



toolbox

On project budgeting

A budget is an estimate of project costs—a working document that forms a basis for action by your team. Without a budget the group has no financial guidance during project planning, fundraising and implementation.

Budgets serve two functions—to record as realistically as possible the costs of the project and to monitor financial activities during the project period.

Estimating costs requires some educated guesswork. To help with this, you might:

- call service providers for quotes;
- have staff members estimate the amount of time an activity will require;
- compare notes with someone who has done a similar project;
- use the experience within your group to estimate costs.

A budget may contain direct and indirect costs.

Direct Costs: Project activities are usually broken down into the following categories.

1. Personnel. Wages and salaries of full or part-time persons on the project.
2. Contract services. Consultant and service contracts. Include fees and travel.
3. Supplies. Consumable supplies used on the project.
4. Equipment. Purchase and rental costs as well as maintenance and repair.
5. Travel. All travel and meal costs related to project are included.
6. Communications. Telephone bills, postage, etc.
7. Publications. Printing, publishing or copying brochures, reports, reprints.
8. Other. Miscellaneous items not included elsewhere.

Indirect Costs: These overhead costs are a result of general support and management of the project. A project carried out by members of a volunteer group may have no indirect costs.

Sample Budget Worksheet (Gazebo for City Park)*

1. Personnel (Volunteers)	0
2. Contract services (Architect)	150
3. Supplies	
Lumber	850
Hardware	60
Shingles	130
Footer	70
4. Equipment (Tool rental)	75
5. Travel	0
6. Communications	
Postage (200 @ .40)	80
7. Publications	
Publicity posters	40
8. Other	
Refreshments	125
(10 meetings)	
Total	1580

*No indirect costs in this budget.

—V. Gravitt

