

Dollars & Sense

Smart Budgeting Practices for Your Conference or Meeting



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What Is A Budget?

A budget is a **financial plan** for a meeting with stated financial objectives.

Some Definitions

Fixed costs	Costs that will not be affected by the number of people who register for the meeting. (No matter how many people register, these costs will remain the same.)
Variable costs	Costs that will vary according to the number of people who register (i.e. <i>per person</i> costs).
Breakeven	To operate without a loss or profit - expenses are offset by revenues.
Breakeven attendance	The number of people that needs to register for the meeting in order to pay for all fixed costs.
Registration fee	The fee that is charged each participant to cover a portion of the fixed costs and the variable cost.
Cost center	A category of expenses (e.g. printing and graphics, postage, food and beverage, etc.).
Spreadsheet	A calculating tool (computer software) consisting of a series of rows and columns used for financial planning, budgeting, and other tasks requiring computation. Numbers and formulas are entered into "cells" and calculations are automatically updated.

Six Steps to Planning Your Budget

1) Evaluate your meeting objective and financial goals

- Cover costs (break even)
- Make money (how much?)

2) Identify all costs (and potential revenue) as accurately as possible.

- Meeting history
- Estimates from designers, printers
- Hotel sales kit (food & beverage, a-v charges, meeting room charges, gratuity, tax rates)
- Sponsors, grants, seed money

3) Plan and format your budget so the logic of how you constructed your budget and registration fee can be clearly understood.

- Use a worksheet
- Organize all your expenses under cost centers
- Keep notes of where or how you obtained estimates

4) **Determine your breakeven attendance.**

- Use meeting history if available.
To start, compile registration data for last 3 to 5 years, and take 50 percent of the average as your breakeven. Adjust from there.
- Know your audience.
- Determine any potential conflicts (other meetings targeted for your audience).
- Be realistic!
- Be conservative.
- Be careful.

5) **Establish the registration fee to be equal to or exceed the total cost per participant.**

- Total all of your fixed costs.
- Divide by the breakeven attendance (the number of registrations you need to cover your fixed costs).
- Total all of your variable (per person) costs.
- Sum the fixed cost per person and the variable cost per person.
- Set your registration fee to equal or exceed this amount (round up to nearest \$5).

6) Present your budget and registration fee calculation in a format where it is clear how you arrived at your registration fee.

- Show all costs.
- Show how your registration fee was calculated.
- Be prepared to discuss options.
- Be prepared to show effects on registration fee of additions or reductions in costs, or changes in breakeven attendance.

Another Way of Looking at Breakeven

Another approach that is used to determine breakeven is based on a set registration fee and the total cost of the meeting. Consider the following example:

The budget includes \$35,000 in fixed expenses (FE).

The registration fee has been set at \$500 (RF).

The variable cost per person is \$325 (VC)

How many people need to attend so that this meeting breaks even?

- 1) The fixed cost per person (FCPP, sometimes called the contribution margin) is:**

$$\mathbf{RF-VC \text{ or } \$500-\$325 = \$175}$$

This is the amount that each person “contributes” toward the fixed expenses.

- 2) To determine how many people must attend for the meeting to break even, divide the fixed expenses (FE) by the fixed cost per person (FCPP):**

$$\mathbf{FE/FCPP \text{ or } \$35,000/\$175 = 200 \text{ people}}$$

Meeting Budget Worksheet

Quantity	ITEM	COSTS	
		Fixed	Variable
PRINTING/GRAPHICS/PHOTOCOPYING			
	Registration brochure design/layout		
	Brochure printing		
	Proceedings/program		
	Workshop notes		
	Name badge inserts (printed)		
	Labels or printing for folders		
	Signs, posters		
	Participant lists		
	Evaluation forms		
	Confirmation letters		
	Misc. registration materials		
	Misc. photocopying		
	Call for papers		
	Exhibitor solicitation		
SUBTOTAL			
MAILING			
	Call for papers		
	Registration brochure mailing		
	Exhibitor solicitation		
	Mailing service labor		
	Confirmation postage		
	Post conference material		
	Miscellaneous		
SUBTOTAL			
FOOD & BEVERAGE			
	Breakfasts		
	Luncheons		
	Dinners/banquets		
	Refreshment breaks		
	Hospitality functions		
	% Gratuity/service charge		
	Tax		
SUBTOTAL			

