

# Understanding Proposal Development – Part 2

# Nice to meet you



## **Dave Holmes**

Network Engagement Manager

Pronouns: he/him/his

# Candid.

Every year, millions of nonprofits spend trillions of dollars around the world. Candid finds out where that money comes from, where it goes, and why it matters. Through research, collaboration, and training, Candid gets you the information you need to do good.



**Candid.**

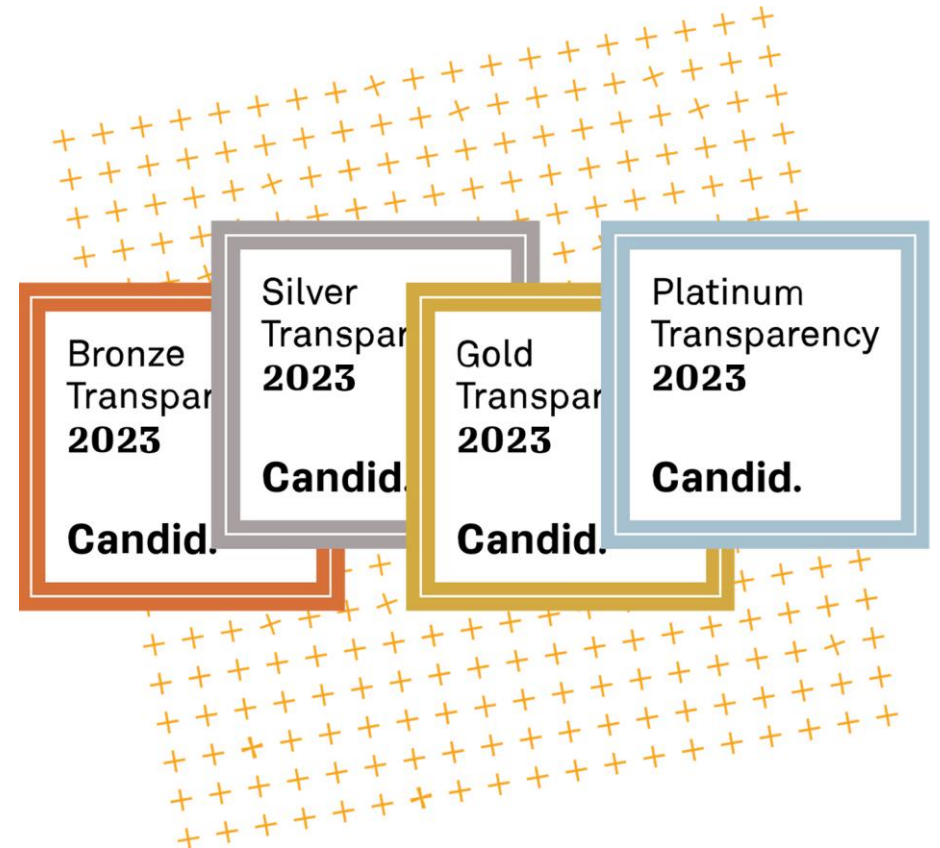


# Funders look to Seals to assess potential grantees

Give funders the information they need.

- It's free to earn a Seal of Transparency
- Your information powers giving platforms like AmazonSmile and Facebook
- Earning Bronze will enable you to add a Donation button to your profile

Find guidance for getting started:  
[guidestar.candid.org/profile-best-practices/](https://guidestar.candid.org/profile-best-practices/)



# Prospect research through 990s is time consuming

## Save time and win funding with Foundation Directory

- Build and refine prospect lists by knowing how much a funder supports your mission
- Find connections with key decision-makers
- Influence prospecting strategies with Recipient profiles

Get valuable insights you need to succeed.  
Learn more: [fdo.org/guide](https://fdo.org/guide)

