

# Developing a Project Budget



Internet Society  
Foundation



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A project budget is a financial plan that estimates the costs of implementing your proposed grant project. It identifies the resources you need to carry out project activities, the expected cost of each resource, and how grant funds will support your activities during the project period.

A strong budget is realistic, detailed, and clearly aligned with your project objectives, activities, workplan, and overall proposal. For most Internet Society Foundation grant programs, you must complete the Budget, Workplan, and Equipment Support Request template provided in the Documents section of the application.

## Objectives of a Project Budget

- ▶ Identify the resources and funding needed to implement the project.
- ▶ Show how proposed costs support your project activities and outcomes.
- ▶ Estimate the realistic full cost of delivering the project.



# Building a Strong Project Budget

A strong project budget is sensible, clearly connected to the proposed project activities, and demonstrates that resources will be used effectively to achieve the intended outcomes.

## Start with Your Project Activities

Begin by identifying the activities needed to achieve your project objectives. Most budget items should connect directly to those activities. You may use the indirect costs section for eligible costs that support overall project implementation and administration. Consider costs related to:

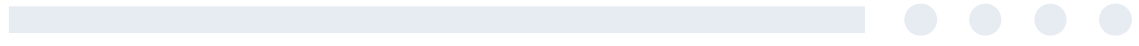
- ▶ Project implementation and coordination: staff and contractors or consultants.
- ▶ Equipment and infrastructure purchases.
- ▶ Taxes, shipping, customs duties, bank fees, and other associated expenses.
- ▶ Installation and deployment activities.
- ▶ Travel and per diem costs for the project team, stakeholders, or event participants.
- ▶ Training and community engagement.
- ▶ Monitoring, evaluation, and reporting.
- ▶ Ongoing operational or support costs during the project period.

## Turn Your Project Activities into Budget Items

After identifying your project activities and related costs, place each cost in the appropriate budget category in the template. Each line item should explain what the cost is for, how you estimated the amount, and how it supports the proposed project. Use the Notes column to add calculations, assumptions, or context where helpful.

## What types of project costs can I include in my budget?

Use the *Budget, Workplan, and Equipment Support Request* template to organize your costs by category. The budget categories are:



**Personnel:** staff from your organization who will be paid to manage or implement the project. If you know which staff will be included, list their names, roles, and project responsibilities in the Notes column. If you plan to hire staff, note this instead.

**Contractual:** temporary external support, such as contractors, consultants, or vendors hired to support the project. Keep signed contracts or statements of work for all individuals or organizations listed in this category. You are responsible for ensuring that any affiliate, contractor, or subcontractor uses grant funds in line with the Grant Agreement.

**Equipment:** equipment needed to implement the project, such as networking equipment, routers, computers, switches, or cables. In the budget, include the number of units, unit cost, and total cost for each equipment item. In the Equipment Support Request tab, provide additional details, including the model, recipient information, and where equipment will be installed.

**Travel:** travel required to implement the project. Include the number of travelers, trip duration, and separate line items for transportation, lodging, meals, and other related expenses.

**Subawards:** funds provided to project partner organizations to carry out part of the project. These can be listed as a lump sum budget line in the main budget and, if required, you can add another subawards budget tab to provide more details on the subaward expenses. You remain responsible for ensuring that any affiliate or subawardee uses grant funds in line with the Grant Agreement.

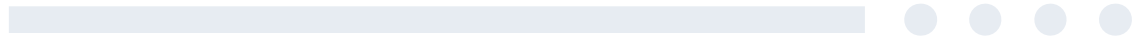
**Other Direct Costs:** project expenses that do not fit into the other categories but are necessary for implementation. Examples may include office supplies, furniture, venue rentals, catering for workshops or events, printing, or promotional materials.

**Indirect Costs:** general administrative or operational costs that support the project but cannot be easily attributed to one specific activity, sometimes referred to as “overhead”. These may include office rent, utilities, insurance, fiscal sponsor administrative fees, or banking fees. Indirect costs should not exceed 25% of the total project budget.

## Use Realistic Cost Estimates

Use reasonable estimates based on quotations, historical expenses, salary rates, vendor pricing, or local market rates. To strengthen your budget:

- ▶ Obtain quotations for significant equipment purchases whenever possible.
- ▶ Use local market rates for travel, accommodation, professional services, and other project expenses.
- ▶ Include assumptions or calculations in the **Notes** column to explain how costs were estimated.



## **Review Your Budget for Clarity**

Before submitting your application, review your budget to make sure it is clear, realistic, and aligned with your proposed project activities. Your budget should clearly show:

- ▶ What will be purchased or funded.
- ▶ How costs were estimated and calculated.
- ▶ How expenses support project activities and objectives.
- ▶ That the proposed costs are reasonable.

## **Consider Long-Term Sustainability**

Consider costs that may continue after the grant period, such as subscriptions, service fees, maintenance, repairs, technical support, training, or equipment replacement. If applicable, explain in your proposal how ongoing expenses will be supported after grant funding ends.



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