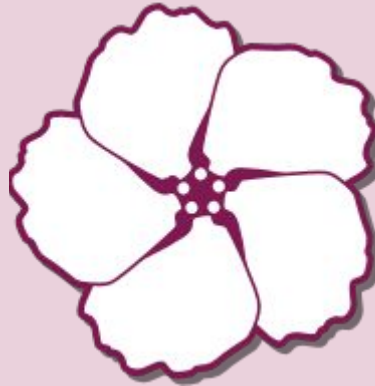


How to Talk About Your Budget

Application Guide Series: Episode 5



“How to Talk About Your Budget” is the fifth episode in the Rock Rose Foundation Application Guide video series. We recommend watching all the episodes to have a full understanding of our grant application process and expectations. In this video we will talk about how to respond to Rock Rose Foundation application questions about your organization’s budget.

You can find links to the application and other resources mentioned in this video on our website.

It’s important to note that this video series is specifically designed with the Rock Rose Foundation grant application in mind. While much of the information may be helpful in completing applications for other grants, you should **ALWAYS** make sure you are aware of each individual grant’s rules and expectations.

Budget

Common Mistakes:

- Too much/little detail
- Doesn't match program description
- Unrealistic or inaccurate

Here's where you upload a list showing what money you have and what money you need:

- Revenue (Income)
 - Funds that are already secured
 - Realistic potential funds (future grants, donations)
- Expenses
 - Program materials
 - Overhead costs - staff, location, utilities, equipment

Be clear about which expenses will be covered by the grant.

Estimates are NOT guesses!

- Make a list of items and price them out
- OK to use high end of range and round up slightly

A clear, researched budget is necessary for a strong application. We understand that our applicants may be newer organizations, and our budget expectations take this into consideration.

The size and complexity of your project will determine exactly what your budget looks like.

- If you are requesting operating funds, your budget must cover the organization in its entirety.
- If you are requesting programming funds for a self-contained project, you may focus your budget on that project, provided you include any funds the organization is contributing in the revenue section, and all staffing, services, etc. provided by the organization in the expense section.

The revenue, or income, portion of your budget will tell us what money you currently have and what money you are realistically expecting to receive in the future. Revenue should include in-kind donations (such as donated items or services) and all other grants. It is beneficial for us to see that you have other income sources, because it helps show the sustainability of your program!

The expenses portion of your budget should include an estimate of everything necessary for your organization or project to be successful! This includes program materials as well as overhead costs like staffing, rent, utilities, and equipment. Clearly indicate which of these expenses will be covered by the grant you are requesting. You may want to base your estimated budget on the realized revenue and expenses from your previous year. New organizations should research the cost of all expenses to develop their estimates. Remember: Estimates are NOT guesses.

Your budget should provide a clear and accurate picture of your current and expected financial situation. It should help us understand how you are using the money you raise. Most importantly, your budget will offer insight into how your organization is structured and what kind of research and planning has gone into your idea.

As long as your budget is typewritten and contains the required information, you may submit it in a format that is convenient for you. We prefer a spreadsheet or PDF, but can work with whatever you provide.

Sample Budget

Outstanding Applicants...
have done their research
about grant size AND the
true cost of running their
program.

[ORG NAME] Budget for [START DATE] to [END DATE]		
REVENUE	Secured/Committed Funds	Pending Funds
Grants/Contracts/Contributions	135,900	8,000
Earned Income (from sale of products, publications, etc)	500	
Membership Income	3,500	
In-Kind Support	1,000	
Other (specify)		
TOTAL REVENUE	140,900	8,000
EXPENSE	Amount Covered by Grant Request	Total Project Expenses
Salaries and Wages Executive Director 50,000 Full Time staff Part Time staff 25,000		75,000
Payroll Taxes		12,000
Benefits		6,000
Consultants and Professional Fees		900
Professional Development	1,000	1,500
Operations		
Rent	7,000	48,000
Utilities		4,000
Equipment		250
Supplies		250
Other		
TOTAL EXPENSE	8,000	148,900
TOTALS		
TOTAL REVENUE		140,900
(TOTAL EXPENSE)		148,900
TOTAL SURPLUS (DEFICIT)		(8,000)

This is an example of a proposed budget. You can find a downloadable template on our website. Yours may be organized differently or be in a different format. If you have a budget already prepared, you may simply attach that. If you do not have a budget, you may use this as a guide for creating your own.

- Arrow 1 indicates the section where you list the funds you have already secured. This should include grants that have been received, individual donations, in-kind contributions, or earned income.
- Arrow 2 indicates the section where you list the funds you are hoping to receive. This should include grants you expect to receive in the future (including this one), earned income, or fundraising you have planned.
- Arrow 3 indicates the section where you identify the expenses you plan to pay for with THIS Rock Rose Foundation grant.
- Arrow 4 indicates the section where you list ALL the expenses related to this organization or project.

Your categories may look different - adjust them to match the revenue and

expenses your organization experiences or expects to experience. You may wish to itemize larger categories, particularly if they make up a significant portion of your income or expense or if they are particularly relevant to the grant money you are requesting. (see Salaries and Wages on the sample.)

