

## **MONASH BUSINESS SCHOOL**

### **ACCOUNTING CASE COMPETITION**

**Year 11 and 12 students**

Mums Supporting Families in Need (MSFIN) is a small not-for-profit organisation based in Seaford Victoria. MSFIN provides material aid to families in crisis via approximately 85 agencies that work directly with families who are facing a crisis situation.

The Mission of MSFIN is to provide quality and safe essential good for families in need.

Examples of the aid they provide can be seen below.

MSFIN

HOW WE HELP

## **What does our aid look like?**



**Food, formula,  
cleaning  
products**



**Clothes, shoes,  
underwear, socks**



**Toiletries,  
personal hygiene**

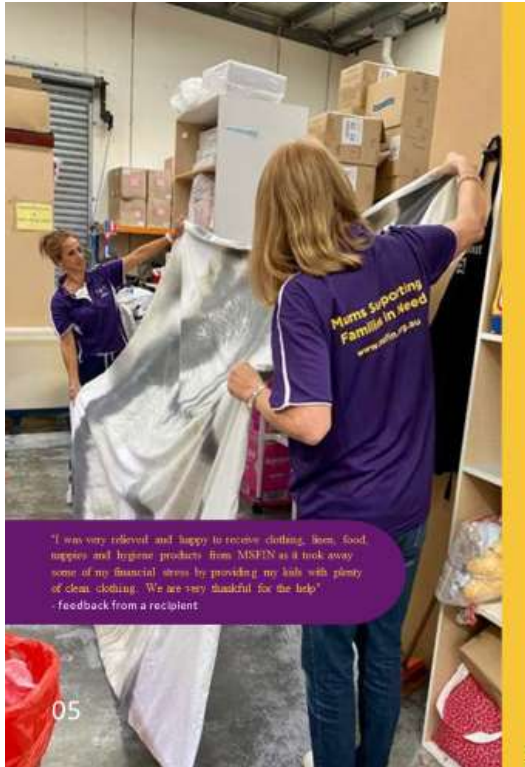


**Bedding**



**Car seats,  
prams, high  
chairs, cots**

What they do can be summarised here:



### What we do (and we do it free)

- Supply good quality second hand and new material aid, toiletries and food to families experiencing circumstantial crisis.
- MSFIN works with more than 80 different social welfare agencies across metro Melbourne and the Mornington Peninsula
- MSFIN do not deal face to face with clients but works in partnership via referral from qualified welfare support services to ensure the privacy and dignity of vulnerable families.
- Material aid that MSFIN uses to fulfill orders from welfare agencies is accessed via two main streams:
  - via the community who gift MSFIN with their quality second-hand goods
  - purchased new via grant and philanthropic trust funding

Even with this community support, it costs money, to provide our service.

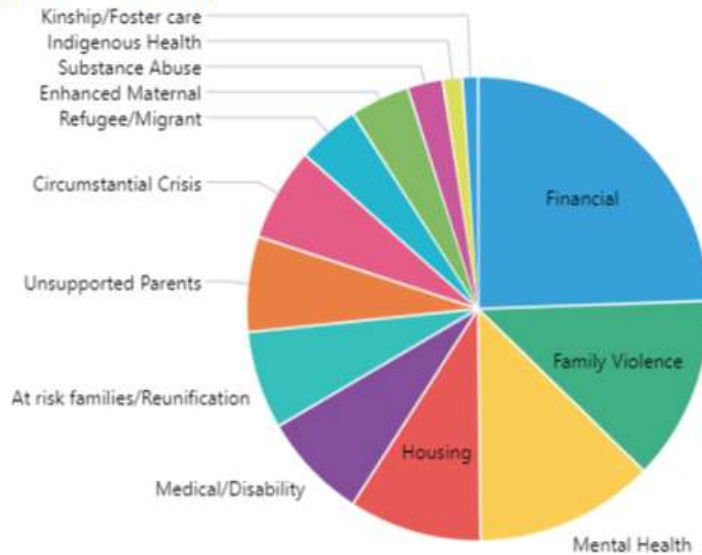
AL: Sensitive

Examples of their impact are below:



The current financial crisis has significantly impacted MSFIN in two ways. Firstly, it has impacted the demand for their services with the current cost of living (financial) crisis being the largest area of need currently. See diagram below:

### What is currently driving the need for our service (2022 – 2023)



OFFICIAL: Sensitive

Secondly, their costs have also increased. Their service is free so they don't receive income from their service, nor do they receive ongoing financial support from government sources. MSFIN relies on financial donations, sponsorships and fundraising. Sometimes businesses, other not-for-profit organisations or schools fundraise on their behalf. MSFIN's challenges from the current cost of living crisis can be summarised below:

#### The Cost of Living Crisis

- Increased Direct Operational Costs to MSFIN
- Rising demand for services from families in need – order size and family members supported
- Increased financial burden on families, reducing disposable income available for donations.
- Decreased material donations as people prioritise their own financial stability.
- Limited resources due to business or other budget cuts or reallocation of funds.
- Strain on volunteer availability.

