

# **DEVELOPING AND MONITORING THE BUDGET**

A well-planned budget is essential to the success of a regional meeting. Once the regional meeting committee has formed, the first order of business is to develop a budget. The budget is a fluid document—it must be reviewed and revised several times as the committee progresses toward its goal of planning its regional meeting. At the end of this chapter is a sample budget and registration fee worksheet that your meeting planner can send you electronically. They are in Excel and coded to provide the total amounts from the data entered in each category.

## **ESTABLISHING A FINANCE COMMITTEE**

The meeting finance committee should consist of people who will be responsible for overseeing the budget development: opening a meeting bank account; paying approved meeting expenses; depositing revenues; and reporting on the status of the meeting finances. Ideally the treasurer of the host local section will serve as treasurer for the meeting. One individual should serve as the Chair of the Finance Committee and bear the ultimate responsibility for monitoring the budget.

*Note: It is a good policy to require two authorized signers for all checks dispersed.*

Because the meeting is a function of the host local section, the revenues and expenses are part of the local section finances. A separate bank account, however, should be opened exclusively for the meeting to avoid commingling of funds. The tax ID number of the host section should be used when opening this account. The ACS local sections are tax-exempt at the federal level due to their affiliation at the national level. If the host section holds nonprofit status and is tax-exempt at the state or local level, that will apply to the meeting, as well.

## **BUDGET PREPARATION**

Developing a budget is an early priority in the meeting planning process. Regional steering committees will require the host section to submit a meeting budget for approval one to two years prior to the meeting, before advancing any money to the organizing committee.

An effective way to establish your budgetary needs is to review financial information of previous regional meetings in your area. This will give you an idea of general expenses and projected revenues. Your ACS meeting planner has these figures, as well as many other statistics to aid in making projections. Every meeting operates under different financial situations, however. While one group may have had some materials or services paid by outside sources (i.e., printing or mailing donated by a university or company), other groups may have had to cover all expenses exclusively from registration and exhibition income. Take this under consideration when preparing your budget.

## **POTENTIAL SOURCES OF INCOME**

*(Note: Previous experience has shown that reducing registration fees to attract higher attendance does not draw enough additional attendees to increase revenue sufficiently to offset the reduction in price.)*

The primary sources of income for most regional meeting include:

### **Registration Revenue**

Most organizers are reluctant to charge fees above those of prior years, but keep in mind that it is not always possible freeze those charges because of changing economics. Establish your desired fee structure based on your estimated expenses. See the registration work form at the end of this chapter. It shows the percentage of attendees by each category for the 2002 meetings. Keep in mind that the bulk of your revenue will come from members and students. You need to target them with your program if you want to sustain or increase revenue from those sources. If you need to cut fees, you'll need to cut from your budget first.

Members account for about 30% of registration revenue. Nonmembers account for an average of 5% of revenue. ACS bylaws require nonmember fees to be higher than member fees. High school teachers, retirees, emeritus, unemployed members, and students can account for as much as 60% of registrants—with students bringing in close to 30% of that income, but they are charged the least. Few in this category pre-register. In setting fees for these groups, consider the cost of events, program books, coffee breaks, and use of the facility. Set the fee structure so it is to a registrant's advantage to register early. You need those figures to establish counts for coffee breaks, and events where food will be served.

Increase the onsite fees enough to make it more attractive for attendees to register early. One-day fees are not recommended for regional meetings because the duration of the meetings is so brief and because it is so difficult to "police" the venue. Some attendees will register for one day, and then attend the entire meeting—at a loss of revenue for the committee.

### **Exhibition Revenue**

Following registration, the exposition is the largest single source of income. An exposition can produce up to half the total income for some meetings. Fees should be set in proportion to projected attendance; therefore, larger meetings may charge higher fees.

