


# Event Budgeting & Finance

## A 365-Day Process

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 Portland Rose Festival



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## 2015 Featured Events

May 17	Rock 'n' Roll Portland Half Marathon & 10K
May 22-June 7	Rose Festival City Fair
May 30	Portland General Electric/SOLVE Starlight Parade
June 3	Fred Meyer Junior Parade
June 4-7	Rose Festival Fleet Week
June 6	Queen's Coronation presented by Unitus Community Credit Union
June 6	Bank of the West Grand Floral Walk
June 6	Spirit Mountain Casino Grand Floral Parade
June 12-14	Portland Rose Festival Rose Cup Races
October 9	Rose Festival Dinner & Auction



## Budget

Formal documents that quantify a company's plan for achieving its goals

## Budgeting for Success

- Budgets are a tool to assure you are moving toward the goals you have set
- Including those who must manage a budget in the process generally means cooperation

## Budgeting for Success

- Be prepared to address necessary changes as unexpected issues arise
- Reward your staff when they are able to help you achieve the company's goals

## Use of Budgets in Planning

- Budgets enhance communication and coordination
- Process forces managers to consider their goals and objectives carefully
- Managers must specify means of achieving goals and objectives

## Use of Budgets in Control Processes

- Provide a basis for evaluating performance
- Essential to assess the performance of managers and their operations
- Performance evaluation compares actual with planned or budgeted performance



## Rose Festival Budgeting & Financial Management

Budgeting and Financial Management processes are based on three main principals:

- Built with flexibility in mind
- Performance monitored via a regularly scheduled set of processes
- Staff responsible for managing their own budgets with integration from Board Chairs

### Rose Festival Budgeting & Financial Management

- 2015 Rose Festival Budget/Highlights:
  - 6.5 million dollars
  - Overall Budget has 27 separate budgets
  - Distinct sub-categories for better tracking
- Managed by a 1.3 person finance staff w/third party contractor
- Managed using Quickbooks accounting software

### 365 Day Financial Management Process

Break down the calendar into Fiscal Quarters  
November 1 – October 31 Fiscal Year

- Quarter 1                      November - January
- Quarter 2                      February – April
- Quarter 3                      May – July
- **Quarter 4**                      **August - October**

### 365 Day Financial Management Process Quarter 4

- Event/Program Evaluation
- Final Fundraising Push
- Budget Preparation
- Budget Finalizing



## Budgets!

The best document  
created all year!

### Developing the Budget at Rose Festival

Budgets are prepared:

- For Events & Programs by their managers and Committee Chairs
- For Administration & Sales by senior management
- 27 individual budgets are compiled to create the Master Budget

## Budgeting Philosophies

- Starting point in budgeting is previous year revenues and costs
- Assume 3-5% cost increases across all general line items
- Actively look at creating 1 – 3 new revenue sources in our budget planning cycle
- Take our time. Budgeting takes 4-8 weeks.

## The Budget Process Advanced Preparation

- Accounting creates individual worksheets for each of the 27 budgets
  - First tab: Budget name (i.e. Grand Floral Parade)
  - Second tab: Explanation of revenue and expenses
  - General Ledger reports from previous year
  - Profit and Loss from previous year comparison report

## The Budget Process Advanced Preparation

Accounting enters each budget into the Master Budget workbook with tabs for

- Each Event
- Each Program
- Administration
- Revenue Summary
- Expense Summary
- Overall Budget Summary

## The Process Begins

- Worksheets are then shared with each manager having budget responsibility
- Managers make “request/estimates” using this tool and have complete freedom to fully submit their budget
- Budget documents are open approximately 3 weeks

## Example Budget

Account	FY12 Actual	FY13 Budget	FY14 Budget	FY2014 Actuals	FY2015 Budget	FY2015 Spring Forecast	FY 2015 Spring Forecast Notes
7515000 Facility, Repairs & Maintenance	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	
7540000 Filing Fees	(100)	(100)	(100)	(100)	(100)	(100)	2013/2014 Quarterly payments resulted in a refund for year of which \$100 was applied to the 2014/2015 estimated quarter. An additional refund of \$38 is expected.
7560000 Flowers	-	-	-	-	-	-	Gifts for Toy Drive
7650000 Gifts	-	-	-	-	-	-	
7775000 Hospitality	-	-	-	-	-	-	
7850000 Insurance	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	A 3% increase was included with original budget. Insurance rate increase of \$4,763 for this year due to the rise in attendance at CF and additional higher rate increases than expected.
7900000 Interest Expense	(1)	(1)	(1)	(1)	(1)	(1)	

