Integrating Program Design and Budget

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Agenda

- Introductions
- Review Best Practice Budgeting for Non-Profits
- Activity 1 –Fiscal Lingo Bingo

Break

- Typical RFP Budget Questions
- Activity 2 - Characteristics of Ideal Program Budget
- Review Common Budget Mistakes
- Activity 3 – Program Budget Analysis

Objectives, by the end of this session we want you to:

1. Have increased understanding of budgeting best practices.
2. Have increased understanding of fiscal terminology commonly used in the non-profit world.
3. Have improved awareness and appreciation of the importance of budgets in program design and grant writing
4. Know what mistakes to avoid when developing a program budget.
5. Be better equipped to develop a program budget, if needed.
6. Have laughed at least once ☺.

Best Practice Budgeting

Connecting the Mission with the Money

“If you don’t know where you are going, any road will get you there”

Lewis Carroll

Question

Is being “under budget” always good?

- Let’s identify 5 reasons it could be a good thing
- Let’s identify 5 reasons it could be a bad thing

Key Points about Budgets

- **A budget is a financial representation of an organization's strategy**
- **Expenses are not good or bad**
- **Effectiveness first, then efficiency**
- **Don't start with numbers – start with a rationale for investing**
  - How does this program/ department support the mission?
  - What outcomes do you expect to achieve and when?
  - Why are these expenses necessary?
  - How will these investments produce outcomes more effectively in the future than in the past?

3 Basic types of Budgets

Zero based & metric driven (best, but rare)

Last year +/- 5% (poor, but most common)

Funder determined (worst, but common)

Question

Have you ever participated in a “budget spend out”?

- What was the rationale used at the time?
- Identify 2 reasons why this could be a good thing
- Identify 2 reasons why this could be a bad thing

Best Practice Budgeting

The following Best Practices (BPs) are adapted from a variety of sources including AAFCPAs, Phrofix

- **BP 1: Assess Key Trends and Ratios**
- **BP 2: Zero-Based Budgeting**
- **BP 3: Assess Each Program for mission fit, if it is covering costs, and contributing to covering overhead**
- **BP 4: Assess Other Important Factors and Risks such as revenue concentrations and fixed cost changes**
- **BP 5: Budget for a Surplus**
- **BP 6: Avoid the "Nonprofit Starvation Cycle"**
- **BP 7: Build Budget Buy-In and Ownership**
- **BP 8: Monitor the Budget Throughout the Year**

Benefits of Best Practice Budgeting

The following Best Practices (BPs) are adapted from a variety of sources including AAFCPAs, Phrofix

- **Mission alignment within departments and across the organization**
- **Improved ownership and accountability**
- **Control over the information processes**
- **Faster and more reliable accounting processes**
- **Reduced risk**

Activity 1 –Fiscal Lingo Bingo

- Find a partner and get a FISCAL LINGO BINGO card
- First find the corresponding definition for each FISCAL LINGO on your card – hint there are more definitions than there are LINGOs – put the letter (i.e. b, or cc) – you have 10 minutes!
- Once all your LINGO words have been called you can call BINGO
- You will only win our amazing prize if your definitions are all correct (if you have even one wrong we'll resume the game)


Monday, December 7, 2009
I NEED A BUDGET ESTIMATE FOR MY PROJECT. BUT I DON'T HAVE A SCOPE OR A DESIGN FOR IT YET.
OKAY, MY ESTIMATE IS $3,583,729.
YOU DON'T KNOW ANYTHING ABOUT MY PROJECT.
THAT MAKES TWO OF US.
DilbertCartoonist@gmail.com
Dilbert.com
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Common Budget Questions

- What is your overhead or indirect rate?
- How will you sustain this program after this grant runs out?
- How will you use the funds if you receive this grant?
- If you receive a partial grant, will you still implement this program?

Question	What you may want to say BUT SHOULDN'T!!	Instead you should…
1. What is your overhead rate?	It is too low. We systematically under-invest in human resources, financial management, and program management to keep it that way. By doing so, we have a nice, low overhead number to put on grant applications like this one. Please send money.	Use their allowable indirect rate. Use your federally approved indirect rate if you have one.

https://nonprofitaf.com/2018/02/answers-on-grant-proposals-if-nonprofits-were-brutally-honest-with-funders/

Question	What you may want to say BUT SHOULDN'T!!	Instead you should…
2. How will you sustain this program after this grant runs out?	We will leave you alone and harass other people, continuing to spend half our time trying to convince other foundations that our programs and communities are worth being supported, instead of running and improving the programs that our communities desperately need. Then, after a year or so, when hopefully you forgot that we applied earlier, we'll reapply to your foundation. Please send money.	Give this question some serious thought, it's actually important ☺

Question	What you may want to say BUT SHOULDN'T!!	Instead you should…
3. How will you use the funds if you receive this grant?	We honestly really need this grant to pay for rent and utilities and for wages so our staff can do important work and feed their families, but since you won't allow your funds to be used for those things, we will say that your grant is paying for whatever you will actually fund, then get other funders or donors to give and then tell them that their money is paying for the stuff that they want to fund. We will ultimately waste hundreds of hours every year trying to figure out who is paying for what, hours that could be used to deliver services. Please send unrestricted money.	Summarize the types of costs that will be covered and connect them to activities and outcomes (if space permits). X% of grant funds will be spent on direct staff costs to deliver required services…

Question	What you may want to say BUT SHOULDN'T!!	Instead you should…
4. If you receive a partial grant, will you still implement this program?	Likely we will, because the needs are so high, but it will not be the awesome program we envisioned, since we'll have to cut program components, not hire the staff we need, and not be able to serve as many people as we want. But if that's the only choice, we'll reluctantly take it. Then, on some nights, we'll stay awake, staring at the ceiling, crying a single tear that streaks down our worn faces, lit by the moonlight, imagining what could have been. Please send money.	Most reasonable answer may be that you can deliver some component or will serve fewer people. Or if the honest answer is "no" then that's what you say.

