



2.3 Funding and budgeting

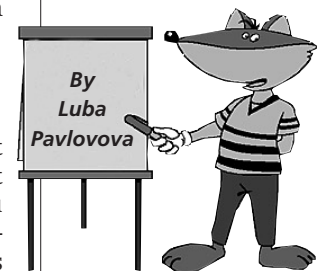
Projects sometimes get stuck when it comes to the cost-benefit comparison. As a project co-ordinator you are in a position to see the benefit of an IVS, but you are probably also well aware of the resources that are needed to make it happen. If we consider money to be the fuel of a project, you are the one that will have to find one or more petrol stations to fill up your fuel tank.

Nowadays you can find many publications, as well as people, that can give you advice on how to apply for funding. In this respect, we would also like to draw your attention to

the *T-kit on Project Management* (available to download at www.training-youth.net), which contains useful hints and tips on applying for funding as well as advice regarding the management of your financial resources. Therefore, this chapter will not repeat all the details regarding funding and fundraising, but it aims to make you aware of some basic principles when drawing up a budget and to present some existing financial resources for IVS, both short- and long-term.

2.3.1 Budgeting

A budget is like a financial mirror of the IVS. It is an estimate of the expenses that you expect to incur on the one side and the income you have foreseen. Drawing up a realistic and balanced budget is an art which is sometimes difficult to master. Therefore we will present you with some golden rules for budgeting.

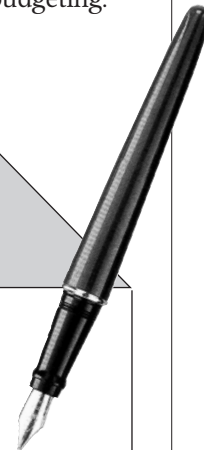


Golden rules for Budgeting

- Careful planning of all financial needs and resources is an essential part of your International Voluntary Service and should accompany your project from the early stages till the very end.
- Financial planning should correspond to the real costs of the project to the extent of the possible (for example check prices of tickets, insurance costs, communication means, local transport, office supplies, meals, etc.).
- In a non-profit project such as an IVS, what comes in, must go out. At the same time you should not have more expenses than income, otherwise your project has a deficit. The income in a budget always has to equal the expenditure.

Transparency is important: make sure that all partners have a clear view of planned income and expenditure. This way you can avoid a lot of painful misunderstandings and confusions.

- Check at the beginning what you will need in the end (for example receipts, financial reports, copies of produced materials etc.). You most likely will have to collect proof on all costs and income (perhaps abiding by specific formal criteria).
- Involve people in your organisation or from outside that have experience with budgets and/or project finances. You can share or delegate financial responsibilities to a person who is more experienced in budgeting and accounting.
- Do not try to do it on your own. Try to get a financial green light from different people involved in the project. This way you also avoid getting yourself in a position where you might be accused of financial unclarity or even fraud (when nobody else knows where money goes and comes from)
- Check your budget at regular intervals during the IVS and keep the partners updated on progress (how much you've got, how much you still need). Accounting is a useful tool if done regularly and properly.
- Do not forget to account for the staff-time allocation, which also costs money for your organisation.
- Check which costs are eligible and which not. Some costs or some co-funding (for example contributions in kind) could be refused by the funder.
- Have you also thought about any specific expenses in relation to your IVS, for example staff training or preparation on issues like intercultural communication, project-related information technology; volunteer preparation or training concerning the language learning, work related skills; rental costs arising from the project implementation or need for interpretation, etc.





2.3.2 Funders and funding possibilities

When looking for funding there are lots of sources available at different levels – local, regional, national, European and international. Funding can come from individuals, foundations, institutions, authorities, companies, etc. It depends largely on your context, on the type of project and on your initiative, who could be funding your IVS.

Step 1: Get a broad idea as to who could be potential funders

One way of getting information on sources of funding is to get inspired by similar projects or similar organisations. The Internet is another valuable source of information. www.eurodesk.org provides information about European funding schemes. www.fundersonline.org offers details on a range of European and world wide foundations.

Step 2: Find out the motivation and criteria of the funders

All funders, private or public, have certain motivation for giving money to certain projects. If you want to obtain funding, it is important to discover why funders give. Your International Voluntary Service should not only be in line with the funding scheme but your application should also highlight this. It goes without saying that you first have to collect information on the funder in order to find out what exactly they fund (which costs are eligible and which not), to what extent (co-funding necessary?) and what procedures (before, during and after your project) you have to follow. This way you avoid wasting your and their time and money.