A renewed focus on essential stocklines and services

"We received newborn baby clothes and supplies. It relieves a huge financial burden of having to purchase so many new baby clothes that won't be worn for very long. This service has saved us a lot of headaches and worry and made it feel like someone out there cares. As soon as we get back on our feet, we will be giving back!"  
- feedback from a recipient

MSFIN receives NO recurrent government funding to provide its service of material aid support and relies totally on the generosity of its donors, sponsors, trusts/grants, and community fundraising.



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**Task:**

Your task is to plan a fundraiser for MSFIN. The type of fundraiser is up to you. The goal of the fundraiser is to raise \$30,000 which is half of the value of the rent MSFIN pays for their warehouse every year.

Essential to every fundraiser is to have a financial plan (budget). Make sure you consider all of the costs involved with the fundraiser and demonstrate (via your budget) how you plan to achieve the profit goal of \$30,000.

**Requirements:**

In groups of **three to four students**, write a short report (2,000 – 3,000 words) outlining your fundraising plan and budget – The budget can be in a simple excel spreadsheet or as a table in your report. In addition, prepare a budgeted income statement via Excel and also to prepare a budgeted cash flows statement via Excel. Screenshots of these two documents can be inserted and referred to in the written report.

**Due date:**

Submissions are due Friday 19<sup>th</sup> July 2024; students will be notified of their outcome on Friday 2<sup>nd</sup> August. Please submit your report with a cover page outlining your school, team members and contact information in a WORD document or a PDF file to [acc-enquiries@monash.edu](mailto:acc-enquiries@monash.edu).

The presentation event will be held at Monash University Clayton Campus on Wednesday 14<sup>th</sup> August 2024.

If you have any questions please contact Dr Carly Moulang [Carly.Moulang@monash.edu](mailto:Carly.Moulang@monash.edu)

**Prizes:** \$150 gift cards will be given to all team members and the teacher of the winning team, proudly supported by Chartered Accountants.



Certificates of Achievement from the Monash Business School will be provided to all participants.

**Note:**

More information about MSFIN can be found at [www.msfin.org.au](http://www.msfin.org.au)

**The highest ranked proposals will be given an opportunity to present their proposal to the Monash Business School Department of Accounting and to a representative of MSFIN. All team members will receive a certificate of congratulations from the Department of Accounting, Monash Business School.**

### **Additional information:**

The following article may be useful when thinking about your event and where to start with your fundraising budget. However relevant ideas outside of this article are also welcome:

<https://betterworld.org/blog/fundraising-ideas/creating-fundraising-event-budget/>

### **How to Create a Budget for Your Fundraising Event?**

By [Whit Hunter](#)

A fundraising event's budget is an important tool that helps an organization estimate and manage its income and expenses related to the fundraising activities. So it's important to thoroughly and carefully plan it without breaking the bank.

Creating a budget might seem tricky, but it just needs some proper planning and you have a good event budget template on your hands in no time.

Fortunately, this blog post discusses the step-by-step process you can follow to create a budget for your fundraising event.

#### **Determine Event Objectives and Purpose**

The first step towards calculating your fundraising budget is identifying the purpose of your event and objectives. Different fundraisers require a different budget.

To put things into perspective, **a fundraising gala will be much more costly than a virtual auction fundraiser.**

The purpose and objectives of your fundraiser will help you determine the type of fundraiser you should plan. As a result, it will also help you decide what your major expenses will be and what costs you less money when you are budgeting.

You can find plenty of cost-friendly fundraising events your organization can host with a range of budgets. Hosting small, in-person gatherings like dinner parties or arts and crafts days can help engage and connect with donors without breaking the bank.

However, these still require you to consider the cost of the event venue, food and drinks, etc.

**Virtual fundraisers, such as a Q&A with your team or a virtual gaming night, are cost-friendly and profitable.** They don't require you to go above your budget as compared to in-person events.

