REGIONAL ARTS VICTORIA

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Budget Tip Sheet

Some quick tips to get you or your organisation started on a project budget

Key Terms

- Income: money coming in. This is the money you need for your project to happen, for example, grants, ticket sales, and sponsorship
- Expenditure: money going out. These are the things you will spend the money on
- In kind: things that you get, or are giving to the project, for free. For example, the volunteer hours on the project, or a venue that your local council gives you for free
- Break-even: when your income = your expenditure
- Surplus: when your income is greater than your expenditure (you have money left over)
- Deficit: when you expenditure is greater than your income (you have spent more money than you have)
- Budget: how you think you will receive income and use expenditure at the start of the project
- Actual: how you actually receive income and use expenditure by the end of the project

Expenditure First

Always start with the expenditure side so you know how much your project will cost. This will tell you how much the project will cost and whether or not it is feasible for the particular grant, sponsorship or ticket sales number you are going for. Only then should you go about finding the income to match your expenditure.

Balance

Aim for income = expenditure. Particularly when you are applying for grants, your budget should balance, or break-even. Most funding bodies will not accept a budget with a surplus or a deficit, so before you submit anything, always double, triple, quadruple check your figures balance.

Microsoft Excel

Do all your calculations in Excel before you take it anywhere else. It's a great tool for allowing you to change your figures without needing to re-write everything multiple times. Functions such as SUM also help with ensuring calculations are accurate. If you ever get a chance to do an Excel course – do it!

A Budget is a Plan

Remember what a budget is. It is a best guess at a point in time – a plan like every other plan. It is not your actual figures. Once you have finalised, or submitted your budget to a funding body, or started your project, don't change the budget: just track your actual figures against the budget.

Get your Story Straight

Your budget is a story. It must be the same story as the rest of your project. For example, if you say you will have five meetings, do you have catering expenditure for five meetings? If you're going to make two trips to Melbourne, do you have money put aside for two return plane tickets? For this reason, it's a good idea to start and end with looking at the budget for any project to make sure that your project story is the same as your budget story.

Practice

Like anything, some practice runs with budgets will help – and you should always feel comfortable asking someone to look over your budget for you (for example, the funding body might look at it for you and give some feedback). This is why funding applications are a great place to start as they usually have templates and guidelines for their budgets.

Don't Sell Yourself Out

Always include an estimate of your time in the budget – even if it is in-kind or volunteer. It's important to show how much work you are putting into it, and that you are realistic about this to yourself and whoever else might be reading the budget.

Be Conservative

It's a good idea to be extra conservative with your budget: you'd prefer to accidentally have money left over at the end than not enough. You can do this by adding a contingency line, and you can also do simple things like add an extra 10% on top of all unconfirmed expenditure, and minus 10% for all unconfirmed income.

Don't Panic

Everyone finds budgets hard at first. Give yourself time to learn, and expect to make plenty of mistakes.