

Voluntary Sector Support

Creating a fundraising budget



What is a budget?

A budget is very much like a shopping list. It should include everything that you need so that you can run your project. Before making your budget; think about how long you require funding for – this will depend on how long it will take you to achieve your project's outcomes and how long the funding you are applying for is available for.

It is very important that you use 'Full Cost Recovery'. Full Cost recovery means including the direct costs of projects and all your overheads. The 'Directs Costs' are costs incurred as a direct result of running a project or service.

The 'Indirect Costs' (or Overheads) are costs incurred by an organisation in order to support the projects it runs.

Download further information on full cost recovery [here](#).

Step One:

Firstly, write a list of all of the things that you may need to run your activity, for example:

| | | |
|----------------|--------------------|------------------------|
| Equipment | Photocopying | Travel costs |
| Stationary | Telephone | Staff costs |
| Room hire cost | Internet | Any necessary training |
| Postage | Volunteer expenses | Insurances |

Step Two:

Estimate how much each of these items will cost your group over your chosen timescale.

Some items, such as insurances, equipment will have a one-off or annual cost. Some items, such as rent, utility bills etc, will have a monthly cost. Therefore, estimate the cost of each item for one month and then multiply this by twelve. For some items, such as a room hire or volunteer expenses, it may be better to calculate for a week and multiply this by the appropriate number of weeks.

Step Three:

Write these items and their costs in a list and add up all of the figures to find your total.



An example budget:

| Item Cost | Total Amount |
|---|--------------|
| Room Hire £10 per hour x 4 hours per week x 40 weeks per year | £1600 |
| Stationary various items see quote | £83 |
| Insurance £310 per year | £310 |
| Telephone Costs £15 per month | £180 |
| Volunteer Travel Expenses £2.50 per volunteer x 3 volunteers x 2 times per week x 40 weeks per year | £600 |
| Volunteer Training £150 x 3 volunteers | £450 |
| Computer Equipment PC / Printer / Scanner see quote | £699 |
| Radio See written quote | £45 |
| Total: | £3967 |

Handy Tips!

- Make the costs as realistic as possible and wherever possible do your homework and get quotes.
- Include everything that you could need on this budget. If you end up having to downscale that's ok but you can very rarely add things when you have already applied for money.
- When you have completed your budget take a break and then look at it again and try and imagine how this appears to someone who knows nothing about you or your project.

Ask yourself: 'Do the amounts in this budget seem fair and accurate? Would you give another organisation this amount of money for this project? Can you justify each amount and explain how you arrived at your costing?'

- Remember that when you apply for money you are competing against lots of other groups. If you apply for money that you do not need, or overestimate the costs of individual items, the funder may decide to give the funding to another organisation.