#### **Evaluate the Size of Your Fundraising Event**

After identifying the purpose of your event, it's time you determine how many guests you expect to show up for your fundraising event. This will help you determine the size of the venue.

The size of your venue can differ according to your fundraising objectives. For illustration, **if you are holding a silent auction, you need a much smaller venue versus when you're hosting a concert that is open to the public.**

#### **Estimate Potential Event Revenue**

Use previous fundraising event budgets and donor data to predict your event's income. Estimating your potential revenue will give you an idea of your budget or expense limits for the fundraising event.

Every fundraising event is unique, so there is no fixed percentage for what your costs should compare to your income. Minimize your expenses so the funds you raise can go directly towards your mission instead of paying for the fundraising event itself.

Your non-profit's previous event budgets can help you calculate how much of your revenue will go toward covering event costs.

Apart from donors, look for sponsorships. Sponsors can be an enormous source of income for your event. If you have had any previous sponsorships, pitch them to your upcoming event. This will paint a better picture of what you will need to spend for your fundraiser.

### **Determine Expenses**

The next part of creating your fundraising event budget is making a list of all expenses that will take place.

When calculating your event costs, look at the average prices for every expense you can think of. Your expenses can include quotes from several things.

Here is the list of expenses you can calculate for your budget;

### **Calculate Catering Cost**

After venue prices, the catering cost is a significant cost of your event. Food and drinks can also add to your venue costs, depending on the venue.

For example, most hotels ask you to use their food and beverage service. Whereas other venues have a list of approved caterers you should choose from. Usually, the venue only allows you to use vendors within that list.

The food costs also depend on the menu you have chosen and the number of guests attending the event, if you already have a caterer on you.

### **Calculate Decoration Cost**

Most non-profits add the decorations costs into the venue costs, but many times, the venue has nothing to do with your decorations.

The cost of decorations can cover table centrepieces, event signage, balloons, streamers, stage backdrop, and more. You should also include the cost of the supplies required for any decorations your team plans to make.

### **Staff Cost**

Staff cost differs from organization to organization. Some non-profits only recruit volunteers so they can cut down on their staff costs.

But if you feel you need some extra help at the event and you don't have enough volunteers, you can hire any paid staff to work at the event. Staff mostly include servers or software support staff.

### **Determine the Entertainment Cost**

When writing about your expenses, it is the perfect chance to determine your entertainment costs. Entertainment can vary depending on the type of event you are planning.

Ask yourself the following questions:

- Are you planning on giving a presentation?
- Are you planning to play any multimedia during the event?
- Do you want a live band or DJ?

If you are planning any of these entertainment options, you need to add them to your budget. Sometimes the venue can also supply all the required A/V equipment. However, they may charge additional fees for the A/V equipment.

If you want to cut down on these costs, you can easily rent or borrow it somewhere else

### **Media and Promotion Costs**

Media and promotion costs encompass paid advertising on social media platforms, invitations, postage, graphic design, and advertising. These things play a vital role in promoting your fundraising event.

### **Modify the Budget if Required**

Once you have calculated and estimated a budget, it is time to evaluate your estimated profit-and-loss statement. Change your budget wherever needed.

Your budget is a flexible document, and until the vendors are all located, you are free to modify your budget until it suits your non-profit's needs.

Assess if your profit margin is sufficient for your non-profit to allocate a significant portion of raised funds towards your cause.

If your overall gains are not enough to fulfil the goals you have set for the event, then you should decide which event costs are unnecessary and cut them from the budget.

Extra decorations and other miscellaneous expenses are a good option to cut costs. You should review each of your expenses to see where you can make changes.

### **Conclude Your Budget**

After you are done modifying the budget, you need to fully complete your fundraising event budget. You can discuss the last budget with your accounting team to get their insight into it.

A complete event budget is important for a non-profit's ability to be transparent with its donors and show them how much of their contributions will make a positive impact.

Save your completed fundraising event budget in your archives so you won't have to start from scratch in the future for other similar events.

### **Conclusion**

Creating a realistic and affordable fundraising budget for your non-profit is crucial to achieving your mission and sustaining your fundraising activities.

A well-curated fundraising event budget can help you determine your fundraising objectives, estimate your revenue, allocate your resources, track your expenses, and evaluate your results.

Following these steps will help you create a profitable event budget that can help you achieve your fundraising goals and create a positive difference in the world.