Step 3: Select the appropriate funders and prepare your application

Once you have determined which funders would be most appropriate, you can prepare

your application tailor-made according to the procedure set up by the funder. Do not send the same standard letter or application for funding to different funders: adapt it to their aims, criteria, costs etc. Find out who your contact person is within the funding institution and keep regular contact. Sometimes it might be useful to split up your budget into several parts and ask different funders to contribute to specific costs in line with their criteria. Inform your funders of the co-funding asked from elsewhere.

Step 4: Follow up on your applications

Do not just send in heaps of paperwork. Check with your contact person at the funding organisation to see if your application arrived, if anything is missing, perhaps ask for some feedback on the content or information on the selection procedure. When not selected, do not drop your contact as the funder can be of help for another project in the future. Feedback on the reasons for rejection can be useful. When your application is accepted, the work is not finished. During your project it is a sign of good PR to send information (or a simple postcard) at regular intervals (depending on the duration). And it is not finished until after the final report, including finances, and a thank you letter.

Note! Do not look only for money. Often you can get contributions in kind, such as free accommodation or meals for your volunteers, some materials or technical equipment for the project (office equipment, building materials, etc.), a free phone line or Internet connection that could be provided by a company. Also sponsorship is an option.

More hints and tips can be found in the *T-kit on Project Management* (available to download at www.training-youth.net) or in the bibliography of this T-kit.



European Voluntary Service

One of the most prominent programmes financially supporting IVS is the European Commission initiative European Voluntary Service (EVS). EVS is an opportunity within the European "YOUTH" programme, open to all young people between 18 and 25. Voluntary activities can take place, for example, in the field of environment, arts and culture, children, young or elderly people, heritage, sport and leisure.

Aims

- Participation, non-formal and intercultural learning;
- Solidarity, mobility, inclusion of young people with less opportunities;
- Fight against racism, xenophobia and discrimination;
- Development of local communities, new partnerships and good practice exchange.

Criteria

- Volunteers are aged between 18 and 25 at the beginning of their voluntary activity.
- Volunteers are legally resident in an eligible country. Eligible countries are: 30 European "Programme countries" and the following third country priority regions: 12 Mediterranean partner countries, 7 states in the CIS, South East Europe and Latin America.
- The voluntary activity lasts between 6 and 12 months.
- Short-term projects between 3 weeks and 6 months are tailored to the needs of young people with fewer opportunities, who are a main priority of the YOUTH programme.
- Any type of non-governmental organisation, an association, a local authority or any other non-profit-making local initiative can be a sending or host organisation.
- Activities take place in a country other than that where the volunteer lives.
- EVS projects are implemented as joint activity between three partners: sending organisation, host organisation and volunteer.

Type of projects and procedure

- One-to-one projects: these projects are developed on a bilateral basis and are selected and managed by the National YOUTH Agencies in the countries of the sending and hosting organisation (decentralised procedure).
- Europe-wide projects (multilateral) and projects of European NGOs are submitted directly to the European Commission.
- Under the third country strand it is possible to implement one-to-one projects or multilateral ones. They are submitted to the National Agencies or the European Commission depending on the priority region.
- A database of approved host projects in Programme countries, which are looking for participants, can be found at www.sosforevs.org or <http://youth.cec.eu.int>.

Funding rules

All EVS projects are based on a simplified system of flat rates and fixed amounts. The grant never covers 100% of an EVS project and is considered as co-funding.





Funding rules for sending organisations

- Volunteer's travel, visa and vaccination costs are totally covered by the EC grant.
- Preparation/contact with volunteer/follow up consists of a fixed amount per sending organisation and a flat rate that is proportional to the number of volunteers and the duration of the voluntary activity.
- Exceptional costs and an Advance Planning visit are covered by the EC grant if the project involves young people with less opportunities

Funding rules for host organisations

- The allowance that has to be paid to the volunteer depends on the host country and is covered by the EC grant.
- The activity costs consist of a fixed amount per host organisation and a flat rate that is proportional to the number of volunteers and the duration of the voluntary activity.
- On-arrival training can be covered under certain conditions by the EC grant.
- Exceptional costs are covered by the EC grant if the project involves young people with less opportunities.
- In Europe-wide projects and multilateral third country projects the EC grant also covers to an extent co-ordination and volunteers' meetings costs

Deadlines

- There are three deadlines at European level and five deadlines at national level per year for projects starting approximately 4 months later.

For further details please consult the YOUTH-website and the User's Guide of the European Commission at www.europa.eu.int/comm/education/youth.html. You will also find contact details about your National Agency on this web-site.

