

Budget Template Instructions

Bolder Advocacy is proud to introduce budget templates to fund advocacy using the Project Grant Rule.

INSTRUCTIONS FOR FOUNDATIONS

Private Foundations can use these budget templates to make it easy for prospective public charity grantees seeking funding for projects that include lobbying expenses. The budget details should reflect the project description in the narrative portion of the grant proposal.

There are two different templates to choose from:

Budget Template A

This template asks grantees to report information about the total project costs, including a breakdown in percentages of lobbying expenses vs. non-lobbying expenses. **Template A asks for the least amount of detail, so the private foundation will obtain the legally required information only.** This template can be used for one-year or multi-year projects.

Budget Template B

This template asks grantees to report information about the total project costs, but offers a place for more detailed descriptions of the project's lobbying vs. non-lobbying expenses. **Template B requires the applicant not only to indicate how much of the project budget will be spent on lobbying vs. non-lobbying, but to also show the breakdown according to expense categories.** This template can be used for one-year or multi-year projects.

Add-ons

We encourage foundations to keep the budget template as simple as possible to make the application process more accessible to applicants. Accordingly, these templates can be used 'as is' and are designed to request all the legally required information to take advantage of the Project Grant Rule.

However, your Foundation may customize the templates by selecting from any of the "Optional Add-Ons" if you would like additional information from prospective grantees, such as detailed salary information or additional details about other funding sources.

INSTRUCTIONS FOR GRANTEES: BUDGET TEMPLATE A

Step 1: Select the version of the Budget Template that best fits your project.

There are five templates to choose from depending on the duration of your project (1 Year – 2 Years – 3 Years – 4 Years – 5 Years).

FILL OUT PROJECT BUDGET SUMMARY

Step 2: Total Project Budget

Indicate the total cost for the entire project. First, consider how you define the scope of the overall project you're seeking to fund. A "Project" is not your organization's overall mission; rather, it is a specific project within your larger organization. For example, it can be funding for a department within your organization, a more defined initiative, or a fiscally sponsored project. To obtain funding using the Project Grant Rule, **your Total Project Budget must be larger than the grant amount you are seeking from the Foundation.**

It is OK for the project to include lobbying expenses, as long as the project has other funding sources that exceed the lobbying expenses! You can learn more about the [Project Grant Rule here](#).

Step 3: Grant Amount Requested from Foundation

Indicate the amount of your grant request.

Step 4: Project Funded Expected from Other Sources

Because the Private Foundation cannot be the sole funder of your Project, indicate how much you will raise/allocate from other sources. This other funding can come from additional contributions from individuals, fees for services, fundraisers, or other grants.

While it is not necessary, some foundations want detailed information about the other funding sources. If your funder wants that information, they will ask you to fill out [Add-On A](#).

FILL OUT PROJECT BUDGET

Your Project Budget should reflect the total cost of the project, and not just the amount you're seeking from the private foundation.

Step 5: Add or Subtract Rows as Needed for Project Costs

The line items listed are examples of common project costs. Please insert additional rows or repurpose line items as needed. Use budget categories that are most useful for describing the project. We suggest including no more than 10 budget categories.

If the foundation wants a more detailed breakdown of staff salaries, they will ask you to fill out [Add-On B](#).

INSTRUCTIONS FOR GRANTEES: BUDGET TEMPLATE A (CONTINUED)

Step 6: Use the Overhead/Indirect Costs Line to Describe Any Overhead or Indirect Costs Incurred to Help Your Organization Manage the Project

This will help identify how much of those costs will be used for lobbying vs. non-lobbying activities. For example, overhead/indirect costs could include expenses associated with rent or office supplies.

Step 7: Lobbying Expenses

From your overall Project Costs, identify how much of those will cover lobbying activities. Determining this estimate is a key component of this grant and should reflect the overall project description in the narrative proposal.

Some funders may ask for a statement signed by the grantee certifying the proposed budget for the specific project and that the project's budgeted non-lobbying expenses are less than the amount of the grant. This could be a stand-alone document or as part of the official grant agreement.