Quantity	ITEM	COSTS	
		Fixed	Variable
TRAVEL & PER DIEM			
	SPEAKERS travel		
	lodging		
	per diem		
	STAFF travel		
	lodging		
	per diem		
	SUBTOTAL		
AUDIO-VISUAL			
	Slide projector		
	Overhead projector		
	VCR and monitor		
	LCD display panel for overhead		
	Microphones/mixers		
	AV carts		
	Screens		
	SUBTOTAL		
MEETING ROOM RENTAL			
	General session		
	Breakouts		
	Other		
	SUBTOTAL		
TRANSPORTATION			
	Bus/van rental		
	Other		
	SUBTOTAL		
REGISTRATION MATERIALS			
	Envelope/folder		
	Name badge (with insert)		
	SUBTOTAL		

Quantity	ITEM	COSTS	
		Fixed	Variable
MISCELLANEOUS EXPENSES			
	Complimentary registrations		
	Honorariums, speaker fees		
	Misc. office supplies		
	Specialty items		
	Telephone charges		
	Equipment rental		
	Temporary help		
	Administration charge		
	SUBTOTAL		
	FIXED COST SUBTOTAL		
	10% contingency		
	Net Profit Desired		
	TOTAL FIXED EXPENSES		
PROJECTED NON-REG REVENUE			
	Grants		
	Sponsorships		
	Other		
	Subtotal		
	NET FIXED EXPENSES		
	(Total Fixed Expenses - NonReg Revenue)		
	NET VARIABLE EXPENSES		
1	Enter your estimated BREAKEVEN ATTENDANCE		
2	Divide the NET FIXED EXPENSES by the estimated attendance to obtain your FIXED COST PER PERSON		
3	Enter NET VARIABLE EXPENSES (this is the VARIABLE COST PER PERSON)		
	Add lines 2 and 3 to obtain the TOTAL COST PER PERSON		

Your registration fee should equal or exceed the TOTAL COST PER PERSON. The TOTAL COST PER PERSON will vary depending on the estimated BREAKEVEN ATTENDANCE, because a lower breakeven attendance will result in a higher FIXED COST PER PERSON, and vice versa.

Annual Meeting Planners Planning Meetings Conference

ESTIMATED COSTS	AMOUNT	FIXED	VARIABLE
Graphic design (brochure)	\$200		
Printing of brochure (6000)	\$700		
Printing of program	\$400		
Confirmation letter	\$0.05		
Signs, posters	\$40		
Mailing of brochure (5500)	\$1243		
Mailing service labor	\$270		
Confirmation letter postage	\$0.33		
Miscellaneous postage	\$30		
Conference luncheon	\$15		
Refreshment breaks (2)	\$5 ea.		
Tax (rate)	7.25%		
Gratuity/service charge (rate)	17%		
Keynote speaker honorarium	\$500		
travel	\$500		
per diem	\$100		
lodging	\$50		
Staff lodging (3)	\$150		
Registration materials			
Envelope	\$0.30		
Name badge w/insert	\$0.40		
Evaluation form	\$0.10		
Slide projector rental (1)	\$35		
Screen rental (1)	\$35		
A-V cart	\$10		
Misc. photocopying	\$25		
Misc. office supplies	\$20		
Contingency (% of fixed costs)	10%		
Complimentary registrations	?		

First Annual Meeting Planners Planning Meetings Conference BUDGET

Quantity	ITEM	COSTS	
		Fixed	Variable
PRINTING/GRAPHICS/PHOTOCOPYING			
	Registration brochure design	\$200.00	
6000	Brochure printing	\$700.00	
	Proceedings/program	\$400.00	
	Workshop notes		
	Name badge inserts (printed)		
	Labels or printing for folders		
	Signs, posters	\$40.00	
	Participant lists		\$0.50
	Evaluation forms		\$0.10
	Confirmation letters		\$0.05
	Misc. registration materials		
	Misc. photocopying	\$25.00	
	Call for papers		
	Exhibitor solicitation		
	SUBTOTAL	\$1,365.00	\$0.65
MAILING			
5500	Brochure mailing (rate = \$.226)	\$1,243.00	
	Mailing service labor	\$270.00	
	Confirmation postage		\$0.33
	Post conference material		
	Miscellaneous	\$30.00	
	Call for papers		
	Exhibitor solicitation		
	SUBTOTAL	\$1,543.00	\$0.33
FOOD & BEVERAGE			
	Breakfasts		
1	Luncheons		\$15.00
	Dinners/banquets		
2	Refreshment breaks		\$10.00
	Hospitality functions		
17.00%	Gratuity/service charge	\$0.00	\$4.25
7.25%	Tax	\$0.00	\$1.81
	SUBTOTAL	\$0.00	\$31.06
TRAVEL & PER DIEM			
	SPEAKERS travel	\$500.00	
	lodging	\$50.00	
	per diem	\$100.00	
	STAFF travel		
	lodging	\$150.00	
	per diem		
	SUBTOTAL	\$800.00	\$0.00

