



Darwin Aboriginal Art Fair

Planning Your Budget

How to plan your event budget to avoid any surprises along the way.



Northern Territory
**MAJOR
EVENTS**
Company

Planning Your Budget

Budgeting is a critical step in event planning in order to control your total costs, and capitalise on your event's return on investment.

When planning your event, keep an accurate and detailed budget to make sure it's viable.

It's strongly recommended you have your budget reviewed by both financial and budgeting experts to ensure you are on the right track.

Keeping your budget updated during the event is important, as revenue and expenses become clearer.

It's also a good idea to identify variances (in projected versus actual) and the reasons for the variance, to keep on top of your budget.

Budget activities include:

- Feasibility/initial budget — created based upon all available information
- Forecast — the expenses and income from the budget split into time periods
- Reforecast — the forecast is periodically updated as planning progresses
- Updated budget — the budget is updated to reflect any changes that impact income and expenses
- Cash-flow forecast — estimation of the timing of cash inflows and outflows

What the budget should include:

- The budget should be created from scratch, as using existing budgets or templates can lead to areas being overlooked.
- For events that have a very tight budget, it's a good idea to split the budget into two areas – essential and discretionary. Ensure funds are allocated to essential activities first, with remaining (or new) funds allocated to the discretionary activities.
- Most budgets will have two columns for cost lines – projected and actual. The better your understanding of the costs based on research and quotes, the closer the figures in the two columns will be.

- Be as specific as you can with cost line descriptors on the budget. Don't group things like 'food and beverage' together, as you may be purchasing them from different suppliers and item will not be easily identifiable.

Budget tips

- ☀ If the event has been held before, it's worthwhile reviewing previous budgets. You should treat this information as a guide only, as event requirements, challenges and economic conditions may have changed.
- ☀ Request budgets from similar events or events that have recently taken place in the same area or venue.
- ☀ Talk to local suppliers about the likely cost of various goods and services required to run the event. Try and get a minimum of three quotes for everything - even if you have a supplier you like working with.





Budget contingency:

- It's important you include a contingency in the budget, as it's almost inevitable the original budget will change during the planning process. Having a slightly larger budget also gives you flexibility to absorb unexpected costs.
- The contingency amount may be restricted by available funds, however it's recommended you include a contingency of at least 5 per cent of the overall costs.

Consider the event return on investment

The budget will be used to calculate your event's return on investment (ROI). Use your budget to control your event's total cost, so you can meet your goals and grow your profit for next year.

If your ROI is 1X, it means you broke even. Most events aim for an ROI of at least 2-3X.

For further information to help you plan, run, finance and report on your event, get in touch with us on (08)8999 6286 or email ntmec.grants@nt.gov.au.

DISCLAIMER: NTMEC make every effort to provide accurate and up-to-date material for NT businesses to use as resources. However, our material is for general use and information only – it is not designed to be, nor should it be regarded, as professional advice. NTMEC does not guarantee, and accepts no legal liability, for the accuracy, reliability, currency or completeness of any material. You should seek appropriate independent professional advice before making any decisions based on material provided.

