Managing project budgets – practical exercise

Introduction

You have been asked to put together a funding application to the Big Lottery asking for funding for the Young Pioneers Project, aimed at encouraging 40 black and minority ethnic (BME) youth to be active in politics.

A maximum grant of £45,000 is available and the project is expected to start in January 2010 and end in December 2010.

The following guideline is given by your line manager.

Staffing

A new project manager will be recruited to manage this project on £34k per annum pro-rata, working 3 days a week on the proposed project starting from January 2010.

An employers cost (employers NIC and pension costs) of 18.8% is to be charged to the project.

A recruitment cost of £2,325 will be incurred and charged to the project.

The following helpers will also be engaged on the project:

Helpers	Days each on project	Daily rate
2 facilitators	24	£80
4 guides	24	£40
2 volunteers	24	£10

Direct project delivery

The programme will be delivered at the premises of your organisation, the use of which is charged at £85 per day to projects. The Young Pioneers' project is expected to run for 24 days within the lifetime of the project.

Course materials will be produced in house and charged at £10 per beneficiary.

Your organisation incurs the following annual overhead cost:

Rent and rates	£38,000
Stationery	£8,000
Telephone and postage	£12,000
Core cost (general admin and management)	£40,000
Total	**98,000**

You have been asked to apportion overhead costs based on the level of income each project generates within the organisation. The following data is available:

Projects/programmes	Income expected / £
Passport to Employment	350,000
One-to-One project	170,000
Young Pioneers Project	45,000
Total organisational income expected	**565,000**

You are required to produce the project costing/budget to be included in the application for the Big Lottery.

Use the template on the next page.

Details	Basis/assumptions	Amount / £
Income		
Total income		
Expenditure		
Total expenditure		
Surplus/deficit		