

Sierra Sanchez
BUSA3480-Budget Management for Leaders
Fall 2025
October 3, 2025

Budget Narrative

Suppose the leader of an organization has asked you to write a proposal to spend \$5,000,000 on a project with the following criteria. The project must yield or expect to yield an improvement in any socio-economic indicators, e.g., poverty status, hunger, crime, education, income, health, etc., and all the project funds must be spent in 3 years.

1) List and describe all the costs that are associated with the activities and work in the Project Narrative.

- **Startup costs:**
 - Licensing expenses
- **Operating costs:**
 - Rent
 - Utilities
 - Taxes
 - Maintenance
- **Interim Costs:**
 - Business loan
 - Credit card payments.
 - Loan payments
- **Annual Variable Costs:**
 - Business Insurance
 - Phone and internet provider fees.
- **Materials:**
 - Training materials for educators
 - Learning materials for learners
- **Equipment**
 - Computers and tablets
 - Printers
- **Supplies:**
 - Office and classroom supplies
 - Printing supplies
 - CRM Software
- **Marketing/ Advertising:**
 - Marketing services
 - Website costs
 - Logo creation
 - Business cards, flyers, and brochures
 - Branded materials that display our logo
- **Human Resources:**

- Talent requisition
- Hiring costs
- Payroll expenses
- **Accounting/ Record-Keeping**
 - Accounting services
 - Software expenses
- **Long-Term Expenses**
- **Event costs**

2) Provide a table of the items and associated costs grouped by appropriate categories with subtotals and a grand total by project year. Please provide a realistic estimate of costs using averages if exact costs cannot be obtained. Average costs can be found by searching the internet.

Line Item	Year 1	Year 2	Year 3
Fixed Costs	\$280,000	\$280,000	\$180,000
Rent	\$150,000	\$150,000	\$150,000
Start-Up Costs	\$30,000	\$30,000	\$30,000
Interim Costs	\$100,000	\$100,000	\$--
Variable Costs	\$110,000	\$111,000	\$113,000
Utilities	\$25,000	\$27,000	\$29,000
Maintenance	\$50,000	\$52,000	\$55,000
Supplies	\$25,000	\$23,000	\$21,000
Marketing	\$10,000	\$9,000	\$8,000
Annual Variable Cost	\$35,000	\$39,000	\$42,000
Business Insurance	\$20,000	\$22,000	\$24,000
Taxes	\$15,000	\$17,000	\$19,000
Equipment	\$100,000	\$90,000	\$90,000
Computers	\$50,000	\$48,000	\$48,000
Tablets	\$20,000	\$17,000	\$17,000
Printers	\$30,000	\$25,000	\$25,000
Personnel	\$750,000	\$755,000	\$765,000
Salaries	\$500,000	\$510,000	\$520,000
Subcontractor costs	\$250,000	\$245,000	\$245,000
Indirect Costs	\$475,000	\$475,000	\$310,000
Long-Term Expenses	\$475,000	\$475,000	\$310,000
TOTAL BUDGET: \$5,000,000	\$1,750,000	\$1,750,000	\$1,500,000

3) List all sources for the cost estimates and/or methods used to derive the cost estimates.

[Business and Corporate Taxes in New Mexico – State Regs Today](#)

[Average Cost of Utilities for a Business 2025 – LatestCost – Real-Time Price Insights](#)

[Average Business Loan Interest Rates | Bankrate](#)

[Leap 2023 Subcontractor Price Sheet by State](#)

[16 Business Startup Costs Business Owners Need to Know - NerdWallet](#)

[Teacher Salary in New Mexico \(October 01, 2025\) | Salary.com](#)

[Small Business Checkpoint](#)