

## CONFERENCE BUDGET

Setting the goals and objectives for the conference is just as important as setting a company's financial goals and objectives.

The conference budget needs to reflect the goals which are to be achieved. If the conference goal is to give a platform for the exchange of ideas, it may require less financial commitment than a conference including world-famous professional speakers.

The budget is a statement of income and expenditure that has been allocated to specific headings. The budget is the 'watchdog' and a roadmap to check that income and expenditure are on track. Review of the budget on a weekly basis is crucial to achieve the financial goals.

The first time a conference is held there is no history of a past budget as a starting point. In this case quotes and 'educated' guesses will be the starting point. Any changes or adjustments throughout the process need to be documented and should be considered in post conference evaluation.

The budget may also have a historical perspective. It can be a basis for measuring the return of investment (either a dollar value or 'goodwill') on a year to year basis.

Levels of authority are best established at the time the budget is set and a clear simple procedure for authorising expenditure developed that is communicated to all involved.

The following questions need to be asked:

- Who is in charge of monitoring the budget?
- Who has authority to authorise purchase orders?
- Who has authority to authorise cheque payments?

## **INCOME**

Comes in the form of company support, sponsorship and registration fees

## **EXPENDITURE**

**Variable** – costs that vary due the fluctuation based on the number of delegate registrations and other factors during the timeframe for the conference. Suppliers will accept variation on the number of people up to a nominated deadline

For example: Food and beverages costs, the budget indicates

200 people @ \$50 per person	= \$10,000
but before the deadline	
150 people register @ \$50 per person	= \$ 7,500
The variance is \$2,500	

**Fixed** – a cost which cannot be adjusted even if revenue does not meet expectations. The cost is made or imposed at a set rate which stands firm for the timeframe of the conference

For example Two hundred people are expected, the room is booked for a fixed cost of \$600, a strike has restricted the number of people to 60 – the organiser does not get a reduction in the hire charge.

Administrative support (Conference Secretariat)

Staff time, photocopying, telephone charges, fax, computer charges, couriers

## CALCULATING THE REGISTRATION FEE

$$\text{Registration fee} = \frac{\text{Variable} + \text{Fixed costs}}{\text{No of Delegates}}$$

Many conference organisers prefer to add a 10% contingency to registration fees to cover unexpected circumstances.

### *An example of the calculation a registration fee*

Details	Progressive Total
\$9000 fixed costs divided by 250 delegates	\$36.00
Plus variable costs \$200 per delegates	\$236.00
Plus 10% for contingencies plan (\$23.60)	\$259.60
Plus 10% for inflation( \$25.96)	\$285.56
Plus 10% GST (\$28.55)	\$314.11
Registration per person	\$314.00

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