### **Donations and Sponsorships**

Outside income can come from the following sources:

- ◆ Symposia sponsorships
- ◆ Event sponsorships
  - Luncheons
  - Dinners
  - Special events
  - Coffee breaks
  - Tours
- ◆ Miscellaneous sponsorships
- ◆ Penalties for late cancellation of registration
- ◆ Sale of conference souvenirs or memorabilia
- ◆ In-kind contributions
- ◆ Grants and awards

Some regional meetings have been successful in obtaining grants from government agencies, the ACS Petroleum Research Fund, and local industries. ACS Regulations stipulate that industrial solicitation must be confined to your immediate region (*See Board Regulation VIII, 2 in Appendix*). Appropriate acknowledgements should be printed in the program, on the website, and posted at the meeting. (*Note: Conference organizers are cautioned not to include promised contributions in the “income” column of the budget until the donor has provided official documentation in writing to the committee.*)

### **Ticketed Events**

All ticketed events should be priced higher than their cost. When estimating costs, include taxes and gratuities for food and beverage service, transportation services, and other event-related services. Round off the dollar figure to the nearest “5” or “0” ending when setting ticket prices to keep the process for making change onsite as simple as possible. Your ACS meeting planner will have a “bank” on hand, but it is difficult to find sufficient \$1.00 bills on site, and the bank runs low on change quickly when having to deal with the single bills.

### **POTENTIAL EXPENSES**

The Organizing Committee should identify all expense categories. All policies relating to budget and expenditures should be established at the beginning. The committee should determine whether approval by the entire committee or selected representatives is required before money is spent on the meeting, and set policies regarding how to proceed when prices exceed estimates on budgeted items, on speaker support and reimbursement of committee member expenses. Although each meeting’s actual expenses will vary, the primary categories associated with most regional meetings remain as follows:

#### **Administration**

Expenses incurred in administering the budget and planning the meeting, such as bank fees, payments to vendors, and organizing committee expenses fall into this category. Reimbursable expenses not allocable to any other category would be included here, too. Items such as printing and mailing costs of organizing committee meeting announcements, agendas, minutes and expenses related to producing and distributing the final meeting report also fall under this category.

#### **Promotion**

Marketing is an important part of the meeting equation and will be discussed in more detail under the *Marketing* section. Regarding the budget, however, there are several areas for consideration.

#### ***Mailing and E-Mailing***

Each print mailing should be scheduled, priced out, and budgeted individually. Printing and mailing announcements to all members within the region can be very expensive. For many years this was the only way to keep the region informed. The increase in the number of members in the region and the escalation of mailing costs has led to other, less expensive, alternatives. Put together a marketing program based on a mix of communication methods: print, phone, fax, and e-mail, and published announcements. Your meeting planner can provide mailing labels, electronic mailing and e-mail addresses, and estimates. Should you wish to send announcements

to local sections outside the region, however, the chair or secretary of each additional local section must grant written permission.

### ***Advertising***

Advertisements in *Chemical & Engineering News* have become a popular means of promoting the meetings. The Office of Regional Meetings is able to arrange for meeting ads at the in-house ad rates, a substantial discount. Additionally, there are other publications within the ACS that offer the in-house discount.

### **Facility Fees**

Depending on where your meeting is held, you may be subject to meeting room (or space) charges. They should be explicitly spelled out in your contract. If you are meeting in a hotel, they may be contingent on the number of sleeping rooms your attendees utilize. A reasonable amount should be included in your expense budget as a safety net for possible assessments. If nearer the event you find out that you are not liable for any additional fees, use the money toward food and beverage events, speaker support, coffee breaks, or meeting give-aways.

### **Audio-Visual Expenses**

Audio-visual equipment for your meeting can be expensive. Monitor your costs, but don't skimp on equipment at the expense of your program. Determine your standard room set in advance. Generally a meeting room is set with

- ◆ an overhead projector,
- ◆ an electronic pointer,
- ◆ a screen, and a
- ◆ microphone if attendance exceeds 25 persons.

