CONFERENCE BUDGET

In planning a conference it is important to begin by setting goals and objectives, just as it is important for any organisation to set financial goals and objectives.

The conference budget needs to reflect the conference goals. If the conference goal is to provide a forum for the exchange of ideas, a smaller financial commitment may be required than a conference with the goal of providing a platform for a number of world-renowned expert speakers on a particular topic.

The budget is a statement of income and expenditure allocated to specific items. 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 achieving 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' must be the starting point. Any changes or adjustments made throughout the process must 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 on investment (either in terms of dollars 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. This procedure must then be 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

Income may come from company support, sponsorship or registration fees.

Expenditure

Variable expenditure

Variable expenditure includes costs that vary according to 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. An example of variable expenditure is the cost of food and beverages, as follows.

Food and beverage costs, the budget indicates:

200 people @ $50 per person, = $10,000

but before the deadline

150 people register @ $50 per person = $7500

The variance is $2500.

Fixed costs

A fixed cost is a cost that cannot be adjusted, even if revenue does not meet expectations. A fixed cost is made or imposed at a set rate that stands firm for the timeframe of the conference, such as the cost of administrative support in the following example.

Two hundred people are expected at the conference. The room is booked for a fixed cost of $600. A strike has restricted the number of people attending to 60, but the organiser does not get a reduction in the hire charge.

Fixed costs include administrative support (conference secretariat), including the cost of staff time, photocopying, telephone, fax and computer charges and couriers.

Calculating the registration fee

$$\text{Registration fee} = \frac{\text{Variable + Fixed costs}}{\text{Number of delegates}}$$

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

An example of the calculating 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