**The budgeting process for events**

Let's suppose you have just been assigned a new role as Competition Director for next year's State Championship which your club is hosting. The event is 12 months from now.

One of your first and most important tasks is to develop a budget. You cannot really organise such an event without a budget. It would be like planning a holiday and not knowing how much it would cost!

So, the question is how are you going to develop a budget? No need to worry, really, it is basically a common-sense process. You should never imagine that you are on your own in this task. Budgeting is very much a task shared among work colleagues. So talk to people, talk to colleagues!

The budgeting process starts immediately when planning an event. It's a case of making a start somehow, anyhow, by getting some rough estimates down on paper. Then day by day, week by week, your task is to refine your rough estimates by seeking [information](http://www.leoisaac.com/operations/top166.htm) through a number of ways by researching and talking to staff, contractors, and stakeholders.

As time goes by, and more information comes to hand, your budget will hopefully become increasingly accurate.

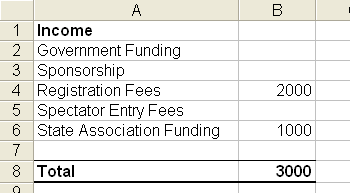
Probably a good place to start is to consider where the money is coming from to pay the costs of the event.

Typically, the principle sources of event income are:

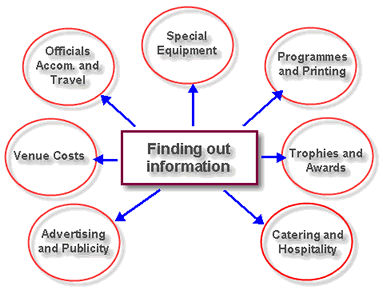
* Government Funding
* Sponsorship
* Money paid by event participants (e.g. registration fees)
* Money paid by event spectators (e.g. entry fees, food/drink sales)
* Money paid by a parent organisation (e.g. state association)

Let us suppose that the starting point is that you know that the State Association guarantees funding of $1,000 towards the cost of staging the event. In discussions with the state association you also find out that there will be 100 competitors and each will pay a $20 registration fee to enter the event. Participants will therefore contribute $2,000 in event income.

The total of expected income is, at this early stage, $3,000.



Now you need to take a look at what costs the event will incur. Again, if you are not sure what types of expense will occur then ask people! You can probably think of some things yourself but not necessarily everything.

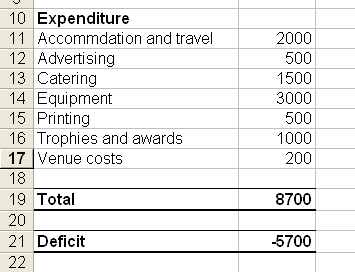


Okay, so you have done some talking, some probing and you have identified at this early stage that the major costs will include advertising, officials, equipment, programmes, trophies and catering and maybe some costs associated with the venue.

You now need to get some costings. Make some telephone calls!

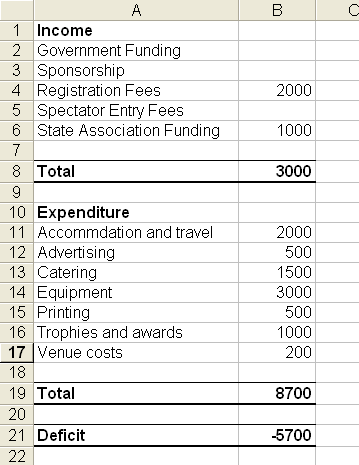
* Call the newspaper and gets some quotes on advertising space.
* How many programmes do you need, do you want colour? Call the printer and gets some quotes
* How many officials will you need to provide accommodation? Call some local motels and get some quotes
* Do you need to provide any catering (e.g. finger food and drinks) for the dignitaries and officials for after the opening ceremony? Call some caterers and get some prices.
* How many trophies do you think will be needed? Call the trophy shop and get some idea of prices.

As you obtain quotes, a picture of costs begins to emerge. Nothing will accurate at this stage. You are just getting a basic idea of some of the important elements in your budget.



You have a first look budget for expenditure!

Put all this information (income and expenditure) together and what have you got?



**Answer** - A deficit!

Costs are greater than income by $5,700. This is a fairly typical situation, and it must be rectified. An event budget must at least show a break-even situation.

Well, you have 12 months to sort the problem out! At least you have made a start. You have some rough estimates to work with and to discuss with colleagues.

The process from hereon in is simply one of **refinement.**