CVG Budgeting

Release 1.2

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Contents

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Table 1: Revision History

Version	Date	Summary
1.0	2019	Original Release
1.1	Oct 15, 2019	CVG 2020 revision - Con Cancled, budget process overridden by board directive for cancled convention
1.2	January 20, 2022	CVG 2022

Purpose of this guide

1.1 Overview

This guide is presented to assist and give example of how to build, document, and request a budget as a department within Convergence Events®, Inc. and the CONvergence™ convention. It is not intended to imply that this is the only way to do it, nor ever that it is the best way for your particular needs. While the concepts of accounting are fairly straightforward, and the Finance department has worked hard to create a process that will address most of the many departments of the convention, there are and will always be some outlying circumstances that could require some form of alternate solution.

Please reach out to the Chief Financial Officer and the Finance Department for help with any situation that you feel doesn't work with this guide before deciding to embark on a unique and possibly counterproductive or unsupported solution. Often a few moments of discussion and explanation can save hours or months of refactoring.

1.2 Basic Assumptions

This guide assumes several things that should be true before proceeding:

- You are working with your Divisional Director to make sure your department's organization is understood

- You understand the goals and directions of your departments as approved by your Divisional Director

- You have a working understanding of the needs, wants, responsibilities, and limitations of your department

- You have a working understanding of the needs, wants, responsibilities, and limitations of Convergence Events

If any of the above are not yet true, your Divisional Director and their backup is ready to help assist you and get your team moving in the correct direction to assist with the success of the organization as a whole.

1.3 Convergence Events summary

Convergence Events is a non-profit, volunteer-run organization dedicated to creating exciting events that connect, enrich and expand our diverse community, and to inspiring each other through creativity, learning, and service.

Convergence Events was founded in 2009 from the building blocks of the CONvergence directors and convention committee. Formerly a part of the Minnesota Society for Interest in Science Fiction and Fantasy (Later to become the Geek Partnership Society (GPS)), Convergence Events was spun into its own entity to permit both it and The Society to pursue their missions in a focused manner.

Our premier activity is the CONvergence convention. CONvergence is an annual convention for fans of Science Fiction and Fantasy in all media: a 4-day event with more than 6,000 members, and the premiere event of our kind in the upper Midwest.

1.4 The Convention Committee

The Convention Committee (ConCom) of CONvergence (CVG) is the management and staff of the convention. The convention is possible because of the hard work and effort of these individuals. The ConCom is split into seven, mostly arbitrarily decided, divisions. Each division is primarily lead by one divisional director.

1.5 The Board of Directors

The ConCom is lead by a Board of Directors. The Board is a cooperative amalgamation of a governing board and a sweat equity board. Each board member is elected for a term of three years and acts as the primary responsible leader for one of the divisions of the convention. The board is lead by an annually appointed President, supported by an annually appointed Vice-President. There is also an annually appointed Secretary and Treasurer.

The primary purposes of the Board of Directors are facilitating communications, giving direction and scope, removing roadblocks to progress, and making it possible for your department to

accomplish the goals it has. They are there to help and serve as needed for the success of the organization as well as the departments in their division.

1.6 Finance Department

The Finance department, lead by the Chief Financial Officer (CFO), is responsible to the tracking, maintenance, and financial operations of the organization at the behest of the Board of Directors.

The CFO is an appointed corporate officer by the Board of Directors for a term of three years. They answer directly to the Board of Directors on all matters concerning the finances of the organization and works with the annually appointed corporate treasurer to comply with the legal financial requirements of any non-profit corporation.

The Head of Finance and the staff of the Finance Department are responsible for the day to day financial needs of the organization including funds tracking, reimbursements, and general reporting as directed by the CFO and the policies of the organization.

1.7 Current information

All updates, policies, and standards for Convergence Events are found at the corporate web site[2]

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[2] http://www.convergenceevents.org

Creating a Departmental Budget

Creating a useful and successful budget is a fairly straight forward process. Put simply, you have to decide what your department will need to fulfill the goals it has for the year. The part that is less straight forward is defining those goals. And after that, the tricky part is helping others see why these needs exist and how they relate to the goals.

As you create your budget, you need be able to enable your team and director to share the same understanding and agree on the needs and how each relates to the goals. Starting with that in mind will make your budget more understandable, accountable, and successful in the end.

The published procedure for budgeting states that the required steps to establish a budget are:

1. Gather previous years expenses

   The Finance Department will document all categories of income and expense for the of the previous year and have this available upon request by the September CONvergence ConCom Meeting.

