Budgeting Instructions for Faculty-led Programs:

Developing a program budget is an important first step in planning a faculty-led program. Think of the program budget as the driving force behind program planning. Establishing a reasonable per student fee will assist with recruitment and marketing. Program directors can feel confident in advertising specific costs and program activities once a budget has been developed. Please use the IPE budgeting template to begin planning. This template provides both general topics and specific line items that can help walk you through the budget planning process.

Student numbers and exchange rates

Your planning budget should be written for a certain number of students (enter in cell C7). This should be a number that the program can both feasibly recruit and support abroad. The program budget must zero-out (all costs must be covered) using this number of students. If you end up taking more this could leave your budget with a slight surplus, used to cover the costs generated by the additional student(s). Any leftovers will be retained in the specific program budget. Please see the IPE Surplus/Deficit Policy for guidelines as to how these funds can be used.

In addition to determining a base number of students, you should also plan for a conservative exchange rate (enter in cell K5). All of your foreign currency expenses should be calculated as a factor of this cell (multiply the foreign amount by the exchange rate cell to get the dollar amount for the subtotal column). This will allow you to experiment with different exchange rates and their impact on the overall budget during the program planning process.

Expenses and program fee

Continue developing your budget by filling in all the expense items and prices in the “Expenses” section.

If you obtain exact costs or price estimates in local currency, again please use the local currency column, and multiply the amount by the exchange rate cell at the top of the worksheet.

The budget template is only a guide. You do not have to use or limit yourself to the items you see there – they are merely some typical program expenses. You can remove or leave blank any items that do not apply to your program, and you can insert more as needed (insert -> line).

Remember to budget for yourself and extra staff as extra persons where appropriate!

Some costs (admin fees, salary, benefits, reserve) are pre-set as noted. Do not change these.

Wherever possible, please try to budget items as per-student costs. For example, instead of estimating $150 for a museum entrance fee, budget for $10 per person X 15 students. For some items this will not be possible (like honoraria, or renting a bus) as they are fixed group/program costs which do not change depending on the number of students. Breaking out costs as this way helps us plan for the future, and make more accurate refunds to students who need to withdraw.

Once all your costs are included, there will be a total at the bottom of the “Expenses” section, as well as a large balance showing. The next step is to enter a program cost at the top under “Revenues” and adjust it so that it makes the balance at the bottom as close as possible to zero (make sure it is positive). Round up your program fee to a multiple of $50, and that’s your program fee!

If you have or expect additional revenue from a departmental contribution, donation, or other source, add a line in the revenue section at top. Please check with IPE to determine appropriate uses for outside contributions.
Please remember these fiscal policies:

- No UW funds may be spent on alcohol under any circumstance;
- Gifts and donations are not allowable expenses;
- Avoid purchasing durable goods that will have a life after the end of the program - these become property of the UW/IPE office;
- Know and abide by the UW's conflict of interest policy!

Protecting your budget

It isn’t always easy to get reliable numbers in advance for faraway costs that you will incur in the future. Do your best to get a sense of actual expected costs, and take into account factors like the exchange rate, which may tend to change over time. It is OK to budget a bit more than you expect to pay for some items, or to expect a worsening exchange rate. The three best things you can do to budget accurately are:

Don’t guess – do research and use local contacts to get actual prices.

Get commitments from vendors on how much they will charge you – and get documentation that you can bring with you as back up.

Get price quotes & commitments from vendors in U.S. DOLLARS whenever possible to avoid risks associated with currency fluctuations. Your budget will be calculated in dollars, so committing to pay for things in U.S. dollars is highly preferable.

Keep costs down

All costs associated with Faculty-led Programs are generated by student program fees, and hence are ultimately borne by students. We want to keep costs down to make these programs as affordable and accessible as possible to students. While you are just as free to choose a 5-star hotel or a campground, we strongly encourage you to make every effort to keep down the costs of your program, within appropriate bounds of health, safety, comfort and convenience. Less expensive choices are often more culturally appropriate as well. Keep this in mind! Getting a head start on your price research helps a lot, and while this can require a bit more effort on your part, it will mean a lot to your students, many of whom have to take out loans to make these programs possible.

Notes on line items

Faculty/Staff Salary: In many cases the home department for a faculty-led study abroad program will show their support to the program by allowing the program director to remain on salary with the department during the program abroad. This can cut down immensely on instructional costs added to the program budget and borne by the student. If a program director will be paid out the program budget, the salary will need to be approved by the home department chair. A department administrator will be responsible for setting up payroll for a program director, however IPE can provide the program budget number once the salary has been approved. All salaries incorporated into the program budget must include a line item for a 24% benefits load. This line item is included in the budget template.
**Per Diem:** Per diem for Departmental programs is typically less than standard government rates. Keep in mind that a per diem expense is included in the students’ program fee, so it is important to determine a reasonable rate based on your destination. A program director per diem will usually range from $20 - $40 per day depending on the location of the program.

**Room and Board:** As director, your housing costs are covered and should include a few (2-4) days before and after your program. Your board (food) costs should be included in the budget as per diem. Student housing should be included in your budget for the entire program. Student board (food) may be included as you see fit. Some programs include all meals, some none. This depends on the logistics of your program. Most programs only include meals in cases where eating as a group is the only option, or where food is included with housing (i.e. home stay) or activity costs (i.e. a tour with lunch). Student housing is typically the biggest expense.

**Program Reserve:** This is calculated as a percentage (2%) of your program’s total expenses and is the extra, un-budgeted amount you will take with you for contingencies and unforeseen expenses only. You are expected to return it to the UW after your program except in the case of special circumstances.

**Emergency Reserve:** This is calculated as a percentage of your program’s total expenses. The reserve is a minimum of 5%, and increases slightly with the number of students you take. The reserve money is kept in the program budget to pay for withdrawal refunds, currency fluctuation and emergencies.

**Local Coordinator:** Most programs make use of a local coordinator with good local knowledge, contacts, and language skills. This person typically helps with program research (finding housing, lining up activities, getting price information, making reservations). The typical payment for this service is approximately $1000. This may vary depending on whether your local coordinator is doing more or less than average. This person may not be a family member or anyone else who would violate the UW’s conflict of interest policy.

**Communication & Phones:** You MUST have a working cell phone for the duration of your program. You can obtain this either by renting one from the UW, renting or borrowing one abroad, or purchasing a phone abroad. If you will be in remote areas or areas with little or unreliable service, you might consider a satellite phone to ensure reliable contact. Make sure you budget adequately for this. More information on UW rental rates is at http://www.washington.edu/cac/care/phone/cellular.rental.html.