Budget Narrative

Common Mistakes:

- Assumption of knowledge
- Lack of clarity
- Too vague about impact

This is where you elaborate on your budget and provide any necessary justification of:

- VERY BIG numbers
- Industry or issue specific numbers
- Anything unexpected or unusual
- Common areas of suspicion/misunderstanding
 - Salaries
 - Rent
 - Presenter's fees
 - Travel/Hospitality expenses
 - Predicted participation/clients/need

How is your budget creating impact and helping you meet your mission?

Along with your attached budget, please provide a short description about how you would specifically use Rock Rose Foundation grant funds. The narrative is your opportunity to help us understand the data provided in your budget. Include anything you feel will help us better see your vision for your organization or project.

In particular, we recommend you

- * Explain any unusual budget items,
- * Discuss assumptions on which the budget is based,
- * Discuss how partnerships or collaborations with other organizations may impact your budget, and
- * Discuss other funding sources.

NOTE: sharing information about your other grants and contributions helps us understand your sustainability and will not prevent you from receiving funding.

Sample Budget Narrative

Common Mistakes:

- Lack of detail
- Math errors

We are seeking \$8,000 to help advance our outreach. In addition to our revenue, we rely on a committed group of 10 - 20 volunteers monthly to help with running our programming and outreach. We partner with two other non profits in order to reach a wider audience. We also receive gifts in kind from individuals and organizations that do not contribute monetarily. These are usually tablets, office supplies, snacks, and beverages. All of these gifts in kind are used to help supply our volunteers.

This year we hired one part-time grant writer in order to help increase our revenue. We have already secured 3 grants this year. The \$8,000 requested would help cover the remaining costs, specifically rent for the space used to host our outreach events. \$1,000 will be used for volunteer training. Any surplus in our budget will go to staff professional development and increased volunteer training.

The "Other," category consists of the cost of printing and purchasing training materials and workbooks for our volunteers.

This slide shows an example of what your narrative statement could look like. Yours may be longer or shorter and should include additional details relevant to your proposal. Please review the information you provide in your budget narrative to make sure the math is mathing.

What if I'm Not a Strong Writer?

- **DO** your best to be professional and accurate.
- **DO** let your passion and personality shine through!
- **DO** trust yourself and your vision!
- **DO** ask someone you trust to review your application.
 - Spelling, grammar, & punctuation
 - Clarity - does it make sense?
- **DON'T** stress about small mistakes - We're not perfect and we don't expect you to be.
- **DON'T** wait until the last minute to get started.
- **DON'T** rely on AI to write for you.
 - **This is important!** We can tell because AI gives the same basic answers to everyone.

And here's one more reminder that we are more focused on how your answers bring your vision to life and show thorough planning than whether they are perfectly written. You can find a more complete discussion of how we feel about AI and our writing expectations in episode 4.

In brief, we do not recommend using AI to write your narrative responses. We would much rather hear YOUR voice coming through. While it's always a good idea to make your best effort at sounding professional, we are willing to overlook the occasional spelling or grammar mistake. If you DO use AI, we recommend doing some heavy editing to make its **stock** answers original to you. In summary, we care more about your program and your passion than your ability to write perfectly.

Supporting Documents

Common Mistakes:

- Required items missing
- Sending unnecessary or unsafe info
- Unreadable format

REQUIRED: Itemized budget

REQUIRED: Cash flow statement

- Established organizations only
- Show profit & loss from previous year
- NOT A BANK STATEMENT!

Optional

- Other relevant financial statements
 - NEVER YOUR BANK STATEMENT!
- Verifying documents - payroll, rent, utilities, etc
- Research regarding the cost of items intended to be purchased

A complete application must include the attachment of an itemized budget (as discussed earlier in this video). Any organization that was in business the previous year must also attach a copy of the previous year's cash flow statement. This is a document showing your confirmed revenue and expenses from the previous fiscal year.

And, for real, friends: We do NOT want you to send any portion of your monthly bank statement. NEVER send passwords, bank account information, or other financial access information to anyone. BE SAFE!

If there is any further information you feel you need to share, whether it's for your budget, your program, your curriculum, or anything else, we have provided 3 additional file upload buttons. If you need to share more than 3 files, feel free to upload a ZIP file. We do not require any further information than requested above, but this space is available if you need it!

Thanks!

Contact us:

Rock Rose Foundation
PO Box 690122
Killeen, TX 76549

info@rock-rose.org
www.rock-rose.org

Exec Dir: Kelsey Hunt
kelsey@rock-rose.org
Board Chair: Solange Hommel
solange@rock-rose.org



That's the whole thing! You should now have all the information you need to submit a strong application for our grant.

You can find links to the resources mentioned in this video on our website at www.rock-rose.org. Our executive director, Kelsey Hunt, is happy to answer questions about the foundation and our grant application. You can reach her directly via email: kelsey@rock-rose.org.

In the next video, called "Submitting Your Application ... And Beyond," we will talk about how to put the finishing touches on your application and what to expect after you've hit submit.