1. Draft request budgets

   The Department Heads establish a requested budget before the budget meeting which is the October CONvergence ConCom Meeting. The goal is to list all major/onetime expenses as well as the yearly expectations of expenses and incomes. The request budget is due to be delivered from the Department Heads to the Divisional Director at the October CONvergence ConCom Meeting.

1. Submit tentative budgets

   The Divisional Directors work with the departments to finalize their budget requests and submit it to the CFO. This is due one week after the October CONvergence

ConCom meeting

1. Adjust tentative budgets

    The Divisional Directors, lead by the CFO, agrees on the overall starting Convergence Events budget. This happens at the November Board of Directors meeting.

1. Confirm final budget with departments

    The Divisional Directors are responsible for reporting the agreed on budgets back to their departments by the November CONvergence ConCom meeting.

Note: The dates listed in the procedure are subject to change for any particular year and are decided by the Board of Directors.

This high level procedure is all well and good, but understanding the steps can make the process easier and more productive. The following sections will delve deeper and hopefully give a better understanding.

2.1 Research and Explore your Department

The basis of any good plan is having good information. Start by working with the members of your department. Validate the goals of your department. Review previous years goals and the success levels obtained. Focus on the facts of situations and quantifiable measurements of achievement. Avoid accepting opinions and feelings as performance indicators.

Create a list of goals and explore the resources needed to achieve them. Align this list with the expectations set in place by your divisional director. Consider the services your department is expected to provide to other departments. Look beyond the limits of your department and see how your department is affected by, and responsible to, other departments and their needs as well.

Use this information to set the importance of each departmental goal and the resources for it. Consider alternative resource options, from equipment purchase, to volunteer labor, to temporary use of personal items. Weigh each option with an eye to impact, feasibility, respect, expectation, and function.

Approach hard choices in a fair way. See impact not only from the view of those that support, but also from the view of those that aren't affected. Look to serve the membership and community as a whole with your choices and efforts.

2.2 Capture the Research

All of the effort put into exploration, research, and definition is be basis used to explain and promote the needs captured. Track the reasons, the discussion, and the research findings to help

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others, including your divisional director, understand the needs and importance of each decision.

If something is critical, capture why it is. If something would be nice but could be done without, capture why and what the impact would be of not having it.

2.3 Track your needs

Notable Quote:

The best hammer in the world is useless without someone to wield it.

– Anonymous

Each goal you choose to accomplish will take resources. Create your budget to not only track the monetary cost of acquiring materials needed, but also the effort, people, hours, and commitment needed.

Make a list of resources needed. Research the cost of each resource, be it money, time, effort, people, or whatever factor is needed. This list is the draft version of your departmental budget and should be the guide to using your resources carefully.

Expense Categories

CONvergence uses a simple list, or spreadsheet, of costs. Each cost is its own line and should match to a general accounting category. General categories used by CONvergence are linked to the tracking needs of our non-profit 501(c)3 filing needs.

These categories are to help finance track and properly credit the expenses of your department as well as justify the spending for legal reasons if challenged. The use of them can also help identify some of the purposes of the request.

Hint: Each expense your department has should line up with one of these categories.

3.1 Basic Annual Categories

Annual expenses that are expected and usual for the running of a department. These expenses, in general, will repeat year to year if the goals and expectations of a department do not change. This is sometimes thought of as the "cost of having and maintaining the department".

- Supplies

- Printing

- Postage

- Transportation

- Food and Beverages

- Licenses and Subscriptions

3.1.1 Supplies

Supplies are the basic items that are expected to be used up by your department. This could include office supplies, tape, or ribbons. It could also include cardboard supplies used for projects. It could include awards handed out to contest winners.

3.1.2 Printing

Printing includes all forms of printing. It could include photo copies, basic signs, printer ink, and professional printing services.

3.1.3 Postage

Postage is all forms of shipping and delivery that originates from your department. It could include postage stamps or UPS/FedEx shipments.

3.1.4 Transportation

Transportation includes things needed to move people or things from one primary location to another. It could include a truck rental, taxi charges, parking, or driver services.

3.1.5 Food and Beverages

Food and Beverages are items specifically obtained for internal departmental reasons and not intended for the convention membership as a whole. It could include approved meals during working sessions, "volunteer only" food, or "Green Room" snacks. It should not include items obtained intended for the use of our membership like Rex Popcorn, soda in ConSuite, or the like.

3.1.6 Licenses and Subscriptions

Licenses and Subscriptions are any expenses related to obtaining rights, certifications, or usage. It could include commercial software, safety training, hosted web-services, or music rights.

