Standard Operating Procedure (SOP): Event Budget Planning and Cost Tracking

This SOP details the process of **event budget planning and cost tracking**, encompassing initial budget creation, allocation of funds across event categories, expense monitoring, vendor payment schedules, and financial reporting. It aims to ensure accurate financial management, prevent overspending, and support successful event execution through systematic tracking and adjustment of all event-related costs.

1. Purpose

To provide clear guidance for the planning, allocation, tracking, and reporting of all financial resources related to event management, ensuring responsible and efficient use of funds.

2. Scope

This SOP applies to all staff involved in event planning, budgeting, procurement, accounts payable, and financial oversight for company/organization events.

3. Responsibilities

- **Event Manager:** Overall budget oversight, approvals, and coordination.
- **Finance Officer:** Expense tracking, monitoring, financial reporting, and vendor payments.
- **Procurement/Operations:** Vendor sourcing, quote collection, and purchase initiation.

4. Procedure

4.1 Budget Planning

1. Define event objectives and scale to determine budget requirements.
2. Review historical spending from similar events, if available.
3. Prepare a preliminary budget using the template below:

Category	Budgeted Amount	Description
Venue	$	Rental, insurance, permits
Catering	$	Food & Beverage
Audio-Visual	$	AV equipment & technicians
Decorations	$	Themes, signage, flowers
Marketing/Media	$	Promotional materials, ads
Entertainment/Speakers	$	Artists, speakers, honoraria
Staffing	$	Temporary staff, volunteers
Miscellaneous	$	Contingency, permits, transport
Total	**$**	

4.2 Allocation and Approval

1. Allocate the budget across categories based on event needs and priorities.

2. Submit the proposed budget for approval to relevant stakeholders/management.
3. Adjust allocations as directed and communicate the final budget to all team members.

4.3 Expense Tracking and Monitoring

1. Record all committed and actual expenses using an expense tracking spreadsheet or financial software.
2. Assign dedicated staff to monitor expenses against allotted amounts in each category.
3. Review expense reports weekly (or as needed) to identify overruns or underspending.
4. Flag unexpected expenses or variances for investigation and adjustment.

4.4 Vendor Payments and Scheduling

1. Negotiate terms and payment schedules with all vendors and document agreed terms.
2. Submit invoices to finance for timely processing according to the schedule.
3. Track pending payments to avoid late fees or contract breaches.

4.5 Adjustment and Reallocation

1. If a category is overspent or underspent by >10%, reallocate funds as necessary with management approval.
2. Document all budget changes to maintain an accurate audit trail.

4.6 Financial Reporting

1. Prepare interim financial summaries before and after the event, detailing budgeted vs. actual figures.
2. Highlight any significant variances and lessons learned for future events.
3. Submit a final event financial report to management within 10 days post-event.

5. Documentation & Records

- Save all invoices, receipts, and contracts related to event expenses.
- Maintain a digital or physical file for at least 3 years after the event.

6. Review and Continuous Improvement

- Review this SOP annually or after each major event to improve budget planning and tracking processes.
- Incorporate feedback and best practices into future iterations.