 - ii. \$1,500 in-kind (printing) from Diego Printing, Inc.
2. **Pending Revenue:** \$25,000
 - a. Government grant: CDPHE \$10,000 awards to be announced October 15, 2016
 - b. Special events: Gala fundraiser scheduled for September 30, 2016, with anticipated net revenue to support this project of \$10,000
 - c. Individual gifts: 10% of the XYZ Health Initiative’s annual campaign will be allocated to this initiative. Last year the annual campaign yielded \$50,000
3. **Additional funding needed (exclusive of Kaiser Permanente application):** \$8,503

XYZ Health Initiative will continue to seek funding to cover the cost. Contingency plan is to allocate this funding, as needed, from organization’s general operating fund.

Proposal Expenses:

1. **Personnel/Salaries and Wages:** \$76,250
 - a. John Jones, Executive Director. \$3,750. Jones will spend 5% of his time on this project providing fiscal oversight, ensuring grant reports are completed and filed as required. Jones salary is \$75,000 per year.

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- b. Sue Green, Program Specialist. \$12,500. Green will spend 25% of her time on this project providing program oversight and direction, and preparing required reports. Green's salary is \$50,000 per year.
- c. TBD. Community Outreach Workers. \$60,000. Two outreach workers spending 100% of their time on this project providing direct services to clients, assisting clients in navigating health and social service systems, conducting home visits and informal education, and facilitating monthly support meetings. Community Outreach Workers salary is \$60,000 per year for two individuals (\$30,000 each). XYZ Health Initiative plans to fund one of these positions from organizational operating revenues at the end of the grant; the second position will not be needed beyond the grant period and will be advertised as a time limited, grant funded position.

2. Benefits: \$16,775

- a. Benefits at the XYZ Health Initiative average 22% of salaries. Benefits paid by XYZ Health Initiative are: employer portion of FICA, worker's compensation insurance, employer portion of health and dental insurance, and employer contribution and match to employee contribution to 401k plan.

3. Consultants: \$7,516

- a. XYZ Health Initiative plans to have Jane Adams of ABC Associates provide training of the new Community Outreach Workers. Training will include orientation to various health and social service systems, direct observation during their first weeks of work, and on-going mentoring.
 - i. Initial training: 10 days @ \$350/day = \$3,500
 - ii. Direct observation: 10 half-days @ \$150/ half-day = \$1,500
 - iii. Ongoing mentoring: assumed 4 hours per month @ \$50/ hour = \$2,400
 - iv. Mileage (direct observation): \$.58/mile x 200 miles = \$116

Year two: Consultant costs in year two drop to \$2,400, as initial training of Community Outreach Workers will not be needed. Consultant costs for Year two are assumed to be only the ongoing mentoring for Community Outreach Workers.

4. Program Costs: \$28,700

- a. Bilingual educational materials. \$5,000. Purchase of approximately 20,000 health and active living materials for clients and for general distribution. These are materials offered by the LMN Educational Company and have a track record of resonating with a diverse audience. XYZ Health Initiative will take advantage of both bulk purchasing pricing and nonprofit discount, and estimated average cost per item is \$.25.
- b. Incentives for clients. \$18,000. Clients will receive incentives to remain in the program, attend monthly group meetings, and to reach out to their neighbors and networks. Incentives are planned to be King Soopers gift certificates, vouchers

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for local farmer's markets, and other incentives that support healthy eating/active living. Assumed cost per client is \$15/month.

- c. Child care costs. \$4,200. XYZ Health Initiative will provide on-site child care for monthly group meetings and other special events so parents can attend and focus attention on the meeting, knowing their children are safe and well-cared for. 12 monthly meetings of 2 hours @ \$100 per meeting = \$1,200. Two special events of six hours @ \$1,500 per event = \$3,000
- d. Printing. \$1,500. Printing for flyers and promotional materials for various special events. Note that printing services are being provided in-kind by Diego Printing, Inc. and are listed above in proposed revenue.

5. Administrative/Operating Costs: \$6,862.50

- a. Rent. \$6,000. Current rent is \$5,000 per month, including utilities and janitorial service. There are 2.25 FTE associated with this program, which is 10% of XYZ Health Initiative's staff (including the 2 new staff members TBD).
- b. Internet service. \$100. Total Internet service for the agency is \$1000 per year; 10% use is assumed for the FTE associated with this program.
- c. Payroll service. \$762.50. Payroll service charges XYZ Health Initiative 1% of payroll costs to process payroll; total payroll for this project is \$76,250.

6. Travel/Mileage: \$6,032

Mileage reimbursement for community health workers. \$3,016 per worker (2 workers) assuming 100 miles per week @ \$.58 per mile.

7. Conference/Meetings: \$2,867.50

- a. Travel to national conference in Dallas, Texas
 - i. Airfare: 1 trip x 2.25 employees @ \$500 RT = \$1,125
 - ii. Lodging: 2 night's lodging @ \$100/night = \$450
 - iii. Tax on lodging @ 15% = \$68
 - iv. Per diem: 3 days per diem @ \$50/day = \$300
 - v. Ground transportation: shared = \$100
 - vi. Conference registration: \$350/person = \$788