

|                                       | Budget 2021<br>€ |
|---------------------------------------|------------------|
| <b>Income</b>                         |                  |
| Grants                                | 4,789,275        |
| Other Income                          | 159,400          |
| <b>Total income</b>                   | <b>4,948,675</b> |
| <b>Expenditure</b>                    |                  |
| <b>Overhead</b>                       |                  |
| - Personnel costs                     | 361,427          |
| - Building expenses                   | 178,370          |
| - Office and communication            | 319,055          |
| <b>Total overhead</b>                 | <b>858,852</b>   |
| <b>Project costs</b>                  |                  |
| - Direct project costs                | 2,883,051        |
| - Personnel costs charged to projects | 1,200,102        |
| Total project costs                   | <b>4,083,153</b> |
| <b>Total expenditure</b>              | <b>4,942,005</b> |
| Balance of income and expenditure     | 6,670            |
| Financial income and expenditure      | -/- 6,000        |
| <b>Result</b>                         | <b>670</b>       |

The 2021 budget was discussed and formally approved by the Supervisory Board on 30 October 2020. Budgeted income is based on secured contracts accounting for 90% of the budget. The balance is expected to come from pending funding applications and/or additional fundraising undertaken in the course of 2021.

Overhead costs were budgeted at 17,38% of the total budget. These are divided into three categories:

- 1. Personnel** – This accounts for 7% of total expenditure and concerns the costs of staff time not spent directly on project implementation (eg. Fundraising). It also includes a budget for training, interns and volunteers, and commuting costs of staff members who do not live in Amsterdam where TNI offices are located. TNI expects one staff member to go on maternity leave, and two staff to take parental leave in 2021. No new employment was envisaged. The budget includes salary increases due in July 2021 should there be an industrial wage agreement for the welfare and care sector, which TNI follows, and provided TNI has met the full budgeted income by then.
- 2. Building** – This accounts for 4% of total expenditure. The figure reflects the balance of total costs of the building less rent and contributions to service costs received from tenants. Costs include depreciation; the mortgage; an annual provision for major maintenance; cleaning and minor maintenance; utility costs; insurance, taxes and land lease. Minor maintenance costs are budgeted higher than the previous years due to postponement to 2021 of work that could not be done under COVID-19 conditions in 2020. Major maintenance planned for 2021 includes painting of the external front woodwork postponed from 2020. Rental income is budgeted higher than last year as we now have a full house again after suffering some losses due to being unable to earn off one space for much of 2020.
- 3. Office and Communication** – This accounts for 6% of total expenditure. Significant additional costs planned for in 2021 include investments in the upgrade of the website, in a new digital project management system, and consultants to help TNI reorganise in light of its new five year programme beginning in 2021. Breakdown costs include office equipment, stationery, and other supplies; communication infrastructure such as the network, software, website, telephone and mailing; audit, financial and salary administration; board meetings, fundraising and other organizational development costs.
- 4. Project costs** constitute 83% of the total budget, and are based on budgets agreed with funders. The budget is based on 19 contracts and one grant without a contract that will fund projects in 2021, and a further 4 where there are verbal promises though these have been put into the budget at less than the full expected value to hedge risk. Personnel costs are budgeted at 29% of total project costs. This is considered by TNI's funders to be an appropriate proportion, particularly given that TNI is primarily a research and advocacy institute. The balance is spent on the direct costs of project implementation. The project goals or specific deliverables to be achieved are laid down in contracts with funders (See Funding agreements Active in 2020). TNI's Planning, Monitoring and Evaluation system helps us monitor whether a project is on track to achieve its goals, including quarterly budget monitoring, ongoing assessments of contextual changes so that strategies can be adjusted where necessary, and annual outcome harvests.
- 5. Fundraising targets** – the budget sets a target of Euro 250.000 still to be raised to ensure salary and overhead coverage in 2021. On average over recent years, TNI secures 90% of its budget by the last quarter of the previous year and the balance by the end of the first quarter of the following year. Based on this pattern, verbal agreements for pending contracts, and a satisfactory number of grant applications in the pipeline, the target was deemed reasonable by the Management and Supervisory Boards.