Activity 2 -Discussion

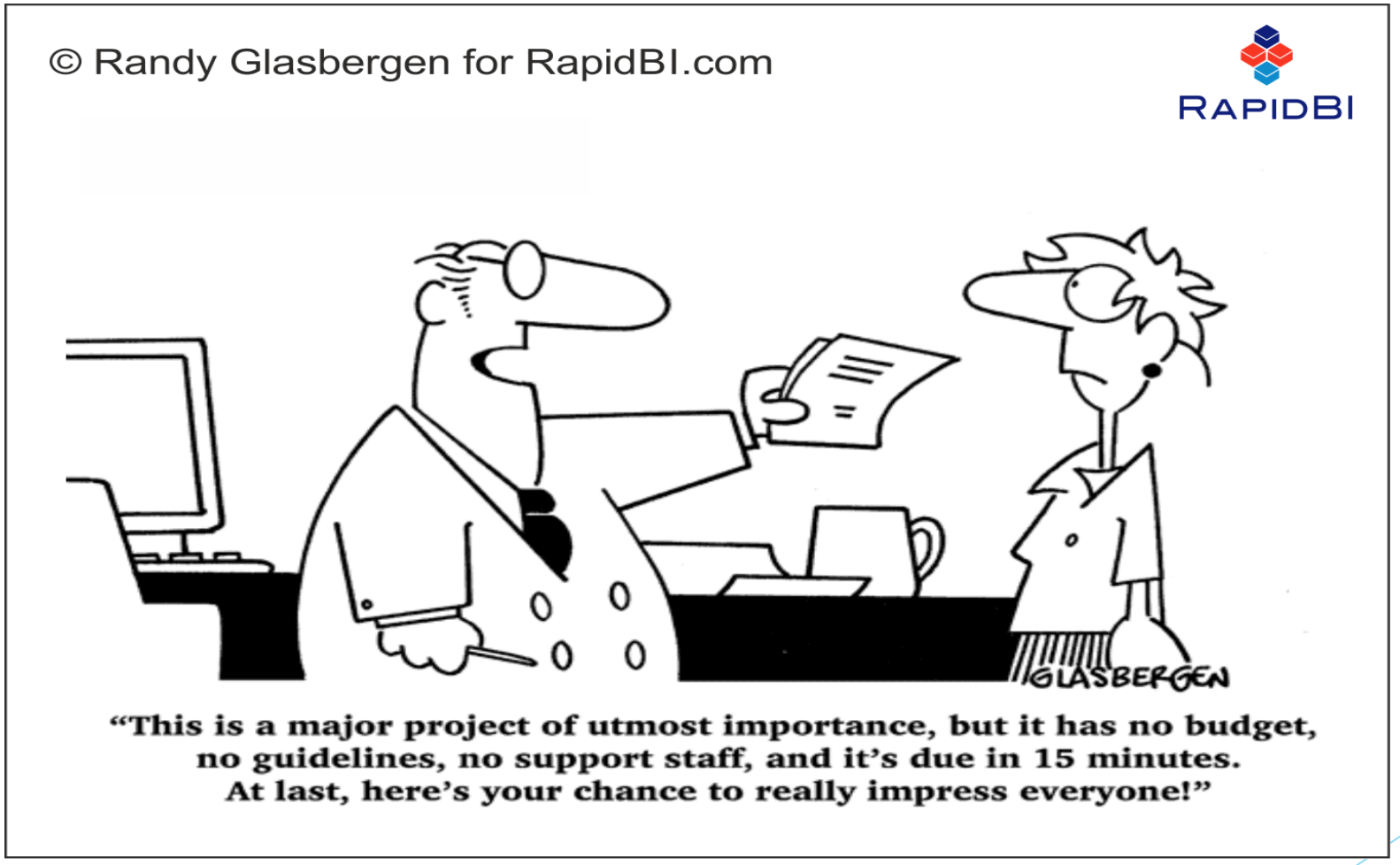
What are the characteristics of a well-developed program budget?

What are funders looking for in a program budget?

REVIEW - Most Common Budget Mistakes

- Budget doesn't align with the design
  - *Items are included in budget that are not mentioned in the narrative*
  - *Staff titles are different in the budget than in the design*
  - *Costs are missing from budget*
- Budget doesn't follow RFP instructions or restrictions
- Individual line item costs are too high (or too low)
- Per unit cost is too high (or too low)
- In-kind line items details not provided – or with insufficient detail
- Mathematical errors
- Poorly developed budget narratives

Developing a Program Budget



Step-by-Step Approach to Developing a Program Budget

1. Look at your **program outcomes and strategies**

- "what resources (in a logic model these are often called "inputs") do we need to accomplish these outcomes?"

- "what resources do we already have that we can build upon?"

2. **Review the RFP guidelines**

3. Create a **rough estimate budget**

3. Calculate the **per unit or per outcome cost**

- "is this reasonable?"

4. **Collect information** on actual and estimated costs

5. Develop your program budget in an **excel spreadsheet**

- have a column that documents the assumptions or math used in developing your budget or the source of an estimate
- divide costs between grant request and in-kind/match.

