



# Guide to Budget Preparation

**A**n important part of the grant application process is the preparation of the proposed program's grant budget. Lilly Endowment staff will review closely the budget provided and analyze what the organization anticipates the proposed activities will cost.

The Endowment encourages organizations to give careful consideration to program costs and make sure that the budget is clearly connected to the activities described in the Proposal Narrative. Budget development should involve from the outset those responsible for accounting procedures and financial policies. A budget that is based on the organization's chart of accounts allows for easier monitoring of expenditures.

If the Endowment funds the request, the organization will receive a grant agreement with an attached budget. The attached budget will be the "official" budget for the program. Program Directors should share the grant agreement and the attached budget with those responsible for the organization's finances because it outlines the financial responsibilities for the grant. The grant agreement includes a schedule for the submission of annual program and financial reports for the program. The chief executive officer or other authorized official for the organization will be required to sign and return the grant agreement.

## Budget Preparation

The organization is responsible for submitting a budget that is divided into three parts: 1) a detailed Line-Item Budget, 2) a Summary Budget, and 3) a Budget Narrative that explains how the organization has calculated specific line items. (A fuller explanation of the Summary Budget is found below.) Because both religion and finance staff at the Endowment will review the budget information provided, the organization needs to take care that it can be understood without referring to the Proposal Narrative. If the Proposal Narrative contains information that will strengthen the budget narrative, however, please reference the page number of the proposal.

**Line-Item Budget:** The organization's Line-Item Budget should list all the anticipated costs of the program in each of the appropriate accounts (e.g., personnel, proposed activities, travel, etc.) with which they are associated.

To assist the organization in preparing a budget, the Endowment has provided a budget format and sample budget. To request funding for 100 percent of the program's costs, only include Lilly Endowment Grant income. To request funding for a portion of a larger Budget that includes other funding sources, please list other funding sources under income. Other funding sources may include the organization's own funds, other grant support, other contributions to the program, and/or income derived from the program (i.e., tuition, registration fees, fees for resources or services, etc.).

The line items included in the sample indicate items commonly found in budget requests. They do not include all of the types of items the Endowment will consider for funding. If there are items in the program that the

organization wants the Endowment to consider for funding, please include those. Please do not include line items from the sample budget if they do not apply to the proposed program.

The sample budget should not be read as a recommendation for amounts in particular line items. The amounts for each line item proposed in the Budget should reflect a careful calculation of actual anticipated expenses for the organization's program and should be developed in conformity to the organization's policies.

Please arrange the Budget in a calendar-year format even though the organization's own fiscal or academic year may be different. Each column should show the total of each line item for the specific calendar year. The final column should show the total for each line item for the entire grant period.

In addition, please use whole U.S. dollar amounts in creating the budget.

**Summary Budget:** The organization should submit a one-page Summary Budget, in addition to the Line-Item Budget, with the proposal. The summary will include high-level budget categories condensing the Line-Item Budget into major and/or consolidated budget lines. If a grant is awarded, this Summary Budget will be attached to the grant agreement and will become the official budget for the program for the purposes of financial reporting to the Endowment.

**Budget Narrative:** Each proposal should include a separate Budget Narrative. This section should include a written explanation of how the organization calculated each line item in the Line-Item Budget. Each line item should have a brief narrative description stating:

- the specific item
- how the specific item relates to the program
- how the amount requested is calculated

Here are a few Budget Narrative guidelines for frequently used items.

**A. Personnel:**

1. **Salaries/Wages:** List the position and the amount of salary or wages requested for each person's work in the proposed program. Indicate whether the request is for the Endowment to fund all or only a portion of each person's time and state what percentage of that person's salary the request represents. If not clear from a person's title, state what each person's responsibilities are with regard to the proposed program.
2. **Fringe Benefits:** Indicate the percentages of salaries the organization charges to fringe benefits. If different rates are used for different individuals, the narrative should contain a table summarizing calculations for each person. See sample table below:

Personnel	Annual Pay	Fringe Rate	Benefits Cost
Program Director	\$,60,000	25%	\$15,000
Administrative Assistant	50,000	20%	12,500
Research Assistant	30,000	N/A	0
			\$27,500

- B. **Proposed Activities:** List all costs directly related to each proposed activity, using separate line items for travel, food, lodging, honoraria, etc. Program activities may include, but are not limited to:

- Cohort gatherings
- Focus groups/listening sessions
- Resource development (print or online)
- Conferences/meetings/retreats
- Online gatherings
- Coaching/facilitators
- Evaluation
- Communication
- Fundraising

**C. Equipment and Office Expenses:** Although the Endowment does not ordinarily award grants for capital expenditures, some programs may require the purchase of additional equipment to achieve program outcomes. Please list equipment requests separately from office expenses, provide estimated purchase prices, and document why the equipment is needed. If the Endowment awards equipment purchases, the equipment becomes the organization's property, not the property of an individual. However, the organization must make the equipment available for the grant purpose for the duration of the program.

Included in office expenses are general expenses directly related to performing the activities involved in the proposed grant program. Such items as supplies, printing, postage, database management, IT support and website hosting are typical entries in this category. There may be others as well. These items should be explained in the Budget Narrative.

If the program involves several large, discrete office expenses (such as purchasing books for retreat attendees, producing and printing brochures, generating mailings or performing phone surveys), list each as a separate line item and provide a brief justification of the calculations for each.

**D. Travel:** List projected travel expenses and document the calculations. The organization's standard travel policies should be used to estimate travel expenses. If a specific per diem amount is used for travel, please indicate the amount and note what the figure includes. For example, some per diem amounts include hotel expenses and others do not.

