

## Budget format

Level of detail		
Level 1 <sup>1</sup>	Level 2 <sup>2</sup>	Level 3 <sup>3</sup>
<b>Income</b>		
Bank/Cash	Restricted <sup>4</sup>	Donor Fees, charges, sales etc. <sup>5</sup> Beneficiaries
	Unrestricted	Donor Fees, charges, sales etc. Beneficiaries
Non-cash/in kind <sup>6,7</sup>	Restricted	Donor Beneficiaries
	Unrestricted	Donor Beneficiaries
<b>Expenditure<sup>8</sup></b>		
Staff	International contract <sup>9</sup>	Salary Social security, pension etc. <sup>10</sup> Travel <sup>11</sup> Per diem/food <sup>12</sup> Housing Training Recruitment costs Induction
	National contract	Ditto
	Consultant contract	Fee Travel Per diem Incidental expenses
	Daily labour <sup>13</sup>	

<sup>1</sup> Absolute minimum for donors and management – but can only be prepared from calculations at Level 2 and 3

<sup>2</sup> Highly desirable for management and probably required by donors

<sup>3</sup> Level 3 should be kept as an internal document to avoid unreasonable expectations/queries in regard to approval and reporting. Internal monitoring may be needed at Level 3 on valuable items e.g. fuel for vehicles or cement in programmes with large construction element.

<sup>4</sup> Any restricted income will have to be checked against the restricted expenditure items. Comparing total income and total expenditure is not sufficient if restricted income is involved - see funding grid.

<sup>5</sup> Fees, charges and sales are unlikely in an emergency but may appear in a rehabilitation programme.

<sup>6</sup> A budget for say a food distribution programme which does not put a value on food provided free by a donor will, at a quick glance, look as though a very large amount is for example being spent on salaries. It is also a useful reminder of the value of the various items you are dealing with.

<sup>7</sup> Remember also to show this under expenditure

<sup>8</sup> People and organisations will differ as to the best place to include items. For instance car insurance – should it be under insurance or under vehicles? International travel at the start and end of a contract - is it a staff cost or a travel cost? The priority is to make sure all major items are included somewhere. They can always be moved around later.

<sup>9</sup> Some donors have fixed or maximum monthly figures for staff.

<sup>10</sup> It is sometimes possible to use a percentage of salary to cover all other benefits – your organisation may have a standard percentage.

<sup>11</sup> Travel, for example at the start and end of a contract, is sometimes included here as a staff cost and sometimes put under "travel" below.

<sup>12</sup> UN Per diem rates for the whole world are available on [www.un.org](http://www.un.org) - for an NGO a percentage of the UN rate could be used for budgeting and will simplify accounting in the field if actually implemented.

<sup>13</sup> Sometimes put under materials.

Travel	Air travel	International National
	Surface travel	
	Vehicles <sup>14</sup>	Purchase Shipping Hire Fuel Maintenance Insurance
Premises	Office	Rent Utilities, maintenance and repair Non-consumables <sup>15</sup> Consumables <sup>16</sup>
	Stores and other premises	Ditto
Communications	Purchase	Telephone: fixed, mobile, satellite Radio: HF, VHF, UHF ISP: internet access, email
	Recurrent costs	Ditto
Supplies and materials <sup>17</sup>	Construction	Cement Sand Reinforcement etc.
	Food	Cereal Pulses Oil Supplementary items etc.
	Non-food items	Tents Blankets Cooking sets, etc
	Medical	Drugs Other medical supplies etc
Evaluation <sup>18</sup>		
Insurance	Cash in transit Cash in office	
Miscellaneous <sup>19</sup>	Bank charges Audit costs	
Head office overhead <sup>20</sup>		
Contingency <sup>21</sup>		

<sup>14</sup> This is always a major budget line which is scrutinised closely by donors. Some will not pay for the purchase of vehicles on a short term emergency programme, but may on the other hand allow an organisation to “hire” vehicles bought with its own funding.

<sup>15</sup> Valuable items such as computers and furniture which are normally included on an inventory.

<sup>16</sup> Items which such as paper which is “consumed” and small items such as staplers which would not normally be included on any inventory

<sup>17</sup> Items which will be of direct benefit to beneficiaries e.g. water supply scheme for refugee camp. Include both purchase and delivery to stores. Do not forget to put non-cash contributions – see above

<sup>18</sup> Sometimes total amount, otherwise detail as above for consultants.

<sup>19</sup> Be specific about what this is to cover and avoid confusion with contingency

<sup>20</sup> A generally difficult item with donors. Some donors will allow it at an agreed %. Your headquarters will almost certainly wish to include the maximum allowable amount.

<sup>21</sup> Useful but often regarded with suspicion by donors and can be misused. Provide as much information as possible – e.g. increase in beneficiaries or extension of programme. Think about including the maximum allowed by the donor or own organisation but then control use tightly. Donor may ask for more detail or impose conditions on use.