6. **Cross reference** your budget with the program narrative

7. Double check the **RFP instructions**

8. Double check your **math**!

Activity 3 – Program Budget Analysis

- Find a partner
- Review the example budget narrative and spreadsheet
- Complete the budget analysis worksheet

References and Resources

https://nonprofitsassistancefund.org/sites/default/files/publications/nonprofit_operating_reserves_and_policy_examples_2014.pdf

https://www.aafcpa.com/2017/07/03/best-practices-managing-nonprofit-operating-budget/

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http://www.wallacefoundation.org/knowledge-center/resources-for-financial-management/Documents/A-Five-Step-Guide-to-Budget-Development.pdf

https://www.councilofnonprofits.org/tools-resources/budgeting-nonprofits

https://www.rbpmethods.com/2015/12/budgeting-best-practices-specifically-for-nonprofits/

https://nonprofitquarterly.org/2016/09/08/fundraising-on-a-budget-and-understanding-the-fundraising-budget/

Please Send Money![1]

Question	What you may want to say BUT SHOULDN'T!!	Instead you should
1. **What is your overhead rate?**	It is too low. We systematically under-invest in human resources, financial management, and program management to keep it that way. By doing so, we have a nice, low overhead number to put on grant applications like this one. ***Please send money.***	**Use their allowable indirect rate. Use your federally approved indirect rate if you have one.**
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4. **If you receive a partial grant, will you still implement this program?**	Likely we will, because the needs are so high, but it will not be the awesome program we envisioned, since we'll have to cut program components, not hire the staff we need, and not be able to serve as many people as we want. But if that's the only choice, we'll reluctantly take it. Then, on some nights, we'll stay awake, staring at the ceiling, crying a single tear that streaks down our worn faces, lit by the moonlight, imagining what could have been. ***Please send money.***	**Most reasonable answer may be that you can deliver some component or will serve fewer people. Or if the honest answer is "no" then that's what you say.**

[1] https://nonprofitaf.com/2018/02/answers-on-grant-proposals-if-nonprofits-were-brutally-honest-with-funders/

TEN TIPS FOR EFFECTIVE & EFFICIENT GRANT BUDGETS

When you do your proposal overview include

1. Carefully review the Request for Proposal or Application guidelines and make note of any requirements regarding the budget – this will often include

- **Formatting instructions (use of table, specific font, column headings) or a budget template/form**
- **Expenses that are not allowable – i.e. equipment or construction**
- **Expenses that are allowable – i.e. personnel expenses or start-up costs**
- **Expenses that are required – i.e. amount to cover costs of a mandatory grant meeting is common**
- **Budget categories**

2. Do a ball park budget as early on as possible – this helps you determine if your design aligns with the funding amount.
3. Make strategic and smart decisions about how specific to be with your numbers – you want to give enough detail to show that you are basing your budget on solid information but may not want to commit yourself to purchasing specific items.
4. Make sure all of your costs are (a) Necessary and Reasonable (b) Allowable & Allocable. This goes back to the OMB Regulations. You can't be spending the funder's money the wrong way–the funding agency and you are accountable.
5. Use of Tables for multiple year grants is highly recommended. They make your budget look more presentable and they help the reviewer have a bigger picture of your project.
6. If you are new to writing grants, get help from the Finance Office to make sure you get the most accurate information on personnel & fringe. Even, check with your accounts payable office to analyze past expenses that you are writing in your grant budget.
    a. Request quotes from vendors if you are writing a big budgeted item such as Software. Include that in your budget narrative as well.
7. If Contractual Services has 3 or more subcontractors use a pie or graph chart to show much funding is going to each subcontractor along with the %. The pie charts or graphs will add color to your proposal and it makes the budget look simpler.
8. When using the budget category descriptions–you don't want to be very specific. This will tie you to that item. Be generic so that you have the flexibility to buy from anywhere.
9. Write your budget narrative wisely. A reviewer should be able to match that with your project narrative.
10. Make sure your MATH is accurate. Numbers are beautiful when they balance. Oh and round off your numbers unless specifically told not to.

Non-Profit Budget Best Practices

References and Resources

1. https://www.aafcpa.com/2017/07/03/best-practices-managing-nonprofit-operating-budget/

2. http://www.encorebusiness.com/app/uploads/2016/09/best-practices-for-planning-budgeting.pdf

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6. https://www.councilofnonprofits.org/tools-resources/budgeting-nonprofits

7. https://www.rbpmethods.com/2015/12/budgeting-best-practices-specifically-for-nonprofits/

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9. https://nonprofitsassistancefund.org/sites/default/files/publications/nonprofit_operating_reserves_and_policy_examples_2014.pdf

10 Step Annual Budgeting Checklist

Nonprofits Assistance Fund
Helping nonprofits thrive

A budget is a planning tool that reflects an organization's programs, mission, and strategic plan. Typically the budgeting process should begin at least three months before the end of the fiscal year to ensure that the budget is approved by the board of directors before the start of the new year.

1. Determine timeline

- ☐ Set target date for board approval
- ☐ Allow time for each step and for review and discussion
- ☐ Approve before beginning of fiscal year

2. Agree on goals

- ☐ Prioritize program delivery goals
- ☐ Set organizational financial goals
- ☐ Clarify annual goals from strategic plan

3. Understand current financial status

- ☐ Review current year income and expense compared to budget
- ☐ Forecast to the end of the year
- ☐ Analyze and understand any variances

4. Agree on budget approach

- ☐ Assign roles and responsibilities
- ☐ Agree on authority to make decisions
- ☐ Agree on how much uncertainty can be included (how many unknowns)

5. Develop draft expense budget

- ☐ Determine costs (expenses) to reach program goals
- ☐ Determine costs to reach organizational and strategic goals

6. Develop draft income budget

- ☐ Project income based on current fundraising and revenue activities
- ☐ Project new income based on new activities

