

Step 5: Set your Budget

Your budget

You may have a great idea for an event, but you need to make sure it is financially viable.

You will need a budget to support your event clearly setting out costs and income, including any ticket sales, funding or sponsorship you hope to achieve. A template for setting out your budget is available with this toolkit.

Start with an outline budget using indicative costs and your proposed sources of finance, and firm up the detail once you start to get income information and quotes from suppliers. To help you manage your event's finances, it's a good idea to keep a 'live budget' on your computer, such as a spreadsheet, that you update on a regular basis to make sure there are no surprises.

Costs may include fees and licenses, and you may be asked to put up a returnable deposit if your event is on private or public land or premises to cover any damage.

As with any plan, financial responsibility must be clearly allocated, including who is liable in case things don't go so well. Set out responsibilities clearly in contracts with suppliers, funders and sponsors. For larger events, financial procedures must meet relevant accounting and audit requirements and be designed to ensure the event is financially viable.

Sources of income

There is a range of options for you to consider in raising the funds you need. You may use funds within your organisation, you may charge attendance or for bigger events, you might need to consider grant funding or sponsorship.

Grant funds: There are a number of on-line funding resources which may be a useful starting point such as www.grantnet.com, www.grantfinder.co.uk, and www.fundingcentral.org.uk.

The Tourism Team at Bridgend County Borough Council can advise whether any grant funds are available to specifically support events that attract visitors to the area. You could also consider approaching the Welsh Government's Major Events Unit (MEU) which provides funding for major events in Wales; the Big Lottery Fund which provides funding to support a range of good causes including projects that improve health, education and the environment and the Arts Council of Wales which provides a wealth of funding advice, guidelines and directory on the many sources of funding for the arts in Wales.

Each funder will have their preferred application process, but some things are common to all of them. When applying, make sure that you:

- Understand their criteria for allocating funding, make sure you meet the criteria and show this within your application;
- Find out from the funder how you apply to them. It might be an application form or maybe a letter with a project outline;
- Know how much you can apply for, ensure you are realistic about how much you require and that any budgets you enclose with your application are correct;
- Complete all of the application and enclose any additional evidence that they request;
- Always keep a copy of your application form and any additional documents for reference.

Sponsorship: Businesses provide a further opportunity for supporting your event. In return for sponsoring your event, a business partner will need to receive a commercial return for their investment, and they will expect value for money. When thinking about sponsorship you need to think about how your event can help them fulfil their objectives.

Obtaining sponsorship from a business involves a strategic plan together with a professional approach. To sell yourself to a business you must consider how much time, effort and resources you are prepared to allocate. In considering timescale, remember many businesses plan their budgets a year or more in advance so your planning needs to begin well ahead of that.

If you are successful in securing funding, make sure that you keep your funder up to date with how the project is going. Even if things aren't going as planned, they may be able to help or offer advice. Ensure that you invite them to any events, launches or openings.

Sales income: Set up clear and transparent procedures for managing income from the event, including security and cash handling on the day; as well as procedures for dealing with invoices, payments and relationships with suppliers, sponsors and funders. Be clear about inclusion or exclusion of VAT.

TOP TIP

It's a good idea to keep a contingency fund of about 5% in case of unforeseen costs.