**Budget Considerations**

As you move forward with developing a KM strategy, a corresponding budget and budget narrative should also be developed. As with the strategy in general, your budget will depend on the technical scope, timeframe, and existing resources. There are several items that you will need to plan for regardless of the size of your strategy.

## Salaries

A significant portion of your budget will be allocated towards salaries.. Consider the skills you are seeking in staff as well as the time commitment, duties, and responsibilities. These factors will affect the salary range(s) that you should plan for. KM salaries often depend on the degree of specialization of the skills you are seeking as wells the candidate’s salary history. The donor and type of funding may also dictate a maximum amount that can be paid for salaries. Since KM is a relatively new field, there are still few professionals with explicit KM skills. Use skills in related fields as a proxy for identifying appropriate candidates.

KM activities typically require some level of effort from the following HR categories: monitoring and evaluation, technical writer, graphic designer, ICT specialist, project manager

## Fringe benefits

Salaries include fringe benefits which often include vacation, health care, and parental leave. These costs vary from organization to organization. This budget item will not be unique to KM work.

## Consultants

Consultancies are used to complete tasks that current staff does not have the skills or time to complete themselves. Consider the skills needed, number of days, and expected rate of compensation. KM strategies employ consultants to complete needs assessments, write and editing KM documents, and implement select activities including those focused on digital health, ICT, and promotion and dissemination. The type of funding also limits the maximum daily rate. USAID funded project require that consultants complete a form showing salary history known as a [1420](https://www.usaid.gov/sites/default/files/documents/1868/AID-1420-17-6-13-19FINAL.doc).

## Supplies

You will need to list the supplies required to support the identified KM activities in your KM strategies. Common supplies for KM work include flash drives for sharing electronic documents, and paper for printing of hard copies. Computers, copiers, scanners, and flash drive writers may also be needed. Justify each item by explaining how it is needed to complete the corresponding activity. In USAID projects, items that costs $25,000 or above are classified as equipment. Most KM strategies won’t have expenses as high as this.

## Travel

Travel to meet with stakeholders are important to KM strategies for purposes of knowledge gathering, exchange, sharing. Funding guidelines often dictate the limits on spending for hotel, meals and incidentals such as [USAID’s per diem limits](https://aoprals.state.gov/web920/per_diem.asp). Note the purpose and number of trips as well as the number of travelers, airfare, lodging, meals, and ground transportation.

## Contracts

Contracts are like consultancies but for organizations instead of individuals; similar tools include purchase orders, sub-awards, and partnerships. These tools are often employed for larger and more complicated tasks. In your budget, list the scope of work, deliverables and milestone payments, and the period of performance. KM strategies often use contracts to partner with organizations that have specialized skills or experience managing complex work plans including those focused on digital health or resource planning.

## Indirect costs

Indirect costs include the cost of office space and office equipment (if it is not being purchased new). Similar to fringe benefits, the indirect cost rate will vary from organization to organization as well as the donor. USAID and others funders often use negotiated indirect cost rate agreements or NICRA for short. Indirect rates are expressed as a percentage of total modified direct costs. Often organizations will have different rates for their headquarters and field offices.

**Budget Template**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **Unit** | **Rate** | **Total** |
| Salaries |  |  |  |
|  |  |  |  |
| Consultants |  |  |  |
|  |  |  |  |
| Supplies |  |  |  |
|  |  |  |  |
| Travel |  |  |  |
|  |  |  |  |
| Contracts |  |  |  |
|  |  |  |  |
| Indirect costs |  |  |  |
|  |  |  |  |
| **Total** |  |  |  |