FIXED COST SUBTOTAL	\$4,471.71	
10% contingency	\$447.17	
TOTAL	\$4,918.88	\$32.74
TOTAL PROJECTED NON-REG REVENUE	\$0.00	

BREAKEVEN ATTENDANCE	50	75	100	125
Fixed cost per person	98.38	65.59	49.19	39.35
Variable cost per person	32.74	32.74	32.74	32.74
TOTAL cost per person	131.12	98.33	81.93	72.09
REGISTRATION FEE	\$135	\$100	\$85	\$75

The grid will look like that below before adding the breakeven attendance numbers.

BREAKEVEN ATTENDANCE				
Fixed cost per person	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Variable cost per person	32.56	32.56	32.56	32.56
TOTAL cost per person	#VALUE!	#VALUE!	#VALUE!	#VALUE!
REGISTRATION FEE	#VALUE!	#VALUE!	#VALUE!	#VALUE!

Examples of How Changes In The Budget Are Reflected in the Registration Fees

MISCELLANEOUS EXPENSES

5 Complimentary registrations	\$162.78	
Honorariums, speaker fees	\$500.00	
Misc. office supplies	\$20.00	
Specialty items		
Telephone charges		
Equipment rental		
Temporary help		
Administration charge		
SUBTOTAL	\$682.78	\$0.00

NET PROFIT DESIRED	\$1,500.00	
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NON-REGISTRATION REVENUE

Grants		
Sponsorships		
SUBTOTAL	\$0.00	

FIXED COST SUBTOTAL	\$5,288.00	
10% contingency	\$528.80	
TOTAL	\$5,816.80	\$32.56

TOTAL PROJECTED NON-REG REVENUE	\$0.00	
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BREAKEVEN ATTENDANCE	50	75	100	125
Fixed cost per person	116.34	77.56	58.17	46.53
Variable cost per person	32.56	32.56	32.56	32.56
TOTAL cost per person	148.89	110.11	90.72	79.09
REGISTRATION FEE	\$150	\$115	\$95	\$80

MISCELLANEOUS EXPENSES

5 Complimentary registrations	\$162.78
Honorariums, speaker fees	\$500.00
Misc. office supplies	\$20.00
Specialty items	
Telephone charges	
Equipment rental	
Temporary help	
Administration charge	

SUBTOTAL \$682.78 \$0.00

NET PROFIT DESIRED \$1,500.00

NON-REGISTRATION REVENUE

Grants	\$500.00
Sponsorships	\$200.00

SUBTOTAL \$700.00

FIXED COST SUBTOTAL \$4,470.78
 10% contingency \$447.08

TOTAL \$4,917.85 \$32.56

TOTAL PROJECTED NON-REG REVENUE \$700.00

BREAKEVEN ATTENDANCE	50	75	100	125
Fixed cost per person	84.36	56.24	42.18	33.74
Variable cost per person	32.56	32.56	32.56	32.56
TOTAL cost per person	116.91	88.79	74.73	66.30
REGISTRATION FEE	\$120	\$90	\$75	\$70

Registration Fee Calculation

Using a Spreadsheet

Rows	Columns	B	C	D	E	F	G
101							
102	BREAKEVEN attendance			50	75	100	125
103							
104	Fixed cost per person			\$90.86	\$60.58	\$45.43	\$36.35
105	Variable cost per person			\$32.52	\$32.52	\$32.52	\$32.52
106							
107	TOTAL COST PER PERSON			\$123.38	\$93.09	\$77.95	\$68.86
108							
109	REGISTRATION FEE			\$125.00	\$95.00	\$80.00	\$70.00
110							

The following formula entered in cell D109 will calculate the registration fee (rounded UP to the nearest \$5.00):

```
=IF(AND(D107-INT(D107/10)*10<5,D107-INT(D107/10)*10>=0),INT(D107/10)*10+5,INT(D107/10)*10+10)
```

If Condition

D107-INT(D107/10)*10<5 AND D107-INT(D107/10)*10>=0

If True

INT(D107/10)*10+5

If False

INT(D107/10)*10+10)

AND ({condition1},{condition2}) both must be true for the AND to be true

IF IF({condition},{return true},{return false})

If the CONDITION is true, {return true} is the expression or value to return

If the CONDITION is false, the second alternative {return false} is the expression or value to return.

INT INT({value})

This function truncates a decimal value to an integer with no rounding.

Relationship of Revenue and Expenses to Attendance

