



Applying for your project overheads

- [Guidance notes for the full cost recovery spreadsheet and salary spreadsheet](#)

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Guidance notes

Two spreadsheets can be downloaded to assist you in calculating the full costs of your project:

- ▶ The full cost recovery spreadsheet: Use the Full cost recovery spreadsheet to estimate the full costs of your project and the amount of funding you are asking us for. For a worked example, see the St John's Community Centre example in the booklet: "Applying for your project overheads: guidance for big lottery fund applicants".
- ▶ The salary spreadsheet: Use the salary spreadsheet to calculate the full salary costs of your employees.

Full cost recovery spreadsheet

The spreadsheet has eight steps. Follow each step in order. After completing one step scroll down to get to the next step. The steps are:

- ▶ Enter details about the project and the period in which the project will run.
- ▶ Enter the project's direct costs
- ▶ Describe the different types of overhead in your organisation and how each type will be shared amongst your organisation's projects.
- ▶ Specify how the overheads will be shared among your organisation's projects.
- ▶ Enter your organisation's estimated overheads.
- ▶ The full costs of your project are calculated.
- ▶ If you will raise contributions towards your project from other sources, enter details here.
- ▶ This step calculates the maximum contribution that we can make towards the your project.

Each step is explained in more detail in the following pages.

Spreadsheet formats

The Full cost recovery spreadsheet is available in two formats:

- as a Microsoft Excel workbook: compatible with Microsoft Excel versions 5.0, 95, 97, 2000, XP, 2003 and later versions
- as a Microsoft Works spreadsheet, compatible with Microsoft Works versions 4.x and later.

Using spreadsheets

If you have never used spreadsheets before we recommend that you get help before starting. You can also refer to the software's Help.

- in Excel select Help -> Microsoft Excel Help from Excel's menu bar
- in Works select Help -> Microsoft Works Help from Work's menu bar.

Entering numbers

- select the relevant cell
- using the keyboard, type in the number. Do not type in a £ sign. Do not type in commas. For example: to enter £1,250 type in 1250 NOT £1250 or 1,250 or £1,250
- press Enter/Return (↵).

Adding extra rows

In steps 2, 4, 5 and 7 you may need to add extra rows to the data entry grids. To add extra rows, select a cell in the data entry grid, then:

- in Microsoft Excel: from the menu bar select Insert -> Rows
- in Microsoft Works: from the menu bar select Insert -> Row.

A new row will be inserted in the row above the cell you select.

Note for users of Microsoft Excel versions 5, 95, 97 and 2000: By default certain cells are protected. This prevents you from editing these cells and is designed to protect the spreadsheet's formulae from accidental damage. In these versions of Excel protecting cells prevents you from inserting new rows. To insert new rows in these versions you must first unprotect the worksheet. From the menu bar select Tools -> Protection -> Unprotect Sheet. After inserting extra rows you should re-protect the worksheet to prevent accidental damage to formulae. From the menu bar select Tools -> Protection -> Protect Sheet.

Step 1: Information about your project

1.1 Organisation name: Enter the name of your organisation.

1.2 Project name: Enter the name of the project you are asking us to fund.

1.3 Funding year: Describe the year in which your project will take place. For example, if your project will take place in 2008, enter 2008. If your project will run from 1 April 2008 to 31 March 2009, enter 2008/2009.

If your project will last for more than one year, you must let us know how much you want us to contribute towards your project in each year. You must either:

- create separate spreadsheets for each year or
- create a spreadsheet for the first year, then inflate the figures to calculate your funding request for the following years. This will only be appropriate if your project's direct costs, your organisation's overheads and any other income raised for your project from other sources will be the same, subject to inflation, in the following years.

1.4 Project weeks in the funding year:

If your project will only run for part of the year described in 1.3, enter the number of weeks it will run for. If your project will run for the whole of the year, leave blank or enter 52.

1.5 Percentage of the funding year:

This is the percentage of the year that your project will run for.

Step 2: Enter your project's direct costs

In this step you enter the direct costs of your project. Your project's direct costs are the costs that are clearly and directly attributable to your project. Refer to the booklet "Applying for your project overheads: guidance for big lottery fund applicants" for help with identifying your project's direct costs.

You should:

- enter amounts in whole £ only. Do not enter pence; you do need to put in the £ signs
- enter the anticipated costs for the period described in step 1. Remember to allow for inflation if you are basing these on current costs. If your project will only run for part of the funding year (see 1.3), allow for this when calculating costs. For example, if your project will last for 30 weeks, and you expect to spend £20 per week on volunteers' expenses, you should enter £600 (= 30 weeks x £20) for volunteers' expenses. Remember to omit the £ sign when entering numbers, and round amounts up to the nearest pound
- split your project's direct costs between revenue costs and capital costs. Capital costs are substantial payments for items that will last for several years, for example: furniture, vehicles, equipment and computer software. Refer to the booklet "Applying for your project overheads: guidance for big lottery fund applicants" for help. Enter capital costs in the capital costs column. Enter all other types of cost in the revenue costs column.

Step 3: Describe how your organisation's overheads are to be shared

Here you describe how your organisation's overheads are to be shared amongst your organisation's projects. Common methods for sharing overheads are:

- using the number of staff working on each project
- using the number of users in each project
- using the floor area occupied by each project
- using the opening hours of each project.

You must choose a method that is fair and reasonable. The method should reflect the way in which overheads are generated. For example, if a manager spends most of their time managing staff, staff numbers may be an appropriate method for sharing the manager's costs. Refer to the booklet "Applying for your project overheads: guidance for big lottery fund applicants" for help with choosing a method.