7. Review draft budget

- ☐ Verify that the draft meets program and organizational goals
- ☐ Review and discuss all assumptions
- ☐ Make adjustments, based on goals and capacity, to match income and expenses
- ☐ Review final draft for all goals and objectives

8. Approve budget

- ☐ Present to any committees as needed
- ☐ Present to the board for approval

9. Document budget decisions

- ☐ Create a consolidated budget spreadsheet and file
- ☐ Write down all assumptions

10. Implement budget

- ☐ Assign management responsibilities
- ☐ Incorporate into accounting system
- ☐ Monitor and respond to changes as needed

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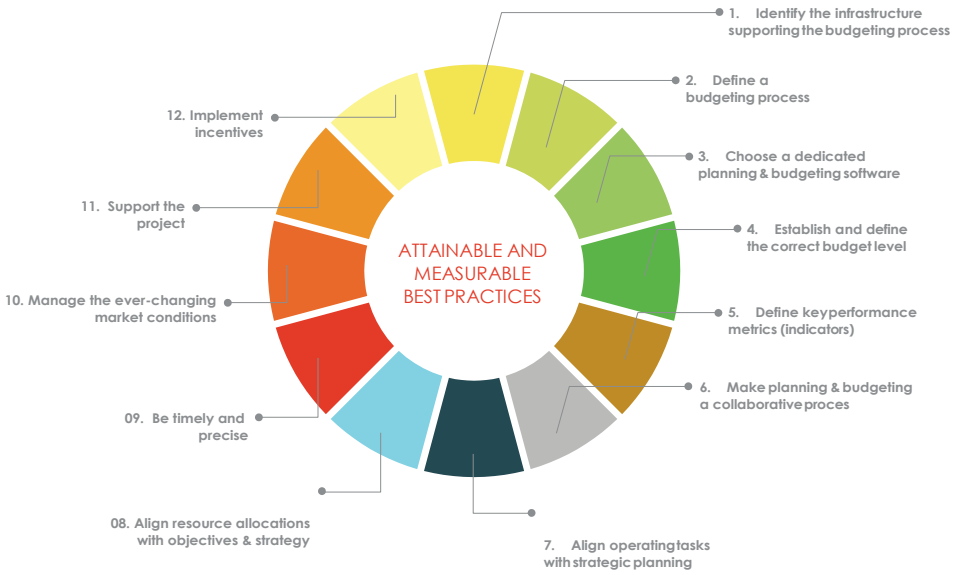

Identify the infrastructure supporting the budgeting process

1

Understanding the components that support your budget plan is crucial for effective budgeting. From employees and knowledge to processes and technology, know how these components affect the business. Begin by correctly assessing employees' skill levels and assign tasks and responsibilities accordingly. Employees who are trained (and cross-trained) in the appropriate tasks offer greater stability to the company and to items in the budget plan.

Once the individuals have been assigned tasks and responsibilities, the next crucial step is providing the correct tools and processes for them to complete these successfully. Subsequently, by ensuring the budgeting process has been well documented and communicated, the tool will allow flexibility and control throughout the process.

With the right resource allocation, knowledge transfer increases and dependability on key personnel decreases. Companies following this best practice are given more time to focus on the analysis of pertinent information rather than managing the process.

More than half of corporate financial officers say their biggest challenge in preparing accurate forecasts is the amount of time it takes to collect appropriate data, according to an Accenture survey of 200 finance, treasury and cash management executives in the United States and the United Kingdom.

—John Cummings, Business Finance

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Budget Narrative Worksheet

1. **Narrative = Story. What overarching messages or storylines can you find in this narrative**

   Example of a message that this narrative is aiming to convey: "We have based our budget on good knowledge of what things cost"

   a. _____
   b. _____
   c. _____

2. **Find an example of each of the following in the example budget spreadsheet and narrative**
   a. A cost category:
   b. A line item:
   c. An output:
   d. An outcome:
   e. A justification statement:
   f. A calculation statement:
   g. An inkind contribution:
   h. Indirect cost rate:

3. **Calculate the per unit cost for the PLTW and Summer Camp strategy, with the unit being each student who receives the intervention.**
   a. PLTW:
   b. Summer Camp:

4. **Find a statement in this budget narrative that addresses the challenge of sustainability.**

5. **The program that this budget supports includes multiple strategies with each strategy supporting a specific goal and outcome. There is a hidden column in the budget that was submitted that says which outcome each line item supports.**
   a. Find three line items in three different cost categories that you think would have "all outcomes" in the hidden column.

   b. Find the line items that you think would specifically support an outcome of improved academic achievement of students with special needs.

Fiscal Lingo Bingo

Per unit cost	Unrestricted funds	Fixed Cost	Deficit
Overhead	Leveraged resources	Excess Cash flow	Line item
Cost reimbursement	Assets	Surplus	Matching resources
Expense	Zero-based	Indirect rate	Fiscal solvency

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Fiscal Lingo Bingo

Positive Cash Flow	Budget	Deficit	Leveraged resources
Overhead	In-kind	Revenue	Per unit cost
Matching resources	Surplus	Cost reimbursement	Zero-based
Excess Cash flow	Assets	Fiscal solvency	Accounts Receivable

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Fiscal Lingo Bingo

Revenue	Per unit cost	Line item	Positive Cash Flow
Fiscal solvency	In-kind	Excess Cash flow	Deficit
Surplus	Performance based reimbursement	Cost allocation plan	Fixed Cost
Indirect rate	Budget	Cost reimbursement	Assets