Example Worksheet with Forecast Notes

## Example Budget

Account	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Actual	FY15 Budget	FY15 Spring Forecast
4460000 Entry Fees	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
5870000 Sponsorship	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
<b>Total Revenue</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>
7090000 Awards - OE	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
7250000 Decorations	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
7485000 Equipment Rental	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
7570000 Food & Beverage	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
7760000 Honorarium- Judge Ego	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
8217000 Medical/Emergency Servic	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
8250000 Miscellaneous	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
8255000 Miscellaneous	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
825514 Permits-Parade	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
8534513 City Amenities	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
8570000 Postage & Shipping	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
8581000 Printing	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
8710000 Radios	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
8727000 Rent, Vehicles	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
8816000 Sanitation, Garbage	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
8817000 Sanitation, Toilets	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)

Example Worksheet

## Example Budget

2015 STARLIGHT PARADE BUDGET	
REVENUE	
448000-Entry Fees	Entry Fees The fees paid by floats, marching groups and mechanical units. Based on a proposed fee structure in 2015: Community/Non-Profit - \$400 x 45 entries Small Business - \$1,000 x 4 entries Corporate - \$4,000+ x 2 entry
887000-Sponsorship	Sponsorship The sponsorship, sections, table, trade show
<b>TOTAL REVENUE</b>	
EXPENSES	
799000-Awards	Awards Award plaques given to winners in various categories.
733000-Decorations	Decorations Floral arrangements for cars - Grand Marshal, VIP's and special guests.
748000-Equipment Rental	Equipment Rental Table and chair rental for on-site command

Example Description Page

## The Budgeting Timeline

- One Week – Budget Worksheets
- Three Weeks – Active Planning/Budgeting
- One Week – Accounting Review, Clarifications/Error Detective
- One Week – Executive Review/ Send back
- One Week – Final preparation

## Senior Management Review

- Changes made at this level are generally a result of
  - Knowledge the manager is not privy too
  - Decisions made by the Executive and/or Finance Committee



## Moving Forward

- Budgets are returned to managers with change explanations included
  - This is a give and take session
- Managers provide written documentation for dollar amounts for each account within their budget(s)
- These explanations are included in the Master Budget workbook

## On to the Finance Committee

- Master Budget is then presented to the Finance Committee
- Changes at this level are generally the result of discussion concerning the long term goals of the festival
- Finance Committee then recommends the budget to the Executive Committee for approval

### 365 Day Financial Management Process - Quarter 1

Break down the calendar into Fiscal Quarters  
November 1 – October 31 Fiscal Year

- Quarter 1                      November - January
- Quarter 2                      February - April
- Quarter 3                      May - July
- Quarter 4                      August - October

### 365 Day Financial Management Process Quarter 1

- Renewing vendor commitments
- Renewing sponsor commitments
- Tickets going on sale
- Third-party financial audit
- Prior fiscal year financial statements completed
- Seasonal staffing decisions

### 365 Day Financial Management Process Quarter 1

- Monthly GL Reviews by Staff
  - Catch errors early
- Major Budget discrepancies - Early determinations of variances are encouraged and sent to Finance staff and CEO
- Monthly Financial Statements prepared for Board Review
- Ongoing Sponsorship Sales Management and Tracking

### 365 Day Financial Management Process Quarter 2

Break down the calendar into Fiscal Quarters  
November 1 – October 31 Fiscal Year

- Quarter 1                      November - January
- Quarter 2                      February - April
- Quarter 3                      May - July
- Quarter 4                      August - October

### 365 Day Financial Management Process Quarter 2

- Vendor commitments identified and on the books
- Renewing sponsor commitments with new business emphasis
- Formal and complete budgetary review - "Spring Forecast"

### 365 Day Financial Management Process Quarter 2

Spring Forecast Process – a condensed version of original budget process

- Budget Workbook shared for staff/manager data entry
- Discrepancies need an explanation of why the increase or decrease occurred



### 365 Day Financial Management Process Quarter 2

Spring Forecast Process – a condensed version of original budget process

- Data analyzed by finance staff
- Management Review with **rolling adjustment period**
- Completed Update Budget Forecast sent to the Board for Approval. Forecast becomes the new budget expectation.

