



PROTECTING AND RESTORING THE
UPPER DESCHUTES RIVER WATERSHED

Watershed Council Budgeting:

Building an organizational budget with grant funding

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Problem

Organizations should operate with a holistic, well-integrated budget...

But grant funding is:

- Limited duration
- Restricted to certain expenses
- Not operational funding
- Challenging to use for staff

Topics

Personnel costs

Personnel budgeting

Carryover between years

Administrative allocation

Grant - Project - Program - Organization

Steps

At the project level

- Know your true costs of doing business
- Establish an adequate personnel billing system

At the organizational level

- Think in layers:
 - Projects
 - Programs
 - Organization

Steps

1. Group grants into projects
2. Group projects into programs
3. Group programs into the total budget
4. Allocate administrative funding
5. Evaluate
6. Adjust and re-evaluate

Program	Habitat Restoration						Subtotal
Project	Whychus Creek			Lake Creek		Brush Creek	
Donor / Grant	CTWS	USFWS PSGP	DRC	OWEB	NFWF	OWEB	
Status	Secured	Secured	Secured	Secured	Secured	Pending	
REVENUE + CARRYOVER							
Grants	22,100	46,000		84,000	91,000	64,000	307,100
Earned Income							-
Other contributions							-
Carryover from FY 07			16,000				16,000
TOTAL REVENUE + CARRYOVER	22,100	46,000	16,000	84,000	91,000	64,000	323,100
EXPENSES							
<i>Administration</i>							
Bookkeeping Service							-
<i>Operations</i>							
Supplies / Materials	3,000	20,000	1,000	25,000	21,000	36,000	106,000
Contract Services	11,800	15,000	9,240	31,500	51,400	10,500	129,440
Printing and Publications	500		1,000	2,000	1,500	5,000	10,000
Occupancy							-
Travel			100	500	600	1,500	2,700
<i>Personnel</i>							
Executive Director	5,000	2,000	500	2,000	1,500	1,000	12,000
Project Manager		1,500	2,560	15,000	6,000	4,000	29,060
Carryover to FY09		3,500					3,500
SUBTOTAL EXPENSES	20,300	42,000	14,400	76,000	82,000	58,000	292,700
Admin Allocation from Programs	1,800	4,000	1,600	8,000	9,000	6,000	30,400
TOTAL NET EXPENSES	22,100	46,000	16,000	84,000	91,000	64,000	323,100
NET INCOME	-	-	-	-	-	-	-

Calculating Personnel Costs

Annual Salary	Hourly Rate	Hourly payroll taxes	Hourly Workman's Comp insurance	Hourly medical	5% Employer Retirement Match	Hourly Billing Rate
\$38,000	\$20.65	\$2.48	\$0.50	\$1.96	\$1.03	\$26.62
\$40,000	\$21.74	\$2.61	\$0.50	\$1.96	\$1.09	\$27.89
\$42,000	\$22.83	\$2.74	\$0.50	\$1.96	\$1.14	\$29.16
\$44,000	\$23.91	\$2.87	\$0.50	\$1.96	\$1.20	\$30.44

Assumptions

1840 billable hours ←
 160 paid vacation / sick hours
 80 paid holiday hours

 2080 Total hours paid
 173.3 hours/month

Divide annual costs by this figure to get hourly rate.

**Actual cost of employee making \$40,000:
 \$27.89 x 1,840 hrs = \$51,317**

Program	Operations and Administration	Education	Habitat Restoration	Totals
REVENUE + CARRYOVER				
Grants	45,000	25,000	307,100	377,100
Earned Income		5,000		5,000
Other contributions	20,000	45,000		65,000
Carryover from FY 07	45,000	15,000	16,000	76,000
TOTAL REVENUE + CARRYOVER	110,000	90,000	323,100	523,100
EXPENSES				
<i>Administration</i>				
Bookkeeping Service	20,000			20,000
<i>Operations</i>				
Supplies / Materials	5,000	14,800	106,000	125,800
Contract Services	15,000	23,000	129,440	167,440
Printing and Publications	2,500	1,500	10,000	14,000
Occupancy	13,000	2,000		15,000
Travel	4,000	500	2,700	7,200
<i>Personnel</i>				
Executive Director	45,000	5,200	12,000	62,200
Project Manager		28,000	29,060	57,060
Carryover to FY09		6,000	3,500	9,500
SUBTOTAL EXPENSES	104,500	81,000	292,700	
Admin Allocation from Programs	39,400	9,000	30,400	
TOTAL NET EXPENSES	65,100	90,000	323,100	478,200
NET INCOME	44,900	-	-	-

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<i>Administration</i>				
Bookkeeping Service	20,000			20,000
<i>Operations</i>				
Supplies / Materials	5,000	14,800	106,000	125,800
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<i>Personnel</i>				
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Project Manager		28,000	29,060	57,060
Carryover to FY09	44,900	6,000	3,500	54,400
SUBTOTAL EXPENSES	149,400	81,000	292,700	
Admin Allocation from Programs	39,400	9,000	30,400	
TOTAL NET EXPENSES	110,000	90,000	323,100	523,100
NET INCOME	-	-	-	-

Important Themes

- Be aggressive in minimizing overhead and operational expenses
- Know your actual costs, especially personnel
- Charge expenses to projects if at all possible
- Use your budget to make wise decisions
 - Adding new staff
 - Taking on new projects
 - Accepting funding

Information for Non-profits

Office of Management and Budget (OMB)

A-122: Cost principles

A-110: Administrative requirements

A-133: Audit requirements