

Guide For Preparing 2015 PSP Budget

An essential part of applying for a Pastoral Study Project grant is preparing an itemized budget and a budget narrative. The Louisville Institute closely reviews the information you provide and analyzes what you anticipate the proposed activities will cost. Give careful consideration to these costs and - when appropriate - work with those in your organization who are responsible for its accounting procedures.

A PSP grant may be payable to a church/host institution or directly to the individual grantee. Because individual recipients of Institute grants may be liable for income taxes on funds awarded, PSP grantees often find it more convenient to have their grants made payable to a tax-exempt nonprofit organization with 501(c)(3) status. The Institute does not provide advice on tax matters; we advise grantees to consult their own tax advisors to determine the tax consequences of receiving grant funds.

During the proposal review process, the PSP selection committee may question particular budget items and decide to award a grant *conditionally*, pending budget revision. Once a budget is approved and the grant is awarded, the total amount remains the same throughout the duration of the grant period. As your project unfolds, however, you may request a *budget modification* to transfer available funds between line items. (See the [PSP Application guide for procedures for requesting budget revision.](#))

Once the Institute awards a grant, you will receive a grant agreement to be signed and returned to the LI office. For institutional grants, the appropriate administrative officer must sign the official budget since this document outlines the organization's financial obligations. The grant agreement and attachments contain the following information:

- the grant number
- amount awarded
- the official budget against which expenditures will be monitored
- purpose of the project
- time period of grant
- tentative payment schedule
- financial monitoring guidelines required by the Institute
- legal information
- conditions pertaining to this grant
- the Institute's communication policies
- guidelines for final program and financial reports, including due date

BUDGET

Your budget should include two parts: a **line item budget** and a **budget narrative** that supports your request.

LINE ITEM BUDGET

Your line item budget should list all the appropriate accounts where money will be spent (e.g., Personnel, Travel, etc.) and the anticipated costs of project activities in each of these accounts. When appropriate, work with those responsible for accounting in your organization and to develop the budget based on your organization's chart of accounts, which will enable both the Institute staff and your organization's staff to monitor the budget easily.

The line items outlined in the sample budgets (below) do *not* include all of the types of items the Institute will consider funding. These samples simply indicate items *commonly* found in budget requests. If there are items in your project that you want the Institute to consider funding, please include these. On the other hand, do not include line items that are in the sample budget if they do *not* apply to your project.

If you are requesting funds for more than one year, arrange the budget in a calendar-year format, even though your own fiscal year may be different. Each right-hand column should show the total of each line item for the duration of the project for the calendar year, and the last right-hand column should show the grant total of the budget.

The Institute receives two types of requests for funding: one seeking entire support for a project and another seeking support for a portion of a project. If you are requesting support from the Institute to fund 100% of your project's costs, your budget should reflect all anticipated expenditures. If you seek support from the Institute for a *portion* of a project, your budget should include anticipated sources of income as well as anticipated expenditures. These other funding sources may include your own organization's in-kind support, other grant support, income from registration fees, and/or other contributions to the project.

BUDGET NARRATIVE

This section should include a written justification for each line item in your budget. Each narrative statement should briefly describe:

- the specific item
- how the specific item relates to the project
- how you calculated the amount requested

Here are sample narrative guidelines for frequently-listed items. Note: not all items will appear in all budgets.

1. Personnel

A. Salaries/Wages

List the position and the salary or wages requested for each person's work in the proposed project. If appropriate, you may include here the stipend for supply ministers who will fill in for you while you are conducting your project. If you would like the Institute to fund a percentage of someone's salary, note that percentage. In the budget narrative, state what that person's activities are with regard to the proposed project.

B. Fringe Benefits

Indicate the salary percentage your organization charges to fringe benefits. If you use different rates for different individuals, your narrative should contain a table summarizing calculations for each person.

<u>Sample Table:</u>	<u>Salary</u>	<u>Fringe Rate</u>	<u>\$\$</u>
Project Director	\$ 8,000	25%	\$2,000
Secretary	\$ 1,000	20%	\$ 200
			\$2,200

2. Administrative Support

Include in this category general expenses directly related to performing the proposed grant project. Typical entries include supplies, printing, postage, and telephone. These items need not be separately identified in the proposed budget, but should be explained in the budget narrative.

