

Information Sheet: Putting your budget together

Sooner or later, however large or small your idea or event is, you will need to put together a budget. This can seem quite worrying, as a lot can depend on getting it right, but it is not as daunting as it might appear. You may find that the funder you are applying to can give you help and support on this – the Arts Council, for example, have a guidance sheet which you can download which sets out how the information they need should be gathered and presented. Even if you are not applying for external funding you should still put a budget together (and monitor your spending closely against it.)

Some areas to take into account:

- Be realistic – it may be tempting to trim bits off to make your costs seem lower, but in the long run this doesn't help. Things cost what they cost, so get a good variety of quotations and listen to what providers tell you about how prices may change
- Plan as carefully as you can – it is a good idea to list every single cost item you can think of but it can almost be guaranteed that you will still miss some items off. The earlier you start this process the more opportunities you will give yourself for remembering additional items and making alterations
- Include a contingencies fund – it is impossible to think of every single situation that may occur so it is a good idea to include a percentage as a contingency fund. 5-10% is a good average for this but it does depend on the nature and size of your project. Some external funders are happy to accept this as a budget item, but others aren't, so do check before you submit your application form
- Check your sums – and recheck and recheck! And get someone else to check them for you as well
- Be ready to show how you arrived at your costings. Application forms will often ask for totals, but assessors may well want to know how you arrived at them.
- Prepare two budget sheets – one should show the basic headings and the other should include all the detail. Submit these to external parties as required. Make sure that you keep them both up to date and that you do not become confused between earlier and later versions – be methodical about dating them/giving them sequential titles
- Don't forget "hidden" costs such as evaluation. Think about every single area of work you will need to undertake to complete your project or deliver your event and ensure that you have included the cost of each of these areas
- Consider "Full Cost Recovery" – this is the process of ensuring that each project contributes to the overheads and ongoing costs of the organisation or its core activities. If you are planning to approach external funders ask them about their policy on this – some work on a percentage basis, others may just say that "reasonable" overheads can be taken into account
- Don't be afraid to take advice from anyone who has undertaken something similar, although remember that there are some reasons why comparable projects do not work out costing the same. It can, for example, cost far more to put on an activity in a rural area
- Budget to always pay people the going rate. "Favours" can be very useful, but will only get you so far
- You should budget for the "real" cost even if you know you are not going to pay it, because the difference becomes an "in-kind" contribution. This means, for example, that if you are using volunteers to deliver some areas of work their contribution should still be costed in; if you get a discount from a local business this should be shown in the budget and so on
- Remember that there may be a long period of time between submitting your original budget to a funder and actually delivering an event. Inflation and other price changes may mean that you have under-costed your project. Be prepared to make adjustments but, if you need to do this *always* tell the funder about your planned changes and get their permission
- If you are costing volunteer labour as an in-kind contribution some funders, such as the Heritage Lottery Fund, have standard daily rates that you must use. These rates depend on the level of skill and expertise which is required for the role. As a minimum, voluntary labour should be costed at the Living Wage (or National Minimum Wage) but if a volunteer is volunteering in their own area of professional expertise (such as accountancy) the daily rate should increase accordingly.

The following list suggests some areas you may need to take into account when setting up your budget headings but it is *not* exhaustive:

- Artists/performers cost
- Venue hire
- Insurance
- Printing
- Publicity materials & marketing costs
- Pastoral care (if your project has, for example, children or young people taking part)
- Equipment purchase or hire
- Performing rights
- Costume hire or creation
- Volunteer travel costs and expenses
- Training costs
- Professional fees
- Materials
- Stationery
- Telephone
- Administration costs
- Fees for licences etc.
- Technical support including technician's fees, set-up and installation costs
- Contingency (usually about 5 - 10%)
- Evaluation
- Overheads
- Staff expenses
- Staff salaries (%)

Remember that your Community Officer can give you advice and support.