

Putting your budget together.

A 'budget' is a plan for how you will get money, and how money is going to be spent. When you prepare a budget for a project, you will need to think about all the costs that the project will include, and all the ways you will receive money.

Make a list of all the things you will need, and how much you will need of each.

Here is a simple example for a fund raising barbecue:

Item	Cost	Number needed	Total cost
Sausages	20c each	250	\$50
Bread	\$1 each	10	\$10
Fruit (package)	\$10		\$10
Cases of soft drink, water	\$5 each	5	\$25
Salad, onions (package)	\$10		\$10
Gas bottle	\$30 each	1	\$30
Insurance	\$25		\$25
Printing, paper, advertising	\$5		\$5
TOTAL			\$165

As well as the obvious items, such as equipment, stationery, uniforms and travel, your budget might need to include some of the following –

Wages: The major cost for most projects is the cost of wages for staff. Typically, organisations charge the award rate, plus a percentage to cover superannuation, insurance etc. Sometimes they also include a contribution towards the administration and management of the organisation. They call this extra bit the 'on costs', and it can vary from around 15% up to around 35%.

Because this is fairly complicated, we suggest you talk to a manager or bookkeeper to work out how much the project should charge per hour for staff.

In our example, the project used volunteers only, so had no wage costs.

Property costs: Do you have to contribute towards rent for the space you use? Do you need to contribute to the cost of utilities (water, gas, electricity)?

In our example, the project had no property costs, but used \$30 bottled gas.

Insurance: You will need to consider what insurances the project will need to have to ensure appropriate coverage – public liability, contents for equipment/resources purchased.

In our example, the project contributed \$25 towards insurance.

Office costs: Does the project need access to office equipment such as phone, internet, photocopier, desk and paper? Does the project need to buy these items outright or will the workers be able to share existing resources?

In our example, the project allowed \$5 for printing and paper.

Cost headings

An important part of having a budget is being able to keep track of where the money has gone.

To make this easier, individual items are grouped together under general areas, or 'cost headings.' When we spend the money later, we keep a track of how much we spent on each area so that, if we suddenly run out of money, we know where it all went.

Cost heading	Item	Cost	Number needed	Total cost
Food	Sausages	20c each	250	\$50
"	Bread	\$1 each	10	\$10
"	Fruit (package)	\$10		\$10
"	Cases of soft drink, water	\$5 each	5	\$25
"	Salad, onions (package)	\$10		\$10
utilities	Gas bottle	\$30 ea	1	\$30
Insurance	Insurance	\$25		\$25
Office costs	Printing, paper, advertising	\$5		\$5
	TOTAL			\$165

In this example, all the food items were put together. We can say we budgeted a total of \$105 for food, \$30 for utilities, etc

Income

So far, we've sorted out how we are going to spend our money. We just need to repeat the process to sort out where the money will come from. Make a list of all the sources of money you are expecting. This might be through a grant, through the organisation's funds, or through fees from the clients.

In the example, the group expects to get an initial grant from their organisation to pay for the food, a donation of fruit from a local greengrocer, and money from people buying drinks at the barbecue. If they thought the costs would be more than their income, they'd need to cut back somewhere.

Cost heading	Notes	Expected income
Grant	From organisation	\$165
Donation	via Bill's greengrocery	\$10
Sales	drinks	\$200
	TOTAL	\$375