



# CHAPTER 3 BUDGETS AND FINANCING





## Section A Budgeting Goals

Establishing a budget is a very important element of event planning. The process should recognize the primary purpose(s) or objective(s) to be achieved. Purpose and existing circumstances will help determine whether there is a need to make a profit. Break even or even be willing to experience a controlled loss.

The following three approaches may help to illustrate optional ways to develop a budget.

### Concepts to consider

1. Show acceptable Profit
  - a. Must have up front money (i.e. "seed money") on hand and commitments from sponsors, patrons and commercial exhibits.
  - b. May not be dependent on admission or other unknown revenues.
2. Break Even – High possibility of breaking even or showing slight profit.
3. Cover Cost regardless of amount
  - a. Many organization have adequate funds to be able to completely underwrite such events, justified by the fact that they are providing a valuable service to their members.
  - b. Breed promotion is the primary goal of many organizations

## Section B Drafting a Budget

### Elements of a budget

#### 1. Assets

- a. Cash on hand ("seed money" on hand from clubs, regions, prior events, etc)
- b. Admissions
- c. Patrons/donors
- d. Advertisers
- e. Sponsors (corporations, regions, clubs, etc)
- f. Commercial exhibits
- g. Other
  - i. Auctions
  - ii. Raffles
  - iii. Food and beverages, etc
  - iv. State Dept or Agriculture
  - v. Donations
  - vi. Art auctions
  - vii. Community grants
  - viii. Ag/Tech school (speakers, etc)
  - ix. Promotional merchandise
  - x. Banquets (ticket sales)
  - xi. 4-H and FFA Clubs
  - xii. Use your imagination

## **2. Liabilities (Expenses)**

- a. Facility preparation
  - i. Shavings needed beyond those contractually provided
  - ii. Decorations/decorator
  - iii. Extra costs if any for ring surface preparations
  - iv. other
- b. Speakers
- c. Equipment
  - i. Audio
  - ii. Video
  - iii. other
- d. Office supplies/postage/telephone
- e. Advertising
- f. Food and beverage
- g. Decorations
- h. Staff/volunteers
- i. Printing
- j. Gratuities
- k. Insurance

## **3. Net Profit or Loss (assets minus liabilities)**

Note: An Excel spreadsheets are very handy when preparing budgets.

### **NOTES**