

### **GUIDELINES FOR BUDGET PREPARATION**

*Only properly prepared, clear budgets that have reasonable and allowable cost items will be approved.*

*Here are a few tips on budgeting for Grants projects:*

1. All costs must be reasonable and allowable under USAID regulations.
2. All goods and services included in the budget must be necessary to carry out the activities described in the proposal.
3. Only include costs directly related to carrying out the activity. Any support or administrative costs must be kept to a minimum.
4. Only that labor which is required specifically for the project will be considered, and compensation rates must be based upon the person's compensation for other projects during the last two years. If labor is approved in the grant, formalized timesheets must be completed throughout the project duration.
5. Value Added Tax (VAT) cannot be charged to the grant.
6. All prices must be at current market prices.
7. Be specific when describing the assumptions you are making as you calculate the cost. Indicate unit cost, quantity, and total cost for each line item.
8. If equipment is required for the activity, consider if rental of the equipment is possible and practical. If equipment must be purchased, describe the equipment as clearly and completely as possible, providing the comparable rental cost for the same equipment and timeframe.
9. Grant audit costs should be included in the budget.

SAMPLE BUDGET FORM FOR SMALL GRANT APPLICATIONS

Anticipated expenditures		GRANTEE NAME:					Grant Agreement No:			
#	Budget line Item	Unit Cost	Unit	Project share	Quantity	Total project cost	J4A %	J4A \$	Grantee %	Grantee \$ (cost share)
<b>Project Labor</b>										
<b>Example</b>	Project Director	\$1,000.00	month	25%	6	\$1,500.00	60%	\$900.00	40%	\$600.00
2	Project Director					\$		\$		\$
3	Project Assistant					\$		\$		\$
4	Director of Finance & Administration					\$		\$		\$
5	Expert consultant					\$		\$		\$
6						\$		\$		\$
	<b>Labor subtotal</b>					<b>\$1,500.00</b>		<b>\$900.00</b>		<b>\$600.00</b>
<b>Project Costs</b>										
1	Printing					\$		\$		\$
2	Graphic Design					\$		\$		\$
3	Meeting and Conferences					\$		\$		\$
4	Honoraria					\$		\$		\$
5	Equipment rental					\$		\$		\$
6	Distribution					\$		\$		\$
7	Web site development and hosting					\$		\$		\$
8	Supplies					\$		\$		\$
9	Indirect costs / overhead					\$		\$		\$
10	Bank costs					\$		\$		\$
11	Grant audit costs					\$		\$		\$
	<b>Project subtotal</b>					<b>\$</b>		<b>\$</b>		<b>\$</b>
	<b>Total</b>					<b>\$1,500.00</b>		<b>\$ 900.00</b>		<b>\$ 600.00</b>