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Fiscal Lingo Bingo

Revenue	Performance based reimbursement	Matching resources	Fixed Cost
Indirect rate	Unrestricted funds	Deficit	Line item
Zero-based	Budget	Excess Cash flow	Assets
Positive Cash Flow	Expense	Per unit cost	Fiscal solvency

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Fiscal Lingo Bingo

Zero-based	Surplus	Leveraged resources	Cost reimbursement
Line item	Matching resources	Assets	Overhead
Positive Cash Flow	Performance based reimbursement	Revenue	Excess Cash flow
Cost allocation plan	Fixed Cost	Fiscal solvency	Unrestricted funds

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Fiscal Lingo Bingo

Zero-based	Cost reimbursement	Leveraged resources	Excess Cash flow
Accounts Receivable	Fiscal solvency	Revenue	Per unit cost
Unrestricted funds	Assets	Budget	Indirect rate
In-kind	Deficit	Cost allocation plan	Fixed Cost

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Fiscal Lingo Bingo

Leveraged resources	Budget	Positive Cash Flow	Cost allocation plan
Deficit	Excess Cash flow	Per unit cost	Line item
Revenue	Matching resources	Accounts Receivable	Performance based reimbursement
Overhead	Indirect rate	Fiscal solvency	Surplus

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Fiscal Lingo Bingo

Cost allocation plan	Surplus	Overhead	Per unit cost
Revenue	Expense	Indirect rate	Deficit
Excess Cash flow	Performance based reimbursement	In-kind	Assets
Matching resources	Leveraged resources	Fixed Cost	Line item

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Fiscal Lingo Bingo

Positive Cash Flow	Fiscal solvency	In-kind	Accounts Receivable
Cost allocation plan	Assets	Zero-based	Leveraged resources
Cost reimbursement	Performance based reimbursement	Revenue	Matching resources
Excess Cash flow	Deficit	Budget	Unrestricted funds

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Fiscal Lingo Bingo

Fiscal solvency	Fixed Cost	Line item	Assets
Surplus	Leveraged resources	Indirect rate	Deficit
Cost reimbursement	Matching resources	Performance based reimbursement	Positive Cash Flow
Excess Cash flow	Per unit cost	Expense	Unrestricted funds

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Fiscal Lingo Bingo

Zero-based	Surplus	Overhead	Budget
Cost allocation plan	Per unit cost	Expense	Excess Cash flow
Assets	Line item	Accounts Receivable	Fixed Cost
Positive Cash Flow	Revenue	Leveraged resources	Indirect rate

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Fiscal Lingo Bingo

Budget	Unrestricted funds	Positive Cash Flow	Assets
Deficit	Matching resources	Fiscal solvency	Leveraged resources
Expense	Line item	Revenue	Overhead
Indirect rate	Performance based reimbursement	Surplus	Cost allocation plan

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Fiscal Lingo Bingo

Per unit cost	Expense	Matching resources	Budget
Excess Cash flow	Fixed Cost	Line item	In-kind
Indirect rate	Unrestricted funds	Deficit	Revenue
Assets	Leveraged resources	Positive Cash Flow	Zero-based

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Fiscal Lingo Bingo

Revenue	Fiscal solvency	Cost reimbursement	Fixed Cost
Line item	Cost allocation plan	Deficit	Matching resources
Per unit cost	Surplus	Positive Cash Flow	Excess Cash flow
Expense	Accounts Receivable	Assets	Overhead

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Fiscal Lingo Bingo

Fixed Cost	Cost reimbursement	Indirect rate	Line item
Cost allocation plan	Revenue	Performance based reimbursement	In-kind
Matching resources	Excess Cash flow	Unrestricted funds	Per unit cost
Accounts Receivable	Leveraged resources	Overhead	Assets

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Fiscal Lingo Bingo

Expense	Fiscal solvency	Leveraged resources	Performance based reimbursement
Per unit cost	Budget	Line item	Zero-based
Assets	Deficit	Matching resources	Cost reimbursement
Surplus	Revenue	In-kind	Positive Cash Flow

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Fiscal Lingo Bingo

Indirect rate	Matching resources	Assets	Excess Cash flow
Unrestricted funds	Zero-based	Revenue	Line item
Accounts Receivable	Overhead	Performance based reimbursement	Leveraged resources
Fixed Cost	Per unit cost	Positive Cash Flow	In-kind

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Fiscal Lingo Bingo

Leveraged resources	Matching resources	Cost reimbursement	Deficit
Budget	Surplus	Expense	Fiscal solvency
Fixed Cost	Accounts Receivable	Line item	In-kind
Per unit cost	Indirect rate	Cost allocation plan	Overhead

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Fiscal Lingo Bingo

Indirect rate	Budget	Accounts Receivable	Line item
Revenue	Cost reimbursement	Positive Cash Flow	Matching resources
Overhead	Performance based reimbursement	Leveraged resources	Zero-based
In-kind	Fixed Cost	Fiscal solvency	Surplus

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Fiscal Lingo Bingo

In-kind	Excess Cash flow	Indirect rate	Cost allocation plan
Fixed Cost	Fiscal solvency	Cost reimbursement	Line item
Overhead	Performance based reimbursement	Positive Cash Flow	Deficit
Surplus	Per unit cost	Expense	Assets

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Fiscal Lingo Bingo

Excess Cash flow	Surplus	Line item	Matching resources
Accounts Receivable	Per unit cost	Expense	Overhead
Leveraged resources	Budget	Unrestricted funds	Revenue
Indirect rate	In-kind	Fiscal solvency	Cost allocation plan

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Fiscal Lingo Bingo

Surplus	Overhead	Expense	Matching resources
Positive Cash Flow	Performance based reimbursement	Zero-based	Leveraged resources
Cost reimbursement	Assets	Cost allocation plan	Deficit
Fixed Cost	Per unit cost	Revenue	Accounts Receivable