### 365 Day Financial Management Process Quarter 3

Break down the calendar into Fiscal Quarters  
November 1 – October 31 Fiscal Year

- Quarter 1                      November - January
- Quarter 2                      February – April
- **Quarter 3**                      **May – July**
- Quarter 4                      August - October

### 365 Day Financial Management Process Quarter 3

- Third Quarter is our most active financial quarter, know as the “Transactional Quarter”
- Half of the Quarter is “the Festival Ride” - Managing Revenue streams/Processes/Meeting Festival financial obligations
- Half the Quarter is properly recording transactions
- GL Review Process with Staff and Managers
- Formal and complete budgetary reviews - “Festival Forecast”

### 365 Day Financial Management Process Quarter 3

Festival Forecast – identical process to Spring Forecast

- Budget Workbook shared for staff/manager data entry
- Data analyzed by finance staff
- Management Review with **rolling adjustment period**
- Completed Update Budget Forecast sent to the Board for Approval. Forecast becomes the new budget expectation and likely annual result

### Financial Results? What Happened and Why

Significant deviations from planned performance associated with three potential causes:

1. The budget was poorly conceived
2. Conditions have changed
3. Managers have done a particularly good or poor job managing operations

## Tips and Tools

Tools to accurately predict sponsorship results

- 1) Whiteboard
- 2) Sales Management Model

## Sample Whiteboard

## Sample Budget

2015 Budget						
Events	FY 12 Actual	FY13 Actual	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Spring Forecast
Administration	23	(26.11)	(75)	(90)	(80)	(00)
Auction	63	53.22	15.00	37	00	00
CityFair	25	254.68	00	10	00	00
Coronation	(10)	.09	00	.37	00	00
Court Activities	(3.22)	(.95)	(95.00)	(.77)	00	00
Development	34.37	00	00	53	00	00
Fleet	(1.05)	(.31)	00	.33	00	00
Golf Tournament	04	.9	00	.77	00	00
Grand Floral Parade	99	54.00	9.00	87	00	00
Grand Floral Walk	86	5.85	00	91	00	00
Heritage/Education	130.21	(.88)	00	.58	00	00
Junior Parade	19.78	.45	00	.97	00	00
Marketing	(13.70)	(33.03)	(00)	(.22)	(00)	(00)
Merchandise	39.06	36.48	.60	.68	00	00
Other	(.65)	(.77)	(150.00)	(.03)	(00)	(00)
Public Relations	(8.69)	(.28)	(00)	(.03)	(00)	(00)
Rock 'n Roll Marathon	16.27	.79	00	.2	00	00
Rose Cup	1.34	.80	00	.83	00	00

## Sales Management

Projected Sponsorship Sales as 4/28/15	
Renewals Pending	\$ 72,361.00
Success Rate @ 75%	\$ 54,270.75
New Business pending	\$ 302,600.00
Success Rate @ 25%	\$ 75,650.00
2015 Sales Goal	\$ 1,060,250.00
Less Actual Sales	\$ 965,164.00
Current Sales Gap	\$ 85,086.00
Projected	
Estimated Renewal Success	\$ 54,270.75
New Business Projection	\$ 75,650.00
Surplus/(Deficit) @ 4/13/15	\$ 44,834.75

## 365-Day Process

1. Recap and Evaluation Phase: evaluating the entire scope of operations line item by line item
2. Budget Phase
3. Transaction Phase
4. Recording and Adjustment Phase

## 365-Day Process

Common Denominator in all phases – Staff integration via GL Review and Formal Forecast Process



Questions?

