

get it right on... **Project Budgets**

Budgets are essentially plans to show how you are going to spend the money your organisation receives.

The budget will clearly show whether your income and expenditure will match up. If your expenditure is greater than your income you will clearly have to rethink your plans!

It can often be easier to plan a budget for a whole organisation if you break it down into individual activities or projects.

Having a budget also allows you to monitor the financial position of the organisation and its projects throughout the year.

Remember, when preparing budgets, you should consult with the people who are going to be responsible for working within it.

Steps to Budgeting

Step 1:

List all your expected source of income

This can include grants, donations, fees, contract values, service level agreements, memberships, bank interest etc.

Step 2:

List all of your expected costs

This can include general costs such as salaries, heat and light, rent, activity costs, travel etc. Remember to include any capital costs e.g. decorating, equipment, materials. Also remember to include any capital project fees e.g. planning fees etc. You might find using last year's accounts as a useful starting point.

Step 3:

Prepare a budget table

A sample which you can use is shown on the next page

Step 4:

Analyse your results

If the bottom line shows a negative value, the budget is not viable and needs a re- think.

Step 5:

Use the budget as a monitoring tool

Monitor income and expenditure and take action quickly if the income falls short of the target or the expenditure exceeds it.



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		This reporting period		Year-to-date	
		Budget	Actual	Budget	Actual
Income					
	Total income				
Expenses					
	Total expenditure				
	Balance				