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Fiscal Lingo Bingo

Indirect rate	Cost reimbursement	Accounts Receivable	Fixed Cost
Overhead	Leveraged resources	Per unit cost	Budget
Revenue	Fiscal solvency	Assets	Unrestricted funds
Positive Cash Flow	In-kind	Cost allocation plan	Line item

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Fiscal Lingo Bingo

Fixed Cost	In-kind	Accounts Receivable	Cost allocation plan
Per unit cost	Surplus	Performance based reimbursement	Revenue
Zero-based	Fiscal solvency	Indirect rate	Expense
Excess Cash flow	Line item	Unrestricted funds	Overhead

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Fiscal Lingo Bingo

Unrestricted funds	Performance based reimbursement	Excess Cash flow	Budget
Overhead	In-kind	Matching resources	Zero-based
Leveraged resources	Line item	Cost reimbursement	Expense
Per unit cost	Indirect rate	Fiscal solvency	Accounts Receivable

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Fiscal Lingo Bingo

Performance based reimbursement	Line item	Zero-based	Cost reimbursement
Fiscal solvency	Indirect rate	Cost allocation plan	Accounts Receivable
Fixed Cost	Matching resources	In-kind	Budget
Surplus	Revenue	Unrestricted funds	Deficit

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Fiscal Lingo Bingo

Accounts Receivable	Fixed Cost	Expense	Excess Cash flow
Revenue	Assets	Indirect rate	In-kind
Surplus	Cost reimbursement	Per unit cost	Cost allocation plan
Leveraged resources	Overhead	Performance based reimbursement	Unrestricted funds

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Fiscal Lingo Bingo

Expense	Leveraged resources	Zero-based	Line item
Surplus	Assets	Accounts Receivable	Unrestricted funds
Cost reimbursement	Performance based reimbursement	Indirect rate	Cost allocation plan
Fiscal solvency	Positive Cash Flow	Matching resources	Overhead

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Fiscal Lingo Bingo

In-kind	Positive Cash Flow	Per unit cost	Excess Cash flow
Zero-based	Unrestricted funds	Surplus	Accounts Receivable
Matching resources	Performance based reimbursement	Revenue	Cost allocation plan
Fiscal solvency	Fixed Cost	Cost reimbursement	Budget

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Fiscal Lingo Bingo

In-kind	Budget	Unrestricted funds	Accounts Receivable
Expense	Cost reimbursement	Assets	Indirect rate
Cost allocation plan	Fiscal solvency	Line item	Matching resources
Zero-based	Excess Cash flow	Performance based reimbursement	Revenue

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Example Program Budget Spreadsheet for Federal Grant

Local Education Agency:		State:		Project Title:
Detailed Budget				
Total Number of Military-Connected Students at Target School(s)		**Total Funding Requested**	$ 1,250,000.00	
Budget Category	Description	Federal Amount Requested	Percentage of Federal Total	Non-Federal Funds
Total MCASP Budget: September 2018 - May 2023				
Personnel				
Project Manager CYT Department	0.1 FTE			$ 62,928.50
Project Director	0.7 FTE to oversee project implementation yrs 1-5	$ 284,960.00	22.8%	
Administrative Assistant	0.1FTE			$ 31,366.00
District teacher hourly pay - for teachers to attend PLTW launch summer training	23 teachers @ $24 for 16hrs each year for 2 years (yrs 2-3)	$ 17,664.00	1.4%	
District substitute teacher pay - for PLTW lead teachers to provide job embeded coaching	24 substitutes per year @160 each for site collab and coaching (years 2-3)	$ 7,680.00	0.6%	
Distict substitute teacher pay - for Math teachers to attend SDSU Pathways training	24 substitutes @ $160 per day for 1 day (yr 2 only)	$ 3,840.00	0.3%	
Personnel Total		$ 314,144.00	25.1%	$ 94,294.50
Fringe Benefits				
Benefits for Project Manager	Benefits for 0.1 FTE Project Manager @ 0.21146% variable (workers comp, unemployment, life insurance, FICA, OASDI, retiree medical, STRS retirement) $8,777.50 fixed (medical, dental, and vision)			$ 22,084.36
Fringe Benefit Total		$ -	0.0%	$ 22,084.36
Travel				
Grant Post Award Meeting (Year 1 Only)	DoDEA-required meeting with external evaluator, project director, and other staff member	$ 4,500.00	0.4%	
Mileage	Mileage for project director between grant sites. $.54 per mile @ 5,000 miles	$ 2,700.00	0.2%	

Grant related conference	College and Career Readiness/STEM conf to support grant implemention in yrs 2-5 @1,500 per year (flight $600, room $200 per night for 3 nights, food $46 per day for 4 days, luggage $50, transportation $66)	$ 6,000.00	0.5%	
Travel Total		$ 13,200.00	1.1%	
Equipment (any single item priced at 5,000 or more)				
			0.0%	
Total Equipment		$ -	0.0%	$ -
Supplies				
Project Lead the Way launch kits	Year 1: 11-5th grade kits @ $6747 and 13-4th grade kits @ $2671, totaling $108,940 Year 2: 18-3rd grade kits @ $2025 and 19-2nd grade kits @ $1166, totaling $58,604	$ 167,544.00	13.4%	
3D Printers	3D Printers (3 yr protection, training, and filiiment included) to support Project Lead the Way curriculum implementation @ $4,395 each for 6 sites	$ 26,370.00	2.1%	
Supplies Total		$ 193,914.00	15.5%	$ -
Contractual				
Ruben H. Fleet Science Center Summer STEM Camp	540 students @ $250 per student (180 students per summer) for week long summer STEM program (yrs 2-4)	$ 135,000.00	10.8%	
Project Lead the Way	Summer Launch Teacher training at $9,500 per year for 2 years and site fees for 6 sites @750 each per year for years (2-5)	$ 37,000.00	3.0%	
Contractual Total		$ 172,000.00	13.8%	$ -
Indirect Costs				
Indirects at 3.38%		$ 26,574.00	2.1%	
Indirect Cost Total		$ 26,574.00	2.1%	$ -
Total 5 Year Budget		#REF!	#REF!	

