



Creating your Society Finance Plan

This is a brief guide to help you create a realistic budget. ENSA expects you to stick to your budget throughout the year. Society spending should always reflect the aims and objectives of the society. Your treasurer should keep records of all income and expenditure.

Societies who have been in operation for one year are permitted to apply for strategic funding support from ENSA, and there will be an opportunity to do so once in October, and once in February.

ENSA funding should not be relied upon to cover operational costs, and is intended to support activities that are 'above and beyond' the day to day running costs of your society.

What is a Finance Plan?

A finance plan, or budget, is a tool to help your society plan for a healthy financial future. It is usually set for one year in advance.

The budget will show the following information in the coming year:

1. How much income your society expects to receive
2. How much your society expects to spend
3. The predicted surplus or deficit

Note: Team Napier encourages societies to 'leave a little something' at the end of the financial year so that the next society committee get a positive start. Basically, don't try to spend everything just because it is there.

Setting membership fees

Budgeting will help you set an appropriate membership fee for you society. Work out your expenditure first to get an idea of what the society's financial needs are.

This is an example budget for the Big Band society:

Expenditure	
Sheet music	£400
Conductor	£450
Coach to concerts	£150

Venue hire	£80
Promotion	£50
Total	£1130

Once you have your total expenditure you can work out what each member should contribute to the society financially based on your predicted membership numbers.

Big Band anticipate having 20 members this year, so their calculation would look like this:

$$£1130 \div 20 = £56.50$$

£56.50 is a lot of money for one membership payment, so you can now look at your income as a way to boost the total money coming in and thereby offer a reasonable membership fee.

Income	
Fundraising	£150
Sponsorship	£200
Payment for concerts	£500
Total	£850

In this instance, the £850 raised by the society means there is now a deficit of £280 to make up from membership fees.

$$\begin{aligned} \text{Total income} - \text{total expenditure} &= \text{surplus / deficit} \\ £850 - £1130 &= -£280 \end{aligned}$$

If you recalculate now, the society membership needs to be set at £14 to break even:

$$£280 \div 20 = £14$$

You might decide that you don't want to charge your members more than £10 though, which would give you a membership income (predicted) of £200. This leaves an £80 deficit.

You can approach a deficit in two ways:

1. Find another income stream
2. Remove a cost

In this case Big Band might decide to put a lot of effort into fundraising for the society, or could arrange an extra concert to generate income from people hiring the band.

They could instead, or additionally, decide to change how much they spend on coach hire, and either ask each person travelling to contribute something to the cost, or ask members to make their own way to the concert venue.

A final budget for Big Band could look like this:

Expenditure		Income	
Sheet music	£400	Membership	£200
Conductor	£450	Fundraising	£200
Coach to concerts	£75	Sponsorship	£200
Venue hire	£80	Payment for concerts	£600
Promotion	£50		
Total	£1055	Total	£1200
Total income – total expenditure = surplus / deficit £1200 - £1055 = £145			

Activity plan

Your budget needs to be supported by your activity plan for the year. To make their target income from playing concerts, Big Band will have to organise a certain number of gigs, make sure the band have enough rehearsal time to play the songs, and get the sheet music far enough in advance for everyone to learn their parts.

Fundraising and sponsorship can take a lot of time to arrange to, whether that be talking to companies to solicit sponsor offers, or organising a fundraiser social or event. Come and talk to ENSA staff if you intend to seek sponsorship or would like help with fundraising suggestions or event support.