Council of Europe funding

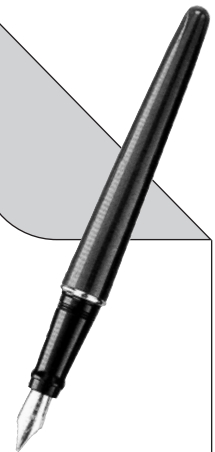
Apart from the EVS financial scheme there are other funding possibilities for IVS. For example, for work camps you can also apply for a grant via the European Youth Foundation of the Council of Europe. In this respect several criteria have to be met when applying for a grant:

- Participants/organisations from at least four member states of the Council of Europe have to be involved in the project
- 75% of volunteers should be under 30 years old
- The activity should be held in a member state of the Council of Europe
- The principle of co-funding should be proved

The Directorate of Youth and Sport also manages another funding scheme, the Solidarity Fund for Youth Mobility (FSMJ), designed especially to cover the travel costs of participants to international projects. In this case the criteria to be met are:

- It should be a mobility project
- For groups of at least ten travelling young people
- Coming from a disadvantaged background
- Travelling by rail

For more detailed information on the European Youth Foundation and the FSMJ consult www.coe.int/youth (click on funding).





Real life...

An example of a budget for inspiration

As we said, ELKA was going to organise a work camp to develop the paths and resting areas throughout the mountains and host a volunteer to develop the idea of adventure walks for youth groups and accompany them. Of course the budgets were prepared after a consultation held with all international partners in both the IVS projects, who themselves also have a budget for the sending of their volunteers.

Budget for the work camp developing paths and resting areas (in euro)

EXPENDITURE		Two professional trainers (fees)	1000 €
Travel:		Social activities:	
International travel for 26 volunteers	3120 €	For 46 persons (cultural events, four trips to historical places in the Velho vicinities, renting a bus, intercultural evenings and programme – cinema, theatre, final party, etc.)	1680 €
Local transport for 45 young people	1350 €	Video preparation	1000 €
Accommodation:		TOTAL	18 505 €
Host families in Velho	1650 €	INCOME	
Food:	3960 €	ELKA own contribution	1855 €
Preparatory work:		IVS partners' contributions	3000 €
Two meetings ³⁴⁰		Participants' contributions	920 €
Document preparation (information, welcome brochure)	100 €	Municipality	2300 €
Tel., fax, post, e-mail connections	210 €	Ministry of environment grant	1000 €
Insurance:		Private sponsors	550 €
For 46 persons	1533 €	District Office, Department of Regional Co-operation and Tourism	1450 €
Visas:		Foundation for Social Development	1500 €
For 26 persons	312 €	Local Youth Council	320 €
Administration and co-ordination costs:	650 €	In kind contributions	5610 €
Environment inspection (paths and resting areas development)	1600 €	TOTAL	18 505 €
Expert on tourism			



Budget for the EVS hosting project (in euro)

EXPENDITURE		Dissemination of good practice:	
Pre-departure preparation organised by the sending organisation:	125 €	Publications on	
Language training course (2 volunteers, 15 days, intensive):	100 €	– green tourists statistics and adventure activities (100 printings)	500 €
Information materials:	25 €	– project outcomes	120 €
Travel costs:	260 €	Ongoing training (2 volunteers x 650 €)	1300 €
Return rail ticket from the home place of volunteers to Velho and vice versa, second class train: 2 x 130 €		Evaluation	120 €
Insurance:	296 €	TOTAL	19 026 €
2 volunteers, full duration of 11 months: 2 x 148 €		INCOME	
Accommodation for 2 volunteers in Velho	3300 €	ELKA own contribution	850 €
Secured and covered by a family (in kind)		Sending organisation's contribution	500 €
Food:	5280 €	Volunteers' contribution: 2 x 175 €	250 €
2 volunteers, full duration of 11 months:		City Council	2200 €
Breakfasts and dinners covered by a family	3960 €	Velho School's contribution	120 €
Lunches: 11x30x6x2=1980 €		District Office – Department of Environment Protection	1800 €
Local transport: 660 x 2	1320 €	Private sponsors	800 €
Language course organised by ELKA (in kind)		Foundation for civil society development	1200 €
Intensive part (at language school)	240 €	In kind contributions	1306 €
Provided by a volunteer of ELKA	160 €	European Commission grant (EVS programme)	10 000 €
Social activities and leisure time (social integration):	880 €	Sending organisation:	
Planned cultural trips and social events: 11x40x2=880 €		2 x 600 € (preparation, administration and follow-up)	
Administration:	935 €	Support and communication: 2 x 11 x 20 €	
Tel., fax, e-mail connection: 11x50=550 €		Travel costs: 2 x 130 €	
Paper, pens, Xerox, materials for working with youngsters – rope, information brochures, etc.):	385 €	Hosting organisation:	
Visa and residential permit for 2 volunteers	220 €	On-arrival training, language training: 2 x 600 €	
Medical certificate (on infectious diseases) for 2 volunteers: 2 x 5 €	10 €	Food, lodging, local transport and support: 2 x 11 x 300 €	
		Pocket money for two volunteers	
		TOTAL	19 026 €