Budget Rationale and Narrative

Overview and rationale of how grant funds will be spent: In developing the budget for Operation Student Success Program the planning team asked the following questions:
1. Do the selected strategies clearly align with needs that were identified through review of data and interviews with Principals and teachers at target schools? *Yes, see section one and budget narrative below. Grant funds are used to support implementation of direct services to students that align with project goals which relate to student STEM academic and career and college readiness success.*
2. Do we have enough evidence to indicate that the selected strategies will be successful in attaining project goals and outcomes? *Yes, see table in section 2 and attached bibliography*
3. Are there other resources, including matching funds, that can be leveraged to support the project and made grant dollars go further? *Yes, see budget form and narrative below.*
4. What about sustainability? Are we using grant funds in ways that can build capacity and effect change within target schools and the District beyond the life of this grant?
Yes, strategies in each of the goals are supported by professional development (training, job-embedded coaching and planning) that will build teacher capacity to implement PLTW and instructional strategies beyond the life of the grant. A review of year 5 budget confirms reduced dependency on grant funds to deliver direct activities - $166,068 in year 5 compared with $318,270 in year 2.
5. Are the per participant cost/per strategy reasonable? *Yes, the budget narrative below provides information on the cost per strategies as well as number and types of participants/beneficiaries.*

The budget narrative provided below includes reasonable estimates of costs for implementing and maintaining strategies based upon knowledge of personnel costs (hourly rate, substitute costs, comparable salaries, and benefit rates), rates or quotes provided by contracted partners or prospective vendors or estimated based upon prior experience with similar projects and strategies. Letters of commitment are provided for all proposed contracted partners.

Outcome 1: The percentage of military-connected students at target elementary schools in grades 3 to 5 who are meeting or exceeding proficiency on California Smarter Balanced Summative Test in STEM will increase by at least 5 percentage points by 2023 compared to baseline established in 2019.
Strategy 1: Provide Math Tutoring to military-dependent students who are under achieving in Math at six elementary schools.
Grant resources are allocated to substitute teacher pay and benefits that will to allow 24 teachers from target elementary schools to attend a full day training in year 2 that will build their capacity to utilize Math tutors to best effect. **$3,840** plus **$783** benefits.
Grant resources will be used to enter into a contract with San Diego State University Research Foundation which manages the Pre-College Institute Pathways Project through which students with GPA of 3.0 or higher in Math will be recruited, trained and assigned as tutors within the 6 elementary schools. The contract will cover more than 15,000 hours of math tutoring over the grant period, and the cost of delivering training to teachers in year one for **$202,214**

A total of $206,837 in grant resources are allocated. This strategy will benefit 6 schools, 24 classrooms and at least 240 students each year (average of 10 per classroom per year) with priority given to with priority given to military-connected students who are not achieving in math (assessed at proficiency level 1 or 2).

Strategy 2: Deliver PLTW Launch curricula within all six elementary schools in grades 2, 3, 4 and 5.

Grant resources will be used to build capacity with the six elementary schools to deliver PLTW curricula in all grade 2 through 5 classrooms. This involves hourly teacher pay for lead teachers from each school to complete PLTW Launch train the trainer program and use of substitutes to allow the lead teachers to provide job-embedded coaching to remaining teachers in their grade level **$17,664** plus **$3,602** benefits and **$7,680** plus **$1,566** benefits. Two days per lead teacher in the initial implementation year for their grade level. In addition to teacher professional development funds will be used to purchase grade level kits for each classroom and a 3D printer for each school. Cost of grade level kits is based upon actual costs (including taxes) provided by PLTW and total number of grade 2 through 5 classrooms at the 6 elementary schools and totals **$167,544** for 61 kits. Six 3D printers will be purchased at a cost of $4,395 to include warranty, training and printer filaments and totals **$26,370**. The District will contract with PLTW for Summer Launch training at $9,500 per year in years two and three and annual site fees of $750 per year which provides student and teacher access to the PLTW Learning Management System, ongoing professional development for teachers, and unlimited seats for all required software programs. The total contact over the five-year grant period totals **$37,000**.
A total of $261,426 in grant resources are allocated to support this strategy. This strategy will benefit 6 schools, 61 teachers (including 23 lead teachers), and approximately 1,800 students of which 25% are anticipated to be military connected. In addition to the benefits offered with respect to student success in STEM, PLTW has proven to be a very sustainable program once the initial investment in professional development, kits and equipment has been made.

Strategy 3: Provide summer science camp to military-dependent students in grade 3 from the 6 elementary schools (10.6% of total grant funds)

SDUSD proposes to coordinate the engagement of and fund the cost of summer science camp in years 2, 3 and 4 for one grade level (proposed to be third grade). A contract will be developed with Ruben H. Fleet Science Center to offer 6 STEM-focused full day camp sessions each summer, with each camp open to up to 30 students. A per camp cost of $7,500 has been negotiated for a total contract amount of **$135,000**. The aim of this strategy is to strengthen student engagement in STEM as well as to expose them to potential career options in various science and technology fields.
The only direct cost associated with this strategy is the RHFSC contract, parents will be responsible for transporting their children to the camp (based upon outreach conducted during program development we anticipate that parents will car pool). This strategy will benefit 6 schools and 540 students. Priority for camp slots will be given to military-connected student and slots that are not filled by military connected students will be made available to their same grade peers.

