

# WHAT'S IN A BUDGET?

Establishing a budget for your event is one of the most important phases of the event planning process.

## Why have a budget?

- A budget is necessary to generate parameters concerning the spending on the event. This will assist you in remaining focused and purchasing those things that are truly needed.
- It can assist you in making final decisions regarding your event.
- It can compel group members to use funds efficiently.
- It can provide a benchmark for future event planning of a similar nature.

## What do we consider when creating a budget?

- **Identify the costs for your program.** It is important to get accurate estimates that are inclusive of all surcharges.
- **Allow for last minute expenses.** Although you want to make a comprehensive budget to cover the entire costs of your program, allow for those incidental things for which you cannot plan. *Have a contingency expense allowance.*
- **Consider this event within the scope of your yearly calendar.** You do not want to have one event use all of your funds for the entire year.
- **Revenue Projections.** Are you anticipating using this event as a fundraising project? Consider how much you would like to make and then outline what would be needed in order for you to reach those goals.
- **Sponsorship Funds.** How much of your funding do you project to receive from sponsors? How much has actually been committed? Do you have these commitments in writing?

## How do I get the funding?

- You have to look to your individual organization's constitution to see what the procedure is for requesting funds. Remember you will need to plan ahead if a cash advance or check request is needed. If you are requesting money from other entities, ie, the NMC Foundation, check to see the specific requirements related to deadlines, funding guidelines, etc.

## What items should I include in the budget?

- Audio/visual
  - equipment rental
- Catering
- Decorations
- Entertainment
- Prizes/ Souvenirs

- Programs
- Publicity
- Room charges
- Security
- Tickets
- Transportation

**How do I know how much to budget for each item?**

- The organization has to determine what the primary focus of the event is going to be and allow this to guide the budget. If you are having a cultural night with foods from various countries, your main expense will probably be food and decorations. If you are having a talent show, your primary expense may be prizes. The key is to remember to keep things balanced and to allow some funding for each aspect of your program planning.

**General Accounting Rules:**

Along with planning a budget, it is essential that your organization establish general rules of accounting. This will assist in keeping your records accurate and prevent loss of money.

- **Determine a time frame for depositing all funds.** (24 hours is a good time frame to use because prompt depositing of funds will assist in decreasing loss and theft.)
- **Consider providing receipts for purchases of tickets and purchased items.** This will aid in maintaining an accurate inventory and keeping a record of who has purchased and received their merchandise.
- **Determine a procedure for submitting receipts.** (Someone should be designated as the person to receive all receipts and reconcile expenditures with the approved budget. 24 hours is a good time frame to have all receipts submitted to the designated person)
- **Determine a procedure for reimbursements.** (How will individuals get reimbursed? Is there a limit to the amount they can be reimbursed? What is the procedure for individual's spending money on their own?)