



Budget Development for Conferences

Conferences & Visitor Services (C&VS) provides budget development services for conferences. Developing your program budget can be a complex activity which requires attention to detail and involves both the C&VS meeting manager and the client. C&VS can provide this service as part of our financial management responsibilities for your program and will include you, as the client, in the planning, analysis and discussion of the budget. Budgets may go through several iterations along the way and this is a natural part of the planning process. Budgets represent our best judgment of what we project both income and expenses to be; it may not represent the reality of what happens to money in relation to a conference. Having a working budget will help to establish the registration fee for the program and will help guide the program planning. In many cases, a hotel contract may need to be negotiated before setting up a budget so that costs associated with meeting room space, as well as food and beverage and lodging, are known. There are six basic steps involved in budget development.

- 1. Identify Expenses.** There are some “standard” types of expenses that need to be included in any type of conference or meeting budget. C&VS will identify these and estimate these expenses based on the information you provide about your program and the knowledge and experience we have in planning educational conferences and in working with hotels and other venues. These expenses may include honorariums and travel expenses for speakers, catering costs, audio visual expenses, complimentary registrations, printing costs, costs for our services, etc. In general, it is a good practice to include an additional 10% of estimated fixed costs in the budget as a contingency fund for unanticipated expenses.
- 2. Distinguish between fixed and variable expenses.** Fixed costs consist of all expenses that remain constant no matter how many people attend (e.g. the cost of mailings for advertising, costs incurred by planning committees, etc.). Variable expenses, such as catering, may vary depending on how many people attend the event/program (although, if there are minimums, then this is not entirely variable).
- 3. Identify income sources.** Some conferences will rely solely on registration fees charged to attendees, while others will be able to count on expected income from exhibitors, sale of merchandise, or grants and/or sponsors. All income sources should be identified, accounted for, and estimated.
- 4. Determine a breakeven point.** To determine this, the client needs to assist in the development of a (conservative) estimate of how many people will register.
- 5. Establish a Registration fee.** We recommend a registration fee that is equal to the total expenses incurred for each registrant. If there are to be different fees for different populations, this may need to be considered and alternative funds to cover special populations (e.g. discounted rates for students) may need to be identified. If you are expected to make a profit than this will need to be considered when setting the final fees.
- 6. Create an easily understood budget form.** The C&VS meeting manager will create an easily understood budget form to clearly outline the fixed and variable costs. This will be provided to you electronically so that it can be changed periodically, as new items are identified or expenses are adjusted.