3.2 Basic One-Time Expense Categories

One-Time expenses are special purchases not expected or intended to happen every year due to the nature of the expense. These expenses, in general, will not repeat annually, and are on top of the general costs or needs of a department.

- Equipment Purchase
- Single Expense
- Special Projects

3.2.1 Equipment Purchase

Equipment that is more cost effective to purchase and store year to year rather than renting or recycling. This is sometimes incorrectly referred to as a "capitol expense". It is generally assumed to be something obtained, added to inventory, and tracked as an asset of the organization.

> **Warning:** Storage Costs
>
> Storing equipment year to year is one of the largest costs Convergence Events has. Space is limited and costly in both accessible and deep storage options. Any purchase of equipment that will be stored year to year requires an approved storage plan including space, storage to convention, and convention to storage processes. The storage plan requires the approval of the Logistics department and/or the Facilities Division Director.

3.2.2 Single Expense

Single Expenses are items that have come up and are only going to happen once. In general these are the same basic categories, but only expected to happen once and not annually. It could include a special one-time mailing (postage), buying computer software that would be used for multiple years, or harddrive upgrade of a currently owned computer server.

3.2.3 Special Projects

Special Projects are a board assigned special extension or addition to the regular goals and expectations of your department. This project would be a single-year effort that is not expected to become a regular part of the functionality or expectations of the department after the end of the year.

3.3 Other General or Special Categories

There are other various categories used by Finance to track other things. Some of these may be used by your department for special needs. You can work with Finance if you think you may need these.

Note: This is not a complete list. Contact Finance if you have a specific need.

- Insurance
- Approved Contractors
  - Technical/Specialized
  - Labor
  - Accounting/Service
  - Entertainer
- Grants
- Taxes
- Legal
- Meeting Space Rental
- Storage Space Rental
- Advertising and Promotion
- Others as required by Finance or our accountants

Submitting a Budget Request

Now that we have a list of resources needed for our departmental goals, and we have researched the various costs of obtaining them, we can present a budget request that should see to the needs of the department.

The total list of your resource budget should be of interest to your division director and will help anyone to get get a better view into your department and how it runs. The next step is to split out the monetary needs of your budget and submit them

4.1 The Budget Request

The budget request you submit should include three sections

- Annual Expenses
- One-Time Expenses
- Explanation, consideration, and justification

The best budget requests will be one that pull together the results of the preceding sections.

4.2 Request format

The format of the budget request is not the critical issue. The content is what's needed. To that end, create a spreadsheet with columns for `Category`, `Item/Description`, `Cost`, and `Note`.

Add a section for Annual Expenses and One-Time Expenses. And leave an area at the bottom for the explanation, consideration, and/or justifications you want to add. See *Sample 2020 Budget Request* (page 15) for an example.

Each expense group should be listed separately and assigned to a category. For instance, we can group the expense for "pens, paper, paperclips" together as they are all common office supplies. Badge ribbons, on the other hand, should be separated out listing the purpose of each. In effect, more information is better.

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But no one cared.

Table 1: Sample 2020 Budget Request

Category	Item	Cost	Note
Annual Expenses			
Supplies	Pens/Markers	$5	We keep running out!
Supplies	Ribbons - "Connie Forever!"	$75	
Printing	Copies of the manual	$3	We don't use PDF?
One-Time Expenses			
Equipment	Robot Auto-washer	$70101	Mark II doesn't enjoy showers
Single Expense - Contracted Service	Power line for Robot Auto-washer	$350	Install 220v50A line

```
The Robot auto-washer, requested for Mark II, will need installation␣
↪and a power grid update.

But it will allow Mark II to avoid showers while still maintaining the␣
↪proper shiny look of a leader.
```

4.3 What happens next?

When you submit your budget to your division director, they will review it and likely ask questions for clarification. They might suggest changes, additions, or subtractions to your budget before accepting it.

When they finally do accept it, they will combine it with the budgets for the other departments in the division and add their recommendation to accept or deny each line item. The will then submit that to the CFO who will review it and might ask for more information as well.

The CFO will combine all of the budget requests for the year into one file and add the mandatory expenses of doing business. They will make general comments or recommendations for expenses and then present it to the board of directors at the annual budget planning meeting.

During the planning meeting, the board will review each line, weighing it against expected income, importance, requirements, impact, and other factors that may be applicable and determine if a line will be accepted as stated, rejected, or accepted with changes.

Once complete, the CFO will compile the results of the planning meeting and publish them. Your division director should inform you of the results and give further direction as needed.

The CFO will also combine all approved budgets and publish it as the working budget for the year

which is commonly available in the finance section of the corporate website[3].