

Budgeting for the Non-Financial Manager

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Who Are We?

- Judy Bemis has worked in Treasury at Worldcons for decades
- ...so has Bruce Farr
 - CPA, Budget Director and/or Finance DH for 6 Worldcons as well as World Fantasy, Westercon, and many other conventions
- Joyce Lloyd was Finance DH for Kansas City Worldcon
- Cindy Scott was Finance DH for San Jose Worldcon

Topics

- Budget Overview
- Duties of the Non-Financial Manger Regarding the Budget
- Working across Divisions or Departments/Areas
- Contingencies
- Wish List
- Cost Coding of Payments
- Commitments
- Comments in the Budget
- A Few Examples from History
- Other Considerations

Budget Overview

- Why do we care about doing a budget?
 - Predicts and helps manage financial success
 - Trip-wire that there are money issues
 - Information exchange among the Committee
- Budget for a convention is a living document
 - Updated as forecasts change

Duties of the Non-Finance Manager Regarding the Budget

- Keep convention management (Chair and Finance both) updated on current and prospective plans via updates to the budget
 - Provide estimate based on historical (past conventions) as informed by current plans
 - Solidify plans so that line items are realistic and reflects what convention management has approved
 - Update estimates as soon as practical by obtaining quotes or further information on a timely basis

Working Across Divisions or Departments/Areas

- Your department or division's scope may affect others
 - Central Office Supply procurement is in your area for supporting the entire convention

Contingencies

- A contingency is a planned surplus in the budget to provide a buffer for uncertainties in both income and expense to ensure the convention doesn't lose money
- Amount of contingency needed decreases as expense and income becomes "known" by being either an actual amount, or a commitment is made (contracts or agreements)
- Often expressed as a percent of the estimated amount of expense

Wish List

- A “Wish List” can be included in the budget worksheet
- It’s a request, with a currency value attached, that is hoped to be added to the budget should Finance and Convention Management approve
- It allows to quickly approve prospective new budget amounts should funds become available
 - Especially useful at convention when a quick turnaround may need to happen

Cost Coding of Payments

- Make sure to get invoices in for payment soonest so that actuals can be updated
 - Updated expenses remove uncertainty and the need for covering contingency as we now know for certain what something costs
- Use chart of accounts built into the budget to split costs among the various line items so things get charged to the right place

Commitments

- Certainty is increased as we sign contracts or agreements fixing an amount of spending for a specified scope
- Only the Chair and Finance/Treasurer should be able to commit the Convention
 - Sometimes the Board or Board Chair have to approve as well
- Make sure to keep the Chair and Finance aware of negotiation status for commitments
 - Chair/Treasurer may wish to be directly involved in the negotiation
- As commitments are made, they should be moved from “estimated” to “committed”, depending on how your budget is set up, so everyone knows the risk status of line items and total budget

Comments in the Budget

- Adding comments help everyone to understand how the Estimate was arrived at
 - Number of people being served
 - Cost per person
 - Source of the Estimate
 - Quote
 - Prior Year's Budget or Actual
 - Wild Guess

A Few Examples from History

- 1983 Worldcon “DiamondVision” (lost money)
 - Budget not updated at convention
 - Optional items approved without regards to budget
- Recent Worldcons with financial challenges
- Spokane Worldcon surplus management strategy
 - Membership reimbursements
 - Bid expense reimbursement
 - Grants
 - Travel and hotel room reimbursements

Other Considerations

- Cash flow
 - Income coming in after the end of the convention doesn't help with bills due before the end of the convention
 - Sometimes can negotiate invoice due dates through contracts, agreements language