

## Responsible Budgeting

Preparing a budget each year is viewed by many student organizations as a necessary evil. This is because the art of budgeting frequently is viewed as a foreign topic. The budget is a plan of action, expressed in monetary terms. The budget should be a reflection of the organization's goals and objectives rather than being the device by which goals are determined. A properly conceived budget also should provide a tool to monitor financial activities throughout the year.

As with any plan or guideline, the budget model you adopt should serve your particular needs and operating style. It should be an easy tool to implement and information regarding activities financial status should be easily retrieved. In fact, you should decide exactly what type of information you would want before deciding on a model.

For the budget to serve as an evaluative tool, anyone with the responsibility to spend money for an activity should know how and why their particular activity affects the total budget.

## How to Prepare Your Budget

1. Look at last year's budget and, if possible, any record of the events and programs budgeted. This is the most accurate information that can be found and from this you can determine the programming priorities and the actual results of the programming. Information such as attendance, actual expenses and how close last year's estimates were can be very helpful in planning your budget.
2. Use last year's budgeted total figure as a rough guideline to help your group determine the goals of the organization for the coming year. The group needs to decide on what kinds of events and activities the budget is to cover. Do not forget the operating costs.
3. Now that you have specific ideas of what the group has decided to do, you must get accurate estimates of all costs. (Here are some hints!)
  - a. Start with major cost items, such as the artist, musician or speaker you are bringing.
  - b. Consider the artist fee, advertising (newspaper, flyer, poster, radio, etc.), ticket printing, labor costs, security, hall rental, sound rental, food or other hospitality, hotel, airfare, costs, etc.
  - c. If the expenses are to be offset by income, a realistic income projection must be made.
    - i. To do this, estimate size and make up of audience (student, faculty/staff and general public). Establish a ticket price for each category and arrive at projected income. (A general rule of thumb has been that student prices must be at least \$1 less than faculty/ staff). When estimating income, be realistic. Ask as many people as possible to get a feeling about how much desire there is for an event. Subtract project income from project expense to arrive at allocation for an event.
4. Once you have arrived at a per-event expense, income and allocation figure, you can figure the totals for your group.
5. The figures are only part of a budget. In order to apply for funding from Student Allocations Committee, you must present a written justification. You will be asked to defend the budget, so be prepared with supporting evidence. In order to be accountable, you must show that there have been inputs into the process. Be prepared to defend the budget orally, in addition to the written justification.
6. Give a copy of the budget to the adviser of your group.

Involve your organizational members in the maintenance and monitoring of the budget throughout the year. If members are involved in monitoring expenditures throughout the year, they will be more likely to understand and support budget decisions.