If your project requires purchasing books for seminar attendees, producing and printing brochures, generating mailings, or performing telephone surveys, list such large expenditures under a separate line item category.

Sometimes organizations will charge percentage allocations for administrative support. If you use percentages, indicate that percentage and how it was calculated.

3. Equipment

Although the Institute does not ordinarily award grants for capital expenditures, some projects may require the purchase of equipment for the achievement of project goals. List equipment requests separately from administrative support; estimate purchase price and document why you need this equipment.

4. Travel

Indicate projected travel expenses and document your calculations. Estimate travel expenses based on your organization's standard travel policies. The project director's supervisor or board member must approve the project director's travel; the project director must authorize all other travel expenses charged to PSP grant funds.

If your organization specifies a per diem amount for travel, indicate this amount and note what the figure includes. (Note: some per diem amounts include hotel expenses while others do not.)

Throughout the term of your grant, the Institute requires you (or your organization) to retain ticket stubs and itineraries to document air travel. We also require that someone other than the grantee authorize corporate credit card expenses.

5. Consultants

If you plan to hire project consultants, describe the purpose, expected duration of the consultant's work, and the daily/hourly rate you expect to pay. Consultant fees and travel expenses should be on separate lines unless fees include travel costs.

When you hire consultants, initiate and retain in your files a contract that includes the following:

- ❖ consultant's name, address, and social security number
- ❖ beginning and ending dates of engagement, and estimated number of consulting hours to complete the project
- ❖ description of work to be performed, reports written, etc.
- ❖ hourly rate and method of payment for work performed
- ❖ description of any special arrangements such as the hiring of secretarial/clerical assistance, renting of office space or equipment, overhead expense, etc.
- ❖ a termination statement noting time requirement and obligations for payment

6. Conferences

If your project includes a conference, list all costs directly related to the conference, using separate line items, e.g., travel, food, lodging, honoraria, etc.

7. Miscellaneous Costs

A separate line item may include miscellaneous costs that are not itemized above and not easily identified, but may be necessary to conduct the project. Please explain the types of items/activities you intend the miscellaneous costs to include.

SAMPLE BUDGETS

We encourage you to use these two sample budgets in preparing your own PSP budget:

SAMPLE BUDGET #1

	Project Title Proposed Budget		
	2016	2017	TOTAL
1. Personnel			
Salary replacement (3 months @ \$2,000 per mo)	\$6,000	\$6,000	\$12,000
2. Research Costs			
Books & Reference Materials	\$250	\$200	\$450
Telephone, FAX, mailing, copies, supplies	\$300	\$300	\$600
Travel & Lodging	\$725	\$350	\$1,075
TOTAL REQUESTED	\$7,275	\$6,850	\$14,126

SAMPLE BUDGET #2

**Project Title
Proposed Budget**

	2016	2017	TOTAL
Release time: hiring of supply minister	\$2,000.00	\$2,000.00	\$4,000.00
Travel			
1. Denver trip – Fall 2016 & Spring 2017 (2 days each trip)			
Airfare	\$298.00	\$298.00	\$596.00
Ground transportation - car rental	\$50.00	\$50.00	\$100.00
Meals for two days	\$70.00	\$70.00	\$140.00
Hotel accommodations (2 nights)	\$250.00	\$250.00	\$500.00
2. Washington, DC (2 days)			
Airfare	\$300.00		\$300.00
Hotel	\$250.00		\$250.00
Meals	\$100.00		\$100.00
Ground transportation	\$50.00		\$50.00
Registration fee for conference	\$50.00		\$50.00
Personnel & Supplies			
1. Summer Salary: calculated by dividing 10 mos. contract by 10 to obtain per month salary, multiplying by 2 mos. which will be spent finishing project	\$7,000.00		\$7,000.00
2. Fringe Benefits on summer salary	\$1,235.50		\$1,235.50
3. Transcription assistance (40 hrs @ \$10 an hour)		\$400.00	\$400.00
TOTAL REQUESTED	\$3,418.00	\$11,303.00	\$14,721.50