There has been a noticeable decline in the use of 35-mm projectors. It is recommended to have one or two on hand, but it is not necessary to have one in each room as was done in the past. More and more speakers are requesting computer projectors (LCDs) for their presentations. These cost \$500 or more per day, per room. The committee must establish a policy in advance regarding these units. Symposia Chairs are encouraged to seek contributions to help pay these added costs. Whatever your decision, be sure to inform speakers of this arrangement and request they notify you *in advance* if they need anything else.

Once you have established the standard room set and the number of meeting rooms you will be using, you can estimate the total AV expense. Most facility contracts do not require you to use their AV equipment. If that is true of yours, then put out bids to at least three firms in the area and get competitive bids. Include the AV company at the facility in your bid request. Your ACS meeting planner can help you find companies—and so can your local CVB (Convention and Visitors Bureau) contact. Include any audiovisual requirements for receptions, dinners, or other events; and the rate for projectionists and other labor, if needed. If you plan to use your own AV equipment, check with the facility first to be sure this is allowed. If you intend to hire students to support AV services, include that cost into the budget. Note: most facilities will permit outside AV equipment, but prefer you use their sound equipment, such as microphones and speakers.

They cannot guarantee the quality or the compatibility of the sound system if they do not manage it. Outside equipment may not be compatible with their setup.

### **Program Book**

Cost of production should be included in the expenses as well as the printing and shipping costs.

### **Posterboards**

Posterboards can be rented from your exhibition contractor. Make sure that your rental estimate includes double-sided boards and the labor to install and dismantle the boards. The labor is expensive, so try to have them set once and reuse the same arrangement for all your poster sessions. You may also be able to obtain posterboards from a nearby university.

### **Speaker Support**

Firm policies must be set in advance and adhered to throughout the meeting regarding speaker support. Some regional meetings have spent up to \$60,000 on reimbursement of travel, meals, registration, and housing for speakers! The payment of honoraria to speakers at any ACS meeting is strongly discouraged. (See Board Regulation VIII, 3(c) in Appendix)

Complimentary registrations and reimbursement for travel expenses and room and board to invited speakers should be treated as an expense. (If 25 speakers are invited and the registration fee is \$100, this would deduct \$2,500 from revenue. Symposia Chairs can establish a speaker/symposia fund from solicited contributions to aid in covering speaker expenses. This fund should be budgeted as revenue.

Each meeting must establish its policy in this area e.g., provide each Symposium Chair with a set amount, or establish a fund to be administered by the Finance Chair and/or Program Chair. Some meetings have specified that reasonable expenses will be reimbursed up to a set maximum. Whatever the policy, documentation of expenses must be required for reimbursement. As soon as speakers accept an invitation to present at the meeting, they should be advised in writing of the expense policy of the regional meeting. If symposia chairs raise additional monies, and end up with revenue after meeting financial obligations, they need to forward that income to the treasurer for inclusion in the meeting income.

### **Food and Beverage and Ticketed Events**

Mixers, coffee breaks, receptions, and any other food and beverage expenses, whether or not they are covered by the registration fee or funded from outside sources, should be considered an expense. Ticketed events also should be shown as an expense, but offset in the revenue section with their income. A formula for estimating how much coffee, etc., to order for breaks is found in the Arrangements chapter.

### **Registration**

There should be no expenses associated with advance registration, as the ACS Regional Meetings Office will provide this service at no charge. However, the meeting will need to provide ACS staff with electricity and two phone lines at onsite registration.

## **Exhibition**

If exhibition expenses are projected to exceed your exhibition income, you need to rethink whether to include an exhibition. Exhibitions are held to add income to support your technical program. More information on this is included in the section *Expositions*.

Hotels and convention centers assess a rental fee for the exposition area, a fee based on the net square footage or on the number of exhibitors. Convention centers also have additional fees outlined in the contract. The decorator will charge fees for pipe and drape, setting up/tearing down the exhibit area, signs, drayage fees, and labor.

Promotional materials to market the exhibition, postage, telephone charges, and fees for security to monitor the exhibit area should be included in the budget.

