

## BUDGET MANAGEMENT

### ***Financial Planning***

- Establish the meeting's financial objective: to make a profit, break even, or sustain a loss.
  - Work with upper management to develop measurable financial objectives.
- Develop a meeting budget by identifying and anticipating expenses and income.
  - Review financial history for a recurring meeting.
  - Research meetings of similar size and scope for a first-time meeting.
  - Develop an overall budget including both budgeted and actual figures from previous meetings.
  - Calculate each line item as a percentage of the overall budget.
- Create a functional expense budget by categorizing all expenses.
  - List all possible expenses.
  - Obtain reasonable estimates from all suppliers.
  - Predict future costs by estimating and figuring potential inflation increases.
  - Keep a budget handbook to record how each line item was computed.
  - Categorize expenses as fixed costs, variable costs or indirect costs.
- Create a functional income (or revenue) budget by categorizing all income by function.
  - Include all income generating areas.
  - Project income line items based on history.
  - Calculate income areas based on contractual specifications, history, pricing policies, and what the market will bear when history is not available.
  - Keep a budget handbook to record how each line item was determined.
- Review income and expense budgets to determine whether financial objectives are being met.

### ***Financial Management***

- Review the budget and the meeting's financial situation continuously using actual registration figures.
  - Input actual figures on a regular basis to make the budget a reliable financial management tool.
  - Produce regular income statements (profit and loss statements) to compare actual figures with budgeted figures.
  - Produce spreadsheet control reports showing anticipated income and expenses by month and keep track of changes.
- Learn your organization's accounting methods and financial controls.
  - Find out whether your organization uses accrual accounting or a cash-based accounting system, and how that affects financial statements.
  - Understand your organization's chart of accounts.
  - Understand how to read a variance analysis report.
- Implement a formal process for making changes to the original budget when they are needed.
- Make plans for managing funds in advance of the meeting and on site.
  - Set up special bank or investment accounts in advance of the meeting.
  - Institute tax-exempt status with all vendors in advance.



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- Review master account charges daily while on site.
- Review the overall master account at the post-con meeting.
- Require suppliers to produce invoices and post-event reports by the end of the meeting.
- Consider exchange rate fluctuations, currency concerns and tax issues when meeting internationally.**
  - “Buy forward” at fixed exchange rates if necessary.
  - Set up a bank account in the destination country if necessary.
  - Determine in which currency you will accept payments.
  - Address relevant tax issues.
- Use available technologies to streamline budgeting and financial management.

### ***Financial Performance Evaluation***

- Review and analyze actual financial performance after the meeting, as compared to the budget.
  - Confirm or change financial philosophies for future meetings based on this final review.
- Consider methods of demonstrating positive ROI in addition to financial ROI.
  - Analyze use of available resources (human, technological and financial).
  - Analyze outsourcing options for improved profitability.