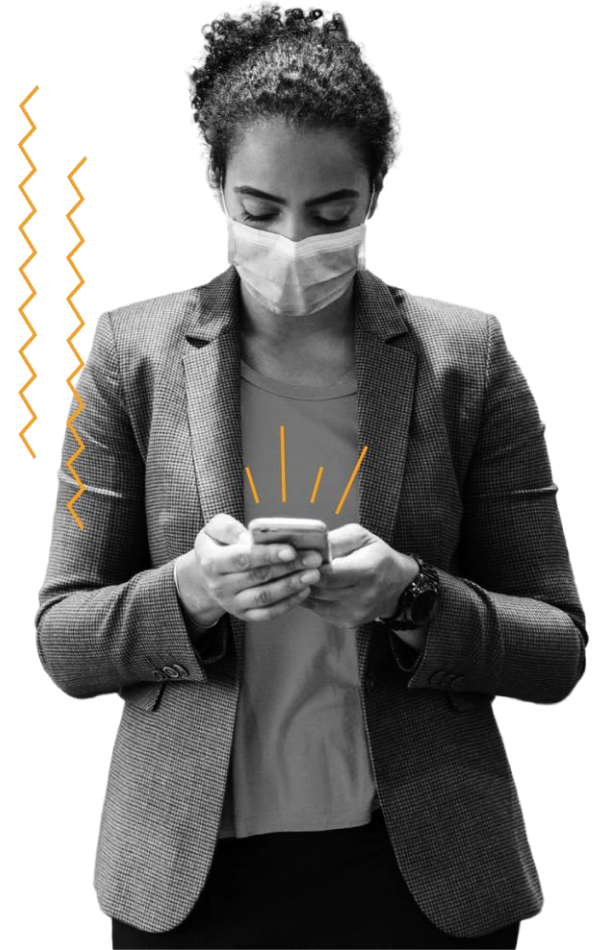


# Our response to global events

Thank you for being a part of Candid's learning community. We recognize that this may be a challenging time for many. Candid has shifted its key learning opportunities to a virtual format, and you can check them out at [bit.ly/CandidLearningOnline](https://bit.ly/CandidLearningOnline). We've also invested in providing the social sector with the resources they need to make informed decisions about today's most pressing issues:

Learn more about COVID-19 resources here:  
[bit.ly/CandidResourcesCOVID19](https://bit.ly/CandidResourcesCOVID19)

Learn more about racial equity resources here:  
[bit.ly/CandidRacialEquity](https://bit.ly/CandidRacialEquity)



**Upon completion of this training,  
you'll be able to:**

- Get feedback on and review the Resident Engagement Grant Application
- Connect the proposal budget to the narrative
- Describe the basic elements of a project budget
- Estimate a project's expenses and income
- Draft a Resident Engagement Grants budget

# Budget elements within the application



# The budget

Your proposal describes your project in narrative form and your budget explains your project in financial terms.



# Components of a project budget

## Income

- Support
  - Grants
  - Contributions
- Earned income
  - Fees for services
  - Sales of goods

## Expenses

- Direct costs
  - Personnel
  - Non-personnel
- Indirect costs (overhead)

# Showing your expenses

## Expenses

- Direct costs
  - Personnel
  - Non-personnel
- Indirect costs (overhead)



# Calculating personnel costs

Personnel Costs	Who are all the individuals working on the project?		
Executive director			\$ --
Program director			
Program assistant			
Tutors			What are the amounts for salary and wages?
	Sub-total		\$ --
	Fringe benefit rate		\$ --
	Personnel total		\$ --

How much time will they dedicate to the project?

How much do we add for benefits?

# Calculating personnel costs

Personnel costs		
Executive director		\$ --
Program director		\$ --
Program assistant		\$ --
Tutors		\$ --
	Sub-total	\$ 100,000
	Fringe benefit rate	
	Personnel total	



# Calculating non-personnel costs

Non-personnel costs		
Consultants	Who are the other people working on this project?	\$ --
Supplies/Materials		\$ --
Printing		\$ --
Postage		\$ --
Travel		\$ --
Food/Beverage	What would this include?	\$ --
Program equipment		\$ --
Program space/Rent		\$ --
Program evaluation		\$ --
	<b>Non-Personnel Total</b>	<b>\$ --</b>

An iceberg floating in water, used as a metaphor for expenses. The small tip above the water is labeled 'Direct Expenses', and the much larger submerged part is labeled 'Overhead'. A white box on the left lists items under 'Overhead'. Two small orange fish icons are on either side of the list box. A thin white line points from the 'Overhead' label to the submerged part of the iceberg.

Direct Expenses

Overhead

- 
- Rent/Utilities
  - Telephone/Internet
  - Office supplies
  - Marketing/Communications
  - Administrative staff
  - Fundraising
- 

# Calculating overhead rate %

## Direct program costs (example)

- Adult services program.....\$200,000
- Children’s program.....\$300,000

**Total direct costs.....\$500,000**

## Indirect program costs

**Total indirect costs.....\$100,000**

Indirect cost rate = Total indirect costs/Total direct costs  
 $\$100,000 / \$500,000 = 20\%$



# Showing your income

## Income

- Support
  - Grants
  - Contributions
- Earned income
  - Fees for services
  - Sales of goods
- In-kind contributions



# Calculating your income

Grants/Contributions		
	Government	\$ --
	Foundations	\$ --
	Corporations	\$ --
	Individuals	\$ --
	Federated giving programs	\$ --
Earned income		
	Events	\$ --
	Publications and products	\$ --
	Fees	\$ --
Membership/Dues		\$ --
In-kind support		\$ --
	<b>Total income</b>	<b>\$ --</b>