Step 8: Non-Lobbying Expenses

From your overall Project Costs, indicate how much will be non-lobbying expenses.

The Foundation's grant cannot exceed the amount on line 25, Non-Lobbying Expenses.

While the law says a Foundation's grant cannot exceed the non-lobbying portion of the budget, some foundations want to build in a cushion so they are not funding right up to the line. For instance, a foundation may say they will fund up to 85% of the non-lobbying amount. If your funder builds in that cushion, they will ask you to fill out **Add-On C**.

See next page for Instructions for Grantees: Budget Template B

INSTRUCTIONS FOR GRANTEES: BUDGET TEMPLATE B

Step 1: Select the version of the Budget Template that best fits your project.

There are five templates to choose from depending on the duration of your project (1 Year – 2 Years – 3 Years – 4 Years – 5 Years).

FILL OUT PROJECT BUDGET SUMMARY

Step 2: Total Project Budget

Indicate the total cost for the entire project. First, consider how you define the scope of the overall project you're seeking to fund. A "Project" is not your organization's overall mission; rather, it is a specific project within your larger organization. For example, it can be funding for a department within your organization, a more defined initiative, or a fiscally sponsored project. To obtain funding using the Project Grant Rule, your Total Project Budget must be larger than the grant amount you are seeking from the Foundation.

It is OK for the project to include lobbying expenses, as long as the project has other funding sources that exceed the lobbying expenses! You can learn more about the [Project Grant Rule here](#).

Step 3: Project Funded Expected from Other Sources

Because the Private Foundation cannot be the sole funder of your Project, indicate Projected Funding Expected from Other Sources. This other funding can come from additional contributions from individuals, fees for services, fundraisers, or other grants.

While it is not necessary, some foundations want detailed information about the other funding sources. If your funder wants that information, they will ask you to fill out [Add-On A](#).

FILL OUT PROJECT BUDGET SUMMARY

Your Project Budget should reflect the total cost of the project, and not just the amount you're seeking from the private foundation.

Step 4: Add or Subtract Rows as Needed for Project Costs

The line items listed are examples of common project costs. Please insert additional rows or repurpose line items as needed; we suggest including no more than 10 budget categories in total. Use budget categories that are most useful for describing the project.

If the foundation wants a more detailed breakdown of staff salaries, they will ask you to fill out [Add-On B](#).

NOTE: For each project cost line item, identify what amount will be used for lobbying vs. non-lobbying activities.

Step 5: Use the Overhead/Indirect Costs Line to Describe Any Overhead or Indirect Costs Incurred to Help Your Organization Manage the Project

This will help identify how much of those costs will be used for lobbying vs. non-lobbying activities. For example, overhead/indirect costs could include expenses associated with rent or office supplies.

Step 6: Lobbying Expenses

For each itemized Project Cost, identify how much of that Project Cost will cover lobbying activities. Determining this estimate is a key component of this grant and should reflect the overall project description in the narrative proposal.

Some funders may ask for a statement signed by the grantee certifying the proposed budget for the specific project and that the project's budgeted non-lobbying expenses are less than the amount of the grant. This could be a stand-alone document or as part of the official grant agreement.

Step 7: Non-Lobbying Expenses

For each itemized Project Cost, indicate how much of it will be non-lobbying expenses.

The Foundation's grant cannot exceed the amount on line 23, Total Non-Lobbying expenses

While the law says a Foundation's grant cannot exceed the non-lobbying portion of the budget, some foundations want to build in a cushion so they are not funding right up to the line. For instance, a foundation may say they will fund up to 85% of the non-lobbying amount. If your funder builds in that cushion, they will ask you to fill out [Add-On C](#).

Unsure what activities/expenses constitute lobbying as defined by the IRS?

See Bolder Advocacy factsheets:

- [What Is Lobbying Under the 501\(h\) Election?](#)
- [Lobbying Flowchart](#)
- [Lobbying Under the Insubstantial Part Test](#), or
- Contact Bolder Advocacy's Technical Assistance line at advocacy@afj.org

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