If it is appropriate to share all overheads in the same way, fill in the first column (Overhead Type 1) and leave the other two columns blank.

Sometimes it is not appropriate to share all overheads in the same way. If different types of overhead arise in different ways, and the amounts involved are significant, you should share each type of overhead separately.

See the St John's Community Centre example in the booklet "Applying for your project overheads: guidance for big lottery fund applicants" for an illustration. In St John's Community Centre, premises costs are significant, but some projects do not use the premises. However, all projects require administration and management support. Premises costs are shared by calculating each project's use of the premises, but administration and management support costs are shared by calculating the number of staff working in each project.

The spreadsheet allows you to share overheads in up to three different ways.

3.1 Type of overhead: Describe the type of overhead. For example: administration and support, overall management, premises costs. If all overheads are to be shared in the same way, just enter "All Overheads" in the first column ("Overhead Type 1") and leave the other columns blank.

3.2 How the overheads are to be shared: Describe how each type of overhead is to be shared among your organisation's projects. For example: number of staff, floor area occupied, number of users. If all overheads are to be shared in the same way, describe how all overheads will be shared in the first column ("Overhead Type 1") and leave the other columns blank.

Step 4: Share the overheads

Now calculate your project's share of the overheads.

4.1: Your project: The project being costed must be in the first row.

4.2 Other projects: In the column labelled "Project", describe the other projects in your organisation. You must include all projects in the organisation, though the other projects do not need to be listed separately; for example, you could just enter "All Other Projects" in the second row or you could list each project separately.

4.3: Overheads: the overheads rows allow you to share overhead costs between different types. See the St John's Community Centre example in the booklet "Applying for your project overheads: guidance for big lottery fund applicants" for an illustration.

For each project, enter the numbers used to share out the overheads in the other columns. For example, if you are basing the sharing of overheads on the number of staff, enter the number of project staff against each project. If you are basing the sharing of overheads on the number of project users, enter the number of users against each project. If you are sharing different types of overhead in different ways, you will need to provide numbers for each type of overhead.

Numbers should be the levels anticipated in the project period specified in step 1. If any project runs for part of the year, make sure you allow for this. For example, if you are using staff numbers as the basis for sharing costs, and a project will employ three staff for half the year, enter $1/2 \times 3 = 1.5$ against that project.

- **Increase in activity due to your project:** the spreadsheet calculates the extra activity generated by your project.
- **Percentage due to your project:** the spreadsheet calculates your project's share of each type of overhead.

Step 5: Enter your organisation's overheads

Now enter all overheads for your entire organisation. List the different overheads in your organisation. If you created several different types of overhead in step 3, decide which type each overhead belongs to and enter the amount in the corresponding column.

Enter predicted future overheads for the whole of the year specified in step 1. If the project will only run for part of a year, the spreadsheet will adjust for this using the percentage calculated in step 1.5. See the booklet "Applying for your project overheads: guidance for big lottery fund applicants" for advice on how to predict future overheads.

Step 6: Full costs of your project

Once you have completed the first five steps the spreadsheet calculates the full costs of your project in Step 6. You do not have to do anything in step 6, it is all calculated for you.

If you are asking us to fund the entire project, these are the figures you should enter on the application form. If you intend raising funding for the project from other sources, proceed to Step 7.

Step 7: Funding from other sources

If the project will raise income from other sources (for example, from other grant giving bodies or by charging fees), enter details here. Enter the income you anticipate raising in the project period. Include all income that you anticipate raising for this project. Include any contributions towards capital costs and overheads made by other grant funders.

If there are contributions that are only for overheads costs, enter them under "sources of income that can only be used for overheads". Enter the amount the whole organisation gets from these sources. The spreadsheet will automatically allocate the amount that the project gets from these sources.

Salary spreadsheet

If there are contributions that are only for project costs, enter them under “sources of income that can only be used for direct project costs for this project”.

Enter all other contributions under “other sources of income that can contribute both to direct project costs and overheads”. **Do not enter contributions from us.**

Step 8: The contribution you can ask us to make

Once step 7 is completed, the spreadsheet automatically calculates the maximum contribution you can ask us to make towards your project. You do not have to do anything in step 8, it is all calculated for you.

Use the salary spreadsheet to calculate the full salary costs of your staff. This includes their gross pay, employers’ national insurance contribution and any employers’ pension contribution.

Employers’ National Insurance contributions

If an employee earns above a certain threshold (the “secondary earnings threshold”), you must pay an employers’ national insurance contribution in respect of that employee. This must be paid by you to HM Revenue and Customs. This is an extra cost of employing staff and must be allowed for in your staff cost calculations.

The threshold and the rate of the employers’ national insurance contributions are set in the government’s budget every year. They apply for a tax year (April – March) and may change from one tax year to another.

Check that the threshold and employers’ national insurance rate are correct for the project period. If the threshold and employers’ national insurance rate have not yet been set for the project period, use the latest available rates.

If in doubt speak to the person who manages your payroll or check on the HM Revenue and Customs website at:
<http://www.hmrc.gov.uk/rates/nic.htm>.

If your organisation operates a pension scheme, check with the person who manages your payroll as this can affect national insurance rates.

Employers’ pension contributions

If any of your employees will be entitled to an employers’ pension contribution, enter the employer’s pension contribution rate in column F, otherwise leave this column blank.

The spreadsheet assumes that employers’ pension contribution is a fixed percentage of employees’ gross pay. If this is not the case you must calculate the employers’ pension contribution separately. If in doubt, speak to the person who manages your payroll.

