



The Field

How To:

Budgets and Grants 101

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WHAT IS A BUDGET?

A budget is a written document that shows in numbers how your project is going to happen. It's always shown as a table, and lists all the costs or expenses of your project in one group and all the sources of income.

WHY BUDGET?

A BUDGET IS A PLAN OR A ROAD MAP – the earlier you start it the better. The better you understand your costs and what it will take to bring your idea “from the page to the stage”, the more likely you are to have your work produced, whatever it is: whether it’s a performance, a film, a tour, a theater piece.

When you start to put numbers to your project it will help you think through and sharpen the details of your project, clarify the rough spots before you start, and avoid being caught off guard by things you should have been able to foresee.

YOU WILL USE YOUR BUDGET TO RAISE MONEY

Every potential funder or grantmaker will need to see your budget, a well thought out budget helps sell your story.

A well crafted budget demonstrates to a Foundation, an Arts Council or other funder that your plan is practical, do-able, that you know your project and that you're well in control of what it's going to take.

ELEMENTS OF A BUDGET- the basics

- A budget is a table that lists your expenses balanced by income. Usually a budget shows all the income at the top, the expenses at the bottom, and a final line showing whether you expect to have a surplus or a deficit at the end of the project.
- Start with a clear and detailed written plan for your project. A narrative that spells out the key elements of your project is invaluable to help make sure that you've covered all your bases and you've considered all expenses.

- Start by filling in your projected EXPENSES instead of possible income. Your goal on this first pass is to lay out a fairly detailed plan on how to carry out your project in the best possible way. Think big now, you will see soon enough what expenses you can trim.
- Fill in the large, “MUST HAVE” expenses first. For most projects, these are going to include personnel and maybe space. Fill in the obvious, non-negotiable costs first and include a private note to yourself about your assumptions and how you calculated the costs.

- If you're budgeting an essential item that has a broad range of possible costs – cross country flights, or theater rentals – try to use a midrange or a mid-high number, not the cheapest quote you can find.
- Again, in this first pass, include as many expense lines as you think might occur – you want to be thorough, and this super-detailed first version is just for you, not the funder: your final budget that a funder sees might just have a single line saying TRAVEL: \$5,000 but your own high level budget might have sub estimates that include airfare, hotels, meals, taxis to the airport.

Key Points to Remember

- ALWAYS pay yourself.
- Once you have a good estimate of your project's costs, you can start filling in the projected INCOME.
- On the income side of your budget table, mark funding that's already received or committed.
- Almost every budget should balance to zero: if your project has \$25,000 worth of expenses, you want to show \$25,000 in income.
- Your basic final budget needs to fit on a single page.

What About Grants?

- Every element of your proposal should take the reader by the hand and walk them through it.
- Your goal is to be in control of the reader's response to what you have written.
- You want the funder's decision to fund your proposal to be based on your project—and if the funder rejects your proposal, it should be because the project isn't a good match, not because the proposal didn't do its job.

What Are The Components

- The Cover Letter
- The Project Description
- Budgets
- Projected Budget Worksheet
- Supporting Materials
- Mission Statement

Letter of Inquiry (LOI)

Your first contact with a potential funder shouldn't be on deadline day—you want to establish a relationship with them first. How you form and maintain a positive relationship with a funder can have a significant impact on how they respond to your proposal. An important way to initiate this relationship is through a letter of inquiry, a one to two-page letter that briefly introduces you and your proposal. When writing, it's best to **grow the bush, then trim it**—write your detailed project proposal first, then refine into this brief letter.

So make a good impression and include:

- Acknowledgment of the funder, funder's behavior/guidelines/goals
- Name and mission of your organization
- Brief statement of problem/need/issue (if appropriate)
- Brief statement of proposed solution
- Requested amount and what it will cover (if appropriate)
- Name and contact information for person best able to answer questions

Cover Letter

What you are asking for (a gig, dollar amount, donation, etc.)

If there's no "ask," it will get put aside. It might seem gutsy to ask for money, but no one will be surprised. Put it right up front—there's nothing wrong with the ask.

- A **brief description** of the project for which you are requesting funds. This will be expanded in the project description, but **don't use the exact same wording**—the minute the funder reads something they've already read, your grip on them loosens. They will assume there's no new information and will skip over things that may be important.
- A **particular aspect of the project** or yourself that you are excited about or would like to call their attention to (e.g., first full-evening concert, support you've already received from another source such as a funder or a space grant, timely/provocative subject matter, etc.).
- The **closing** (e.g., "Thank you for your time and attention; I will call next week to see if the enclosed project description, budget and supporting materials have reached you.").
- Finally, near the top of the letter, or in closing, include any **appropriate personal remarks** (e.g., "Thank you for the helpful information you gave me over the telephone the other day").

The Project Description

The project description is an opportunity to go into depth about your work, and can address a particular piece, an evening of work, a program, or any new or continuing endeavor.

This one- or at most two-page narrative should outline:

- the project
- its goals
- significant collaborators
- your personal interest in the project
- plan of action
- anything else that will give the reader a well-rounded and compelling view of what you're doing.

The Budget

A budget is a numerical, objective form in which to put your ideas. It is also a way of indicating how you value, in numerical terms, various aspects of your project. Start with expenses by projecting what you will need and researching or figuring out how much each of those needs will cost. Ask people you know, use your contacts and resources to find this information, and tackle it one item at a time.

Remember:

- In general, **funders like to flock**. They prefer to see themselves as part of a mosaic of support for the project, not the whole snapshot—often they don't feel safe unless they're **not the only one funding** a project.
- Your final budget should always balance—meaning that **income equals expenses**. (Alternatively, you can show \$5000 of need, with the amount you are requesting meeting that need—this is a way to personalize the budget.)
- Make sure that your overall budget is **not too large or too small** for your level of experience, scope of the project, and your history of carrying out similar projects.
- Your **budget is a projection**. This means that if you raise the amount of money you hope to raise, then you will spend it on the expenses that you will incur to put the project together. While you can't make pie-in-the-sky budgets because a funder will have a sense of what your fund-raising ability is given your track record, you also cannot be afraid to project a legitimate budget for a professional endeavor.

Supporting Materials

Supporting materials can include:

- Reviews
- Biographies/resumes of significant collaborators
- Press releases
- Programs
- Videos
- Other substantiation of your professionalism and artistic merit

Remember: **how you present yourself on paper is how the potential supporter will know you.**

The Field

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Arts and culture workers need access to opportunities, resources, funding, advice and information to bring their visions to life. It is The Field's mission to provide this access for artists, with an intentional focus on those who experience barriers to advancement based on race, cultural identity, disability status, sexual orientation, or other identities. These values are manifested in our programming, staffing, and advocacy. The Field is intentionally practicing, implementing, learning, and doing. The work is constant and consistent. We are a work-in-progress. Ultimately, it is our goal to create a vibrant cultural community that *authentically* and *intentionally* includes a representation of resilient and self-determined artists and makers of all identities.