**Proposed draft BID Establishment Budgets covering the first two years of operation.**

This draft budget allows for the operation of a BID Programme on the minimum of $X income and covers the base line costs to cover the administration and operation of the programme and implantation of the BID strategic plan and annual business plan. This is a zero based budget using only the annual BID target rate grant as income. The business association is expected to utilise all additional funding, reserve funds and resources to implement the BID Programme. There is no additional funding or reserve fund included in this draft budget.

It is expected of the Business Association to raise additional income to the BID grant to facilitate the BID Programme to meet the business area needs and implement the BID strategic plan and annual business plan.

It is anticipated the Business Association will take the first twelve months to set up the administration of the organisation which will include the development of a strategic plan within this time period.

Provided are two parts:

1. The BID 12 month operating budget – to provide a base line budgets to cover the operation of the Business Association and BID Programme
2. The BID Project seed budget – to provide base line budget allocation to specific projects identified within the strategic plan and annual business plan. These project may be funded and implanted over more than one year. It is expected the business association will secure additional funding (grants, sponsorship etc) to undertake and complete these projects.

It is expected by the second year of operation the business association will be in a position to begin implementing the BID strategic plan and annual business plan.

A general rule is to keep administration costs to 35% (or less) of the total BID grant of $120,000. This will ensure there is sufficient BID funding to implement the strategic plan and annual business plan.

This draft budget allows a newly established BID Programme to provide a base line budget allocation to cover the following:

1. Administration expenses: This budget allocation will allow It is expected that for the first twelve months the organisation has the ability to pay for a part-time BID Manager, implement a communication plan and complete the reporting requirements of the BID Policy
2. Marketing: This budget allocation will allow for the adverting and promotion of the centre as a place of business and to implement a basic promotional/event calendar including a signature event for the business area.
3. Operational: This budget allocation will permit the association to cover any operational expenditure based on the business area’s needs and detailed in the strategic plan. This could include the beginnings of a crime prevention project, or a budget allocation towards securing office space (rent and electricity etc) for the business association.
4. Business Development: This budget allocation is a base line amount to implement business networking opportunities, business capacity building and support based on the business area’s needs and detailed in the strategic plan.
5. Contingency: This budget allocation allows for cost rises and any unknown costs during the year.
6. BID 12 month operating budget:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **BID 12 month operating budget** | | | | |
| No GST included | Description | Yr 1 | Yr 2 | Note |
| **Income** |  |  |  |  |
| Auckland Council | Annual BID Grant | 120,000 | 120,000 | 1 |
|  |  |  |  |  |
| **Expenditure** |  |  |  |  |
|  |  |  |  |  |
| 1. Administration |  |  |  |  |
|  |  |  |  |  |
| Insurance | Public liability & Indemnity | 500 | 500 | 2 |
| Telecommunication | Webhosting, mobile | 150 | 150 |  |
| Accountant | GST returns/EOY statements | 2,000 | 2,000 | 3 |
| Auditor | EOY Audit | 2,000 | 2,000 | 4 |
| Salaries/Wages/Contractor | Approx. 24 hours per week | 45,000 | 45,000 | 5 |
| Legal fees | Establishment costs | 1,500 |  | 6 |
| General Office Exp | Printing, stationary etc | 1,200 | 1,500 |  |
|  |  |  |  |  |
| 1. Advertising and Promotion | Promotions, events, media advertising etc | 27,150 | 28,350 |  |
|  |  |  |  |  |
| 1. Operational | Crime prevention programme, traffic management programme, cyber-crime prevention information, graffiti management etc, | 10,000 | 10,000 |  |
|  | Business Association office – rent and electricity etc |  |  | 7 |
|  |  |  |  |  |
| 1. Business Development | Network meetings, presentations, business support, business advocacy and representation | 8,000 | 8,000 |  |
|  |  |  |  |  |
| 1. Contingency |  | 2,500 | 2,500 |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Total Operating Expenditure |  | 100,000 | 100,000 |  |
|  |  |  |  |  |

1. Auckland Council BID Grant – this is the annual BID grant paid to the Business Association. There is an expectation the business association will use all available resources to secure additional funding such as other grants, sponsorship including developing other income opportunities

2. Insurance cover is a requirement of the BID Policy

3. Accountant – a business association may have a Treasurer volunteer who will undertake the responsibility of keeping and recording the financial activity of the association. This budget allocation enables the association to engage an accountant to complete the End of Year Financial Statements and liaise with the auditor.

4. Auditor – Auditing is a requirement of the BID Policy

5. Salaries/Wages/Contractor – This budget allocation covers the employment/contracting costs of securing a part-time BID Manager. There are different requirements depending on the option of engagement. A salaried or wages employee will require the Treasurer to manage the PAYE and ACC reporting and levies. An independent contractor is responsible for their own tax and ACC levies. See www……… to understand more about the different engagement options.

6. Legal fees: Obtaining legal advice may be needed when reviewing and amending the association constitutional document. The association constitution may not be inconsistent with the BID Policy.

7. Operational/Business Association Office – Depending on which option is used to secure the BID Manager, the BID Manager may, using a laptop and technology, run the association from their home office. Or the association may secure office space donated by a member to provide the administration base for the association.

B) BID Project Seed Budget

These projects may take a number of years to complete and will be subject to available funding. The list below is an example, other projects may be identified through the strategic plan development process.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| BID Project Seed Budget | | | | |
| No GST included | Description | Yr 1 | Yr 2 | Note |
| Strategic plan development |  | 8,000 |  | 1 |
| Business area branding |  | 10,000 |  | 2 |
| Website development |  |  | 10,000 |  |
| Social media |  | 2,000 | 2,000 | 3 |
| Outdoor display | Christmas decorations, sculptures, fairly lights |  | 5,000 | 4 |
| Crime Prevention Programme | CCTV camera and monitoring, Cybra security, Crime prevention tool kits |  | 10,000 | 5 |
|  |  |  |  |  |
| Total |  | 20,000 |  |  |

NOTE: all of the above projects can and do attract additional funding opportunities. This may include sponsorship, other grants, advertising income and donations. The amounts provided are base line budgets and other funding may be a requirement in order to complete the project.

1. Strategic Plan – A 3-5 year strategic plan is a requirement of the BID Policy. This plan should be developed in consultation with business association members and stakeholders to identify the key goals and objectives to be delivered by the BID Programme.

2. Business area branding – Developing a brand for an area will require consultation with business association members, stakeholders and the community. This project will provide a brand to promote and market the association’s activities and the projects of the BID Programme.

3. Social media – The business association may decide to invest and run a social media pilot to test out a number of approaches before settling on the ones that provides the best results. This project may be tested over a period of 2 – 3 years.

4. Outdoor display – Depending on the business area Christmas decorations, fairy lights or other displays can provide an attraction and help identify one business area from another, be a point of difference, link the area with their local community and attract visitors. These projects would be completed over a period of time eg. 2 to 5 years depending on available funding.

5. Crime Prevention – The business area may have identified the need for a crime prevention programme for their area. A crime prevention programme can include the installation of CCTV cameras and monitoring, Security patrols etc