# In-kind support

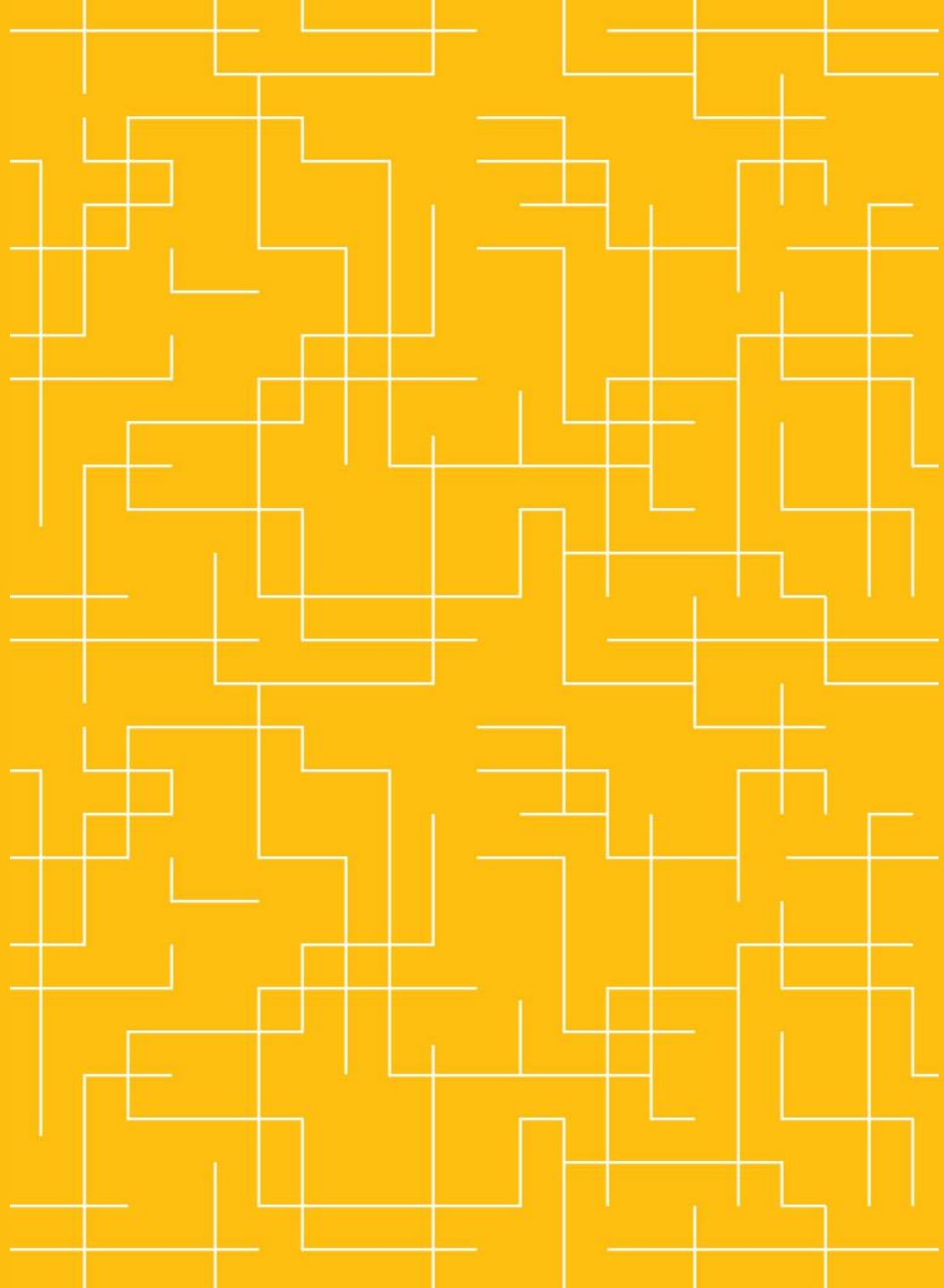
- Do you receive any in-kind support?
- If you do – ex: donated space for your program or volunteer time – it should be listed as both an expense and as income



# Sample Budget Handout

# Activity: Budgeting

- Work on Resident Engagement Grants Program Budget
- Prepare to share out



# Other information

- Audited financial statements
- Organization-wide budgets for recent years
- List of supporters / Other funding sources
- Annual report
- Budget narrative
- IRS Form 990
- *What else?*



Create and maintain  
a “document drawer”

# Questions?

# Additional Trainings from Candid

Self-paced eLearning

## **Tell Your Story: Reach Donors Using Your Free Candid Profile**

Price: Free

[bit.ly/CandidProfileCourse](https://bit.ly/CandidProfileCourse)

Short Video

## **Find grants by searching on Foundation Directory**

Price: Free

[bit.ly/SearchForGrants](https://bit.ly/SearchForGrants)



# Thank you

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[bit.ly/CandidLearningNewsletter](https://bit.ly/CandidLearningNewsletter)

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