



Steps for converting donor budgets to budgets for the CRS financial system

A PROJECT MANAGER'S GUIDE TO PREPARING THE CRS BUDGET TEMPLATE FORM (BTF)

NOTE: These are the general steps for converting a donor budget into the Budget Template Form (BTF), which is required for entering the budget into the CRS financial system. To see an example of a budget where this has been done, please refer to the **Donor Budget to BTF Example**. (see compass.crs.org, Standard 8, key action 3)

1. **Determine whether a standard Budget Template Form (BTF) is sufficient (most cases) or whether you need to enter an optional T-code-specific BTF (T6, T7, T1).** For projects that need to track budgets by optional T-code, consult with the finance manager to better understand T-code options.
2. **Assign account codes:** Add a column to your donor-approved project budget and assign a GL account code to each line item referring to the most updated complete chart of accounts.
 - Pay close attention to the description of each code in the Chart of Accounts, noting whether it is for domestic or international use, national or international staff, and CRS or partners. In some cases, more than one GL account code will work for the budget line item. Choose the one that fits best and consistently use it going forward.
 - Keep in mind that some line items (for example, fringe benefits, training/meeting costs, partner costs) have multiple GL account codes although they may only be one line item in the budget prepared for the donor. For these items, create additional lines in your budget and break down the total cost across the respective GL account codes.
 - It is recommended at this stage to ask the finance team to review the account codes with you to confirm you have correctly assigned account codes to budget line items. For cost allocation, see [PRO-FIN-ALL-020.02](#) which indicates the individual codes that roll up into the 11 cost allocation “roll-up” account codes.
3. **(If applicable) Confirm exchange rate to use for the BTF:** CRS prepares the BTF in US dollars only and, wherever possible, CRS should prepare proposal budgets in US dollars. If no exchange rate was specified in the proposal budget, the project manager and finance manager should work with the donor to establish an acceptable exchange rate for converting the award currency budget to US dollars.
4. **Allocate costs to months:** Add columns to the right of your budget for each month of the current fiscal year, beginning in the period when your project will start. You may wish to forecast costs across multiple fiscal years if your project starts late in the current fiscal year (see **example**). Allocate your first fiscal year budget to the monthly columns based on your detailed implementation plan (ideal) or the proposal activity schedule (if necessary – e.g., DIP development occurs after budget entry).
 - Assign costs to months in which the payment will be made, which may not necessarily be the month when an activity is carried out or a good or service provided.
 - It is not recommended to include subtotals in the monthly projection.
 - For CRS salary costs, pay careful attention to the number of units (months) each staff member will be working in the fiscal year.

T-codes may be helpful when:

- The donor requires special financial reporting and you need to be able to group expenses according to the donor's requirements
- The project has many costs with the same GL account code(s), e.g. project materials (6106) and project & consultant fees (6104) but the budget manager needs to track spending on certain items



- For fringe benefits, you will likely need to add further lines to disaggregate the national fringe rate by the actual account codes (e.g. medical, severance, etc). Discuss with finance the breakdown of the overall fringe by account code (6061 - 6071). The fringe benefit amount should always be based on the salaries charged to that month. Do not just divide the total amount budgeted for fringes by 12.
- For vehicle expenses charged via cost allocation, budget costs based on estimated kilometers to be driven each month. Project support pool cost allocation lines will be allocated across months, based on the monthly direct-direct expenses divided by the total annual direct-direct spending. **Do not divide by 12.** Calculate the percentage of your budget that will be spent each month and multiply this percentage by the total budget for that allocation line. For example, if 25 percent of your budget will be spent in Month 3, Month 3 should include 25 percent of the total annual project support pool budget line item.
- Training costs will need to be further broken down into the various account codes associated with trainings and workshops (6607 to 6612).
- Partner budget tabs should also be coded and allocated month-by-month. It is recommended that you develop this version of the partner budget with the partner, or at least share it, as it greatly facilitates their own cash forecasting and budget management. Most local partner costs will be charged to account codes 6151 to 6169. However, awards to organizations that file a USG (A-133) audit and have an indirect cost agreement with their cognizant Federal agency will be charged to 6904 and 6906. For non-A133 entities for which CRS does not apply indirect cost recovery (ICR) because of donor restrictions, partner costs will be charged to account codes 6907 and 6908.
- Consider payment schedules for contractors, including any advances and payments upon completion of work. As noted above, put costs under the month when the invoice will be paid, which may not be when the work will be done.
- Indirect costs should be calculated as the sum of all direct costs (direct-direct and allocated-direct) after excluding any amounts that are not subject to ICR in that month, multiplied by the approved indirect rate.

Tips:

1. Consider placing costs in the month after the training is scheduled (when payment is likely to be made)
2. Calculate the totals for direct-direct expenses and determine the appropriate percentage of cost allocation expenses to budget for each month, then go back and calculate the monthly budget for cost allocation expenses.
3. When calculating transportation costs, keep in mind that delays in procuring project vehicles or hiring drivers may mean the project has to use hired vehicles and drivers. If this is the case, don't include vehicle cost allocation expenses for the vehicle hire period.

5. **Calculate monthly totals for each account code:** Some account codes will have multiple lines in your budget but will need to appear on a single line in the BTF. It is necessary to sum up each account code to facilitate the transfer to the Budget Template Form. This can be done manually or by using the SUMIF formula (see Row 193 in the "CRS Detail Budget" sheet in the **example**). Using Pivot Tables is highly recommended to facilitate this process (see Pivot tab in **example**). If you are not familiar with Pivot Tables, see the CRS Learns courses [Microsoft Office 2013 Power User Excel - Using Pivot Tables Pivot Charts and Advanced Charts in Excel 2013](#) or [Microsoft Office 2010 Advanced Excel - Pivot Tables and Pivot Charts in Excel 2010](#).
6. **Transfer the values for each account into the Budget Template Form:** Transfer the values for each account code from your budget into the BTF and share with the head of programming (HoP) for review. The HoP will share it with the finance manager.
7. **Check your calculations:** Set up formulas to ensure that your total spending per month in the BTF matches the forecasted spending per month in your budget. If not, there may be a transfer error. Use formulas to check that the total amount in your BTF matches your total budget by fiscal year. Common errors include: failing to assign an account code to a budget line item or failing to distribute the correct amount of the line item across months. To check the latter, set-up a formula to check the sum of monthly distribution against the total of the line item (see Column X in the "CRS Detail Budget" tab in the **example**).