



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 piecemeal:

- Limited duration
- Only certain expenses are eligible
- Little operational funding
- Strict limitations on staff funding

# 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						
Project	Whychus Creek			Lake Creek		Brush Creek	Subtotal
Donor / Grant	CTWS	USFWS PSGP	DRC	OWEB	NFWF	OWEB	
Status	Secured	Secured	Secured	Secured	Secured	Pending	
<b>REVENUE + CARRYOVER</b>							
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
<b>TOTAL REVENUE + CARRYOVER</b>	<b>22,100</b>	<b>46,000</b>	<b>16,000</b>	<b>84,000</b>	<b>91,000</b>	<b>64,000</b>	<b>323,100</b>
<b>EXPENSES</b>							
<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
<b>SUBTOTAL EXPENSES</b>	<b>20,300</b>	<b>42,000</b>	<b>14,400</b>	<b>76,000</b>	<b>82,000</b>	<b>58,000</b>	<b>292,700</b>
Admin Allocation from Programs	1,800	4,000	1,600	8,000	9,000	6,000	30,400
<b>TOTAL NET EXPENSES</b>	<b>22,100</b>	<b>46,000</b>	<b>16,000</b>	<b>84,000</b>	<b>91,000</b>	<b>64,000</b>	<b>323,100</b>
<b>NET INCOME</b>	-	-	-	-	-	-	-

# 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  
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 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
<b>REVENUE + CARRYOVER</b>				
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
<b>TOTAL REVENUE + CARRYOVER</b>	<b>110,000</b>	<b>90,000</b>	<b>323,100</b>	<b>523,100</b>
<b>EXPENSES</b>				
<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
<b>SUBTOTAL EXPENSES</b>	<b>104,500</b>	<b>81,000</b>	<b>292,700</b>	
Admin Allocation from Programs	39,400	9,000	30,400	
<b>TOTAL NET EXPENSES</b>	<b>65,100</b>	<b>90,000</b>	<b>323,100</b>	<b>478,200</b>
<b>NET INCOME</b>	<b>44,900</b>	-	-	-

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<b>EXPENSES</b>				
<i>Administration</i>				
Bookkeeping Service	20,000			20,000
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Supplies / Materials	5,000	14,800	106,000	125,800
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<b>TOTAL NET EXPENSES</b>	<b>110,000</b>	<b>90,000</b>	<b>323,100</b>	<b>523,100</b>
<b>NET INCOME</b>	-	-	-	-

# Important Themes

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

# Additional Information

Office of Management and Budget (OMB)

A-122: Cost principles

A-110: Administrative requirements

A-133: Audit requirements