

Full Cost Recovery Guidelines

County Durham Foundation looks at your plans for running and managing your project when they consider your application. Putting together a project plan will help you to consider the resources required, the ordering and timing of different activities and how you will manage your project. It should cover everything from the activities and tasks required to set up the project through to how you will achieve your project's end results.

The project plan

You should write a project plan listing the main activities of your project. For each activity you then need to consider each of the following:

- what it will do
- what resources you need – including premises, equipment, staff
- when you will do it
- where you will do it
- who will do it
- how you will know whether it has been successfully achieved
- how it contributes to the outcomes for your project.

Pulling together this information for each activity will let you work out what you need to carry out the project, and in what order you need to do things. This will help you justify your project's way of working and the resources you need to achieve its aims. When you develop your project plan, think all the time about what you want your project to achieve and how you will monitor this.

Resources and costs: Once you have decided what resources are needed you should be able to work out how much the project will cost. When you are drawing up your budget, do not cut corners. You will need to justify the amount you have asked for. For example, if you want funding to pay for staff, you will need to show how you decided the posts were required and what the salaries should be. Knowing the full cost of the project will also help you to decide which programme would be appropriate for you to apply to.

Continuing a sustainable project: As part of the project plan you should also consider the future of the project after your Lottery funding finishes. This should include whether the project is time limited, or whether you hope for it to continue. If you aim to continue the work or project you should consider how this will be funded after the Lottery grant you are applying for runs out.

How to complete your budget: A budget is a description of the full costs of the project, together with a description of the project's income. Your budget must include all project costs, both income and expenditure. You can also contact Community Accountancy Self-Help at www.cash-online.org.uk for basic financial advice.

Income

- Income is the money you need to bring in to run your project. This may include grants, contract fees, savings, reserves or income that you earn from selling goods or services.
- You should provide information on all sources of income for your project.
- You should be realistic about any income that you are likely to earn from your project and provide a breakdown on how you have worked out your earned income figures.

Expenditure

- Expenditure is the money you spend on running your project or activity.
- You should provide a breakdown of all costs for your activity. Many Lottery funders will provide you with a form with headings for the different areas you should consider.
- If you are employing (paying) people to work on your project then you may need to budget for paying an employer's National Insurance contribution for each person. You should also consider other costs such as pensions. HM Revenue and Customs can provide information on these employment costs. See their website at: www.hmrc.gov.uk. It is also worth speaking to organisations that run similar projects about their salary costs.
- Depending on the size of grant you are applying for, you may be required to get quotes for certain types of work, for example, building work. This is good practice anyway and will help you to get the best value out of any money you receive. We may ask you for a number of quotes so they we can check that the budgeted amount is accurate. Ensure that quotes are kept as they might be asked for at a later stage. Make sure that the quotes are up to date as prices do change.
- If you are buying or selling goods and services as part of your project, you should check your VAT position. If you have any queries on VAT we suggest you contact HM Revenue and Customs (see their website) or consult an accountant.

Top tips

- The budget should be for the total cost of the project you are applying for.
- The income and expenditure for your activity should 'balance' (be the same).
- Make sure your figures add up before you send in your application.