

## **7 Things to Know Before Financing and Budgeting For Your Event**

American poet Richard Armour once said, 'That money talks I'll not deny; I heard it once, it said "Goodbye"'. While we doubt that Richard ever tried to finance his own conference or event, he certainly understood how organisers feel when trying to balance that fantastic concept with a healthy looking budget.

The thing to remember is that while expense columns have a habit of ending up longer than expected, there are plenty of ways that you can boost your event income aside from the usual ticket sales, workshop fees, etc. Here are seven finance and budgeting strategies for events that will help bring a smile to your Finance Manager's face:

### **1. Applying for a Government Grant**

If you are holding a community event, you can apply for funding from your State Ministry for the Arts, the Australia Council, and several other government departments or philanthropic organisations.

As with most Government related requests, the process can take months so apply at least 6-12 months in advance. Be sure to check that your event matches their criteria before you start so you aren't waiting around for a guaranteed "Dear John" letter.

Things to know:

- Be prepared to receive less money than you apply for
- If the amount offered will compromise your project to an unacceptable level, you are better trying somewhere else
- Small grants – smaller applications. Big grants – long detailed applications
- Have a 'Plan B' in case it falls through

Useful websites:

[www.arts.nsw.gov.au](http://www.arts.nsw.gov.au) - NSW Ministry for the Arts/Australia Council grant guidelines

[www.ozco.gov.au](http://www.ozco.gov.au) - A calendar and directory of community funding

[www.grantslink.gov.au](http://www.grantslink.gov.au) - A guide to all commonwealth government funding

[www.grantsearch.com](http://www.grantsearch.com) - Australia's most extensive funding database

### **2. GST on Grants and Sponsorship**

If you are registered for GST, tax must be paid if a grant or sponsorship has strings attached, even for in-kind support. Examples might be that the grant is spent in a certain way, or offered in exchange for publicity and/or other benefits through your event.

### **3. Finding your own Sponsors**

The most effective place to start looking for event sponsors is in your local area. Local businesses, clubs and organisations will often get behind an event to be recognised as a supporter of their own community. Sponsorship can take many forms including money, food and beverages, raffle prizes, free advertising etc.

You could organise for a local business to team up with your local newspaper to share the cost of a full page advertisement of the event with space available for their own logos or promotion.

Things to consider:

- Start planning your sponsorship search 6 – 12 months in advance
- Sponsorship is about doing a mutually beneficial deal
- Document all negotiations and agreements in writing in case things turn sour
- If you are looking for large amounts of sponsorship money consider hiring a specialist to help
- Present event sponsors with publicity material, such as programmes
- Let sponsors display promotional material at the event
- Send them a thank you letter and let them know how you used their support plus the benefits
- It's not all about the dollar. In-kind support such as raffle prizes, food and beverages or other event services are just as valuable
- Approach all appropriate potential local sponsors - businesses, tradespeople, shopping centres, organisations, clubs, even schools can all be approached
- Write a letter and then following it up with a phone call or a personal visit
- There are many ways to recognise people's support in-kind including advertising, a VIP section at the event, a gift

#### **4. Raffles, Lotteries, Art Unions**

Everyone loves a prize – as long as they can use it. Raffles and lotteries are a great way to raise funds, add value to your event and create a sense of excitement. Just make sure the prizes are products or services that prove popular with your audience. The last thing you want is for your guests to feel pressured into buying a ticket for something they are not interested in or it could leave a bad taste in their mouth.

What is a raffle?

- It is a lottery conducted to raise funds for a non-profit organisation
- The total value of prizes does not exceed \$20,000
- Tickets are drawn from a barrel/hat/etc and prizes are distributed
- A permit is not required, but there are some restrictions

What is an art union prize?

- It is a lottery where the total value of prizes exceeds \$20,000
- They may only be conducted under an authorising permit

Visit [www.olgr.nsw.gov.au](http://www.olgr.nsw.gov.au) for further details.

#### **5. Drafting a Real Budget**

You can only spend what you have. It's imperative that you have a good idea of how much money you will need to run the event and what the money will be spent on.

Things to consider:

- Be as realistic as possible with your costings

- Include everything you might need from performers to letterbox drop to local residents and first aid staff
- Research each individual area to get realistic quotes
- Costing each area separately may help you in obtaining sponsorship or a grant
- Don't expect artists to give their services cheaply or for free
- Get at least three quotes where possible
- Try and leave a little extra in the budget for unforeseen costs and repairs

## **6. Overseeing and Approving your Budget**

A person or committee should be nominated to secure funds for your event and ensure it stays within budget. The person or someone on the committee should know about accounting and/or finances.

Responsibilities might include:

- Estimating costs and drawing up a draft budget
- Presenting up-to-date financial reports to keep the event within budget
- Establishing a receipting and expenditure system
- Determine prices for tickets, performances, workshops stalls, etc
- Controlling ticketing and establishing a system for revenue collection on the day
- Finding out current award rates for salaries and on-costs
- Arranging an audit if required

## **7. Operating Your Budget**

There is no point creating an accurate budget and then deciding to add extra activities, or employ additional people if you don't have money set aside. Take our word for it, stick to your game plan and your chances of stress-related stomach ulcers will be dramatically reduced.

Things to consider:

- Even if the most brilliant idea hits you, don't try to throw it in and convince yourself you'll find the money later. Save it until next time and budget for it
- If you need to make cuts, where can you do it first?
- Make sure money donated or promised is received and receipted
- An event accounts book should record everything
- Ideally funds should be readily available as required e.g. grant applications
- Keep some cash in hand for minor or on-the-spot expenses
- Performers may require on the spot payment
- Keep the money collected in safe place/with Security
- Present a final budget to the boss/committee as soon as possible after the event

Examples of items to be budgeted:

### **Income**

- Grants
- Sponsorship
- In kind support - staff; phone, internet, free advertising, etc
- Donations
- Merchandising



- Fees – stalls, subscriptions, workshops, vendors
- Ticket sales – admissions, raffles, admissions, liquor sales

**Expenditure**

- Salaries/Wages – organisers, performers, technicians, labourers, etc
- Insurance
- Venue Hire
- Cleaning
- Marquees
- Site decorations
- Publicity & Advertising – media packs, advertising, evaluation forms, etc
- Documentation – photos, videos, etc
- Legal fees
- Administration
- Security
- Equipment Hire
- Permits
- Travel and Transport
- First Aid
- Auditing and Accounting Services