

# How to Write Winning Budget Proposals for Grants

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One of the trickiest parts of writing a grant proposal is the formulation of a proper budget. Whether you are writing for a specific project grant, or for an ongoing program or operational funds, the budget is the single most important element; aside from perhaps your essential mission statement.

Here are some practical tips on formulating a winning budget proposal:

1. **Be specific.** Even if the proposal is for projected costs, it is critical to itemize those costs in as much detail as you possibly can. It is not sufficient, for example, to have a line item for “personnel salaries” and leave it at that. Instead, you must provide detail such as job title and description of function, pay rate, number of hours expected and name of the person, if known. While it is perfectly good to have general categories of expenditures (and this will help to organize your proposed budget) you should break down those general categories into specific line items, and within those items give a clear description of what the items are and how they relate to your grant request.
2. **Do not include items that are not eligible for grant funding.** It is often tempting to ask for grant funding for everything associated with a project, program or organization. HOWEVER, every grant has rules and restrictions on what is eligible for funding and what is not. Even if you are tempted to include items, believing that they make sense or that you have a demonstrated need, DO NOT make the mistake of including ineligible items in your request for grant funding. It will taint your entire proposal and may even cause it to be rejected outright.
3. **If the grant proposal allows, DO feel free to amplify or annotate your proposed budget with footnotes.** Just as auditors or accountants often add footnotes to financial statements, you should take the opportunity to amplify or clarify any budget item in a concise footnote. The purpose of such a footnote is to state, *in SHORT form*, anything that might help explain a specific item. For example, a footnote can help explain any caveats, assumptions or exceptions. It can explain the basis for your calculations, or it can better define what you mean by a particular item. You can also use footnotes to exclude items (i.e. “This budget excludes necessary costs of personnel, estimated to be \$XYZ, as such costs are not eligible for funding under the grant.”) Do not belabor the matter, and only include footnotes where absolutely essential or useful. By all means, do NOT use footnotes to repeat other sections of your grant proposal, such as narratives. But DO use footnotes as a helpful aid to the reader so that your proposed budget is as tight as possible.
4. **If proposed budget items are estimates only, then state this fact. If items can be tied to documented cost proposals (for example, written vendor quotes), then indicate this also.** The point here being that the grant applicant must be able to justify the budget proposal at all levels. The best way to support

your budget proposal is through cost estimates that can be squarely documented; through bids, quotes or perhaps prior invoices. You don't necessarily need to include these documents in your grant package (be sure to check the specific grant instructions on this), but you SHOULD at least have such proof readily available.

5. **Check your math.** This may seem elementary, but often in the rush of putting together a grant proposal, revising budgets and incorporating comments from multiple sources you may forget to recalculate your numbers. Breathe. Take a step back. Go through every budget piece item by item, and make sure your numbers add up and make complete sense. If after submission you realize that you made a mistake, do go back and correct it. If possible, send your corrected page with a cover letter to the grant maker explaining your error. You do not need to be defensive about it, but do own up. It is better to correct a mistake and move on than to let it linger.
6. **Follow instructions.** Every grant includes specific instructions, which often include budget forms or formats. Follow these carefully. If you need more space to amplify or particularize and the grant instructions or forms allow for this, please do take the opportunity to state what you believe is necessary to justify your budget proposal. However, if space does not allow for this then consider an attachment (again only if allowed) which elucidates your proposal in a manner consistent with the grant instructions.
7. **Do not be afraid of projections, but do make sure that you can justify them.** Projections are always scary. What if they are "off"? After all projections are predictions of future costs or future financial figures that will ultimately have to stand up to scrutiny against actual costs and actual financial performance. However, if your projections are rational and can be tied to documented price quotes or past experience, and if you can "defend" them with integrity, then use them.
8. **Make sure your proposed budget is "in line" with your municipality's overall budget and financial capacity.** Overly aggressive budget proposals will not be successful. Your budget proposals should have a rational basis in reality, as well as be proportionate to your municipality's overall budget and capacity to handle the grant responsibly. Consult your municipality's fiscal officers for guidance on this. You may be better off scaling back to a more modest proposal, one that is reasonable, proportionate and totally defensible, than one which is more aggressive but more difficult to defend. Be complete and zealous in your request, but be at all times rational.

Good luck and good fortune!

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