**E. Consultants:** Describe the purpose and expected duration of any consultant's work as well as the projected daily/hourly rate of pay. Please note that consultant fees and travel should be on separate lines unless fees include travel costs.

**F. Indirect Costs:** The line item titled "indirect costs" is intended to cover grant-related costs that are not itemized above and are not easily identified but may be necessary to conduct the program. Ordinarily, the Endowment will allow organizations to include indirect costs at up to 10 percent of direct costs. For example, if an applicant requests a \$1.25 million grant, the maximum allowable indirect costs would be \$113,636 (approximately 10% of \$1,136,364 in direct costs). In order for the Endowment to consider indirect cost allocations, your organization must explain the types of items/activities you intend to include in indirect costs.

# Line-Item Budget Format

LEGAL NAME OF ORGANIZATION

Indicate calendar year (do not use academic or fiscal year)

	202□	202□	202□	Total
<b>INCOME</b>				
Lilly Endowment Grant				
List of other funding sources				
<b>TOTAL INCOME</b>	\$	\$	\$	\$
<b>EXPENSES</b>				
Program Director				
Program Manager				
Assistant Professor				
Administrative Assistant				
Fringe Benefits				
<b>TOTAL PERSONNEL</b>				
Travel				
Honoraria				
Food/Lodging				
<b>TOTAL PROPOSED ACTIVITIES</b>				
Computer Hardware				
Supplies				
Graphics/Printing/Copying				
<b>TOTAL EQUIPMENT AND OFFICE EXPENSES</b>				
Airfare				
Meals				
Lodging				
<b>TOTAL TRAVEL</b>				
Evaluator				
Web Developer				
Audio-Visual Specialist				
<b>TOTAL CONSULTANTS</b>				
<b>Other Expense Categories as Included in Proposed Work</b>				
<b>Sub-Total Expenses</b>				
<b>Indirect Costs</b>				
<b>GRAND TOTAL</b>	\$	\$	\$	\$

\_\_\_\_\_  
(Name)  
PROGRAM DIRECTOR

\_\_\_\_\_  
(Name)  
FINANCE: V.P./CONTROLLER

# Line-Item Budget Sample

LEGAL NAME OF ORGANIZATION

INCOME	2023	2024	2025	Total
Lilly Endowment Grant	\$312,715	\$292,891	\$194,400	\$800,006
Funding Source #2	100,000			100,000
Funding Source #3	50,000	40,000	40,000	130,000
Funding Source #4	0	27,500	14,205	41,705
<b>TOTAL INCOME</b>	<b>\$462,715</b>	<b>\$360,391</b>	<b>\$248,605</b>	<b>\$1,071,711</b>
<b>EXPENSES</b>				
Program Director	\$50,000	\$52,500	\$55,125	\$157,625
Program Manager	27,500	28,875	30,319	86,694
Assistant Professor	25,000	26,250	27,563	78,813
Administrative Assistant	25,500	26,250	27,563	78,813
Fringe Benefits	37,620	41,420	41,420	120,460
<b>TOTAL PERSONNEL</b>	<b>165,120</b>	<b>175,295</b>	<b>181,990</b>	<b>522,405</b>
Travel			82,479	82,479
Honoraria		15,000	27,400	42,400
Food/Lodging			126,418	126,418
<b>TOTAL PROPOSED ACTIVITIES</b>		<b>15,000</b>	<b>236,297</b>	<b>251,297</b>
Computer Hardware	6,000			6,000
Supplies	1,200	1,419	1,398	2,730
Graphics/Printing/Copying	5,500	5,400	5,160	16,060
<b>TOTAL EQUIPMENT AND OFFICE EXPENSES</b>	<b>12,700</b>	<b>6,819</b>	<b>5,271</b>	<b>24,790</b>
Airfare	20,172	24,762	31,845	76,779
Meals	4,230	4,367	4,662	13,259
Lodging	14,450			14,450
<b>TOTAL TRAVEL</b>	<b>38,852</b>	<b>29,129</b>	<b>36,507</b>	<b>104,488</b>
Evaluator	11,250	12,732	13,840	37,822
Web Developer	3,960	3,960	3,960	11,880
Audio-Visual Specialist	7,200	7,200	7,200	21,600
<b>TOTAL CONSULTANTS</b>	<b>22,410</b>	<b>23,892</b>	<b>25,000</b>	<b>71,302</b>
<b>Sub-Total Expenses</b>	<b>239,082</b>	<b>250,135</b>	<b>485,065</b>	<b>974,282</b>
<b>Indirect Costs</b>	<b>23,908</b>	<b>25,014</b>	<b>48,507</b>	<b>97,429</b>
<b>GRAND TOTAL</b>	<b>\$262,990</b>	<b>\$275,149</b>	<b>\$533,572</b>	<b>\$1,071,711</b>

\_\_\_\_\_  
(Name)  
PROGRAM DIRECTOR

\_\_\_\_\_  
(Name)  
FINANCE: V.P./CONTROLLER

# Summary Budget Format

LEGAL NAME OF ORGANIZATION

Indicate calendar year (do not use academic or fiscal year)

	202□	202□	202□	Total
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**INCOME**

Lilly Endowment Grant

List of other funding sources

**TOTAL INCOME**

\$	\$	\$	\$
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**EXPENSES**

Personnel

Proposed Activities

Equipment and Office Expenses

Travel

Consultants

Other Expense Categories as Included in Proposed Work

Indirect Costs

**GRAND TOTAL**

\$	\$	\$	\$
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(Name)  
PROGRAM DIRECTOR

(Name)  
FINANCE: V.P./CONTROLLER