Non-Profit Budget Best Practices

References and Resources

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4. https://nonprofitsassistancefund.org/sites/default/files/publications/10_step_annual_budgeting_checklist_2014.pdf

5. http://www.wallacefoundation.org/knowledge-center/resources-for-financial-management/Documents/A-Five-Step-Guide-to-Budget-Development.pdf

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8. https://nonprofitquarterly.org/2016/09/08/fundraising-on-a-budget-and-understanding-the-fundraising-budget/

9. https://nonprofitsassistancefund.org/sites/default/files/publications/nonprofit_operating_reserves_and_policy_examples_2014.pdf

10 Step Annual Budgeting Checklist

Nonprofits Assistance Fund
Helping nonprofits thrive

A budget is a planning tool that reflects an organization's programs, mission, and strategic plan. Typically the budgeting process should begin at least three months before the end of the fiscal year to ensure that the budget is approved by the board of directors before the start of the new year.

1. Determine timeline

- ☐ Set target date for board approval
- ☐ Allow time for each step and for review and discussion
- ☐ Approve before beginning of fiscal year

2. Agree on goals

- ☐ Prioritize program delivery goals
- ☐ Set organizational financial goals
- ☐ Clarify annual goals from strategic plan

3. Understand current financial status

- ☐ Review current year income and expense compared to budget
- ☐ Forecast to the end of the year
- ☐ Analyze and understand any variances

4. Agree on budget approach

- ☐ Assign roles and responsibilities
- ☐ Agree on authority to make decisions
- ☐ Agree on how much uncertainty can be included (how many unknowns)

5. Develop draft expense budget

- ☐ Determine costs (expenses) to reach program goals
- ☐ Determine costs to reach organizational and strategic goals

6. Develop draft income budget

- ☐ Project income based on current fundraising and revenue activities
- ☐ Project new income based on new activities

7. Review draft budget

- ☐ Verify that the draft meets program and organizational goals
- ☐ Review and discuss all assumptions
- ☐ Make adjustments, based on goals and capacity, to match income and expenses
- ☐ Review final draft for all goals and objectives

8. Approve budget

- ☐ Present to any committees as needed
- ☐ Present to the board for approval

9. Document budget decisions

- ☐ Create a consolidated budget spreadsheet and file
- ☐ Write down all assumptions

10. Implement budget

- ☐ Assign management responsibilities
- ☐ Incorporate into accounting system
- ☐ Monitor and respond to changes as needed

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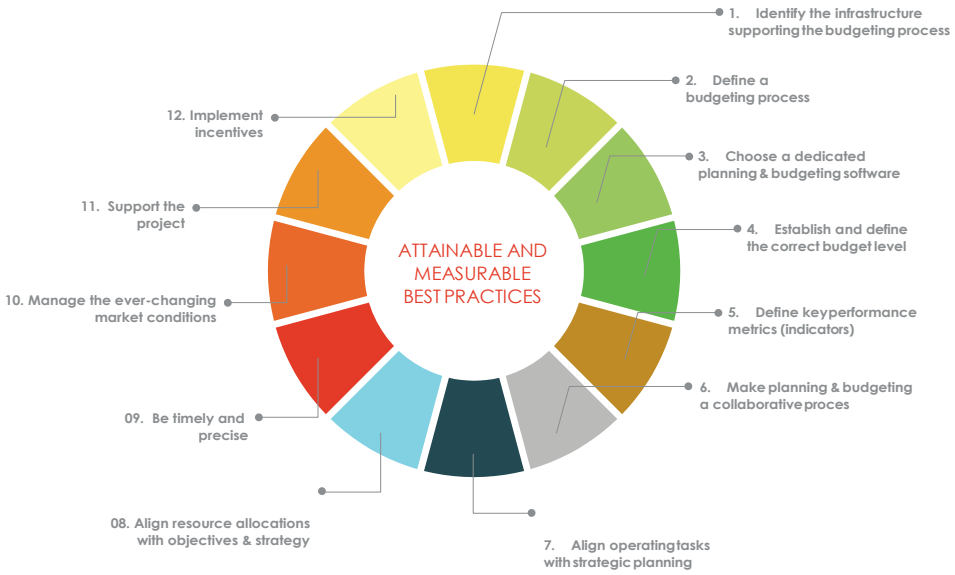

Identify the infrastructure supporting the budgeting process

1

Understanding the components that support your budget plan is crucial for effective budgeting. From employees and knowledge to processes and technology, know how these components affect the business. Begin by correctly assessing employees' skill levels and assign tasks and responsibilities accordingly. Employees who are trained (and cross-trained) in the appropriate tasks offer greater stability to the company and to items in the budget plan.

Once the individuals have been assigned tasks and responsibilities, the next crucial step is providing the correct tools and processes for them to complete these successfully. Subsequently, by ensuring the budgeting process has been well documented and communicated, the tool will allow flexibility and control throughout the process.

With the right resource allocation, knowledge transfer increases and dependability on key personnel decreases. Companies following this best practice are given more time to focus on the analysis of pertinent information rather than managing the process.

More than half of corporate financial officers say their biggest challenge in preparing accurate forecasts is the amount of time it takes to collect appropriate data, according to an Accenture survey of 200 finance, treasury and cash management executives in the United States and the United Kingdom.

—John Cummings, Business Finance