A balanced budget is important, but most Regional Steering Committees have funds that you may request to assist with unforeseen expenditures. If the preliminary budget indicates that revenue will not cover the anticipated expenses, review the expenses and possibly reduce them. If revenue exceeds projected expenses, the organizing committee may consider adding to the program, offering coffee breaks or meeting souvenirs.

## **Gratuities**

It is customary to reward the services rendered by the site coordinators be it hotel, conference center, or campus. The amount is determined based upon the size of the meeting, and the degree of involvement by those representing the facility. If you dealt with a sales manager in contracting the site, that person does not receive a gratuity. However, the Convention Services Manager, Banquets Manager, the room set-up supervisor, and the shipping/receiving manager should all be given a gratuity. Additionally, if there were other staff who went above and beyond to assist you and/or your attendees, they should also receive a gratuity.

How you wish to figure that amount is up to you. Options include setting aside a dollar figure per attendee, i.e., \$1.50 to \$5.00, or you can figure a percentage of the budget, i.e., 1% to 1.5%. The gratuities are figured on a sliding scale: Convention Services Manager receives the largest amount (\$150-\$300), followed by the Banquets Manager (\$100-\$200), the set-up supervisor (\$75-\$150), and shipping/receiving manager (\$50-\$100). Tips to individuals who have shown exceptional service would run from \$20.00 to \$25.00. Your ORM meeting planner can assist with these determinations.

## **PAYMENTS**

The Finance Chair/Treasurer is responsible for paying all meeting bills. All expenditures must be documented and approved prior to payment by the committee chair responsible.

Charges incurred by the ACS Office of Regional Meetings on behalf of your meeting, e.g., printing and mailing services, graphics support, and advertisements will be subtracted from the registration revenue at the end of the meeting. You will then receive a check for the remainder.

Each Regional Steering Committee has rules for distributing any profits from the meeting. Obtain a copy of the regulations of your Regional Steering Committee for reference; this may be obtained from the Secretary of your Region.

## **REPORTS**

Within six months of the meeting, the ACS Office of Regional Meetings will provide the meeting Finance Chair with a complete accounting of registration income and any expenses incurred by ACS on behalf of the meeting. From this report, the organizing committee can produce a final financial statement to be included in the meeting's final report. One copy should be forwarded to the ACS Office of Regional Meetings.

## **GENERAL LIABILITY INSURANCE**

This insurance protects ACS, its Local Sections, and Divisions against liability lawsuits arising from ACS negligent acts that cause Bodily Injury or Property Damage. *Note: The coverage is not that of an accident policy, which pays anyone who is injured regardless of how the injury was caused or who was at fault. It is a legal liability policy, which pays when the Society or those acting on its behalf, fail(s) to exercise reasonable care. The resulting damage must stem from negligence. In other words, the Society (or one of its Regional Meetings, Local Sections, or Divisions) must be legally responsible for causing the injury for insurance to apply.*

### **Certificate of Insurance**

A Certificate of Insurance is proof that the ACS maintains insurance coverage. The owner of the property where an event is to be held may request a certificate of insurance. This request is often mentioned in the contract between the hosting group and the property owner. Sometimes the property owner will specify that a certain type or amount of coverage is necessary. This usually appears in the contract between the host section and the meeting facility. If a Certificate of Insurance is needed, please contact your meeting planner, who will obtain the required information

The following information is needed for issuance of the certificate:

- ◆ The meeting name, location, and dates
- ◆ Contact person, including phone and address
- ◆ Company or individual requesting the certificate, including phone and address
- ◆ Whether the requesting party has asked to be a "named insured"
- ◆ If the requesting party has specified minimum coverage, types of coverage, or dollar amounts

### **Claims**

If there is an incident, call the ACS Office of the Treasurer immediately (800-227-5558). A full report of any incident that may require insurance coverage must be sent in writing to the Treasurer's office within 3 to 5 days of the incident. Please send a copy to your meeting planner.

## **STATE TAX EXEMPTIONS**

Because the local section hosts the meeting, and the regional meeting is a function of the local section, you should utilize any sales tax exemptions that the local section has established. Contact your local section Treasurer to obtain the sales tax exemption number.