

MAKING IT ADD UP

Before you go too far down the road of organising an event, you need to be sure you can balance the books at the end of it!

Financial planning is a critical part of event management. You have to know what everything will cost (expenditure) and how much money you require to pay for it (income).

Once you have that total, create a list of income sources.

Finding the money

Community funding and grants

It is a good idea to call or visit funders before sending in applications for funding. This can save you a lot of time and help steer you in the right direction. For example, you may have a figure in mind that may not be realistic or there could be a limit on funds at that particular time, or the criteria for funding may not match what you are asking for.

Be aware some funders meet regularly, others less often. Prepare to apply for funding at least six months before your event, or at least talk with the funders so you get an accurate steer on timeframes for funding.

Philanthropy ask

Receiving money from individuals is not a usual source of funding, although recently crowd-funding is becoming popular. Various websites have been set up for you to register your event where you can raise money to help pay for it.

Event revenue

This includes things such as ticket sales, catering revenue, sales of any merchandise such as event t-shirts or programmes, stall holder fees or programme advertising sales.

Sponsorship

Events have proven to be a useful commercial advertising and branding tool for business and corporate enterprise. Sponsorship may comprise cash, contra (in-kind goods or services) or a combination of both. The success of any sponsorship arrangement is going to be determined by how well the fit is between the event organiser's audience target market and the sponsor's commercial target market. Sponsors become involved in the funding of events for various reasons. The critical point is that they become involved for a reason, and that reason is what you need to know.

Fundraising

Fundraising is a general term, but often it is used to describe raising money through other smaller events or running things like car washes, fun days or theme nights. Remember that the point of putting on these activities is to raise money for your 'actual' event so if the effort and costs are not greater than the expected income, you might want to rethink the plan!

Budget tips

- A healthy contingency sum (usually 5% of your budget) is always a good idea when putting together a budget. No matter how careful you are with your planning, something will crop up or go wrong which may require some expenditure.
- Calculating income from tickets sales can sometimes be tricky, particularly when you have a number of differently priced tickets. Work out different scenarios of tickets sold 100% (best case); 30% (worst case). Usually around 45-60% is a figure that most funders find acceptable when granting funds for an event. Remember to include complimentary or free tickets in the total ticket allocation.
- Make sure petty cash is factored into the budget.
- Obtain quotes wherever possible so your budget is accurate. Funders often require quotes when you are applying for grants.
- Be realistic. Never include funding sources that aren't likely to materialise.
- If your organisation is GST registered, your budgets, both income and expenditure, should exclude all GST.
- Make sure that you have good systems in place for money handling and payment of accounts.