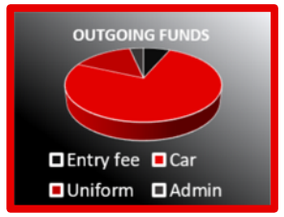
FINANCE MANAGEMENT

INCOMING AND OUTGOING FUNDS :

Incoming and outgoing funds spreadsheets were updated as transactions occurred to ensure our financial status was accurate. If this was not a virtual event, we would have had to account for several additional costs, for example the construction of the pit display, as well as more merchandise. We aimed to minimise surplus funds, as after receiving advice from Ferrari (one of our sponsors), we learnt that having leftover funds could indicate poor financial management, as it showed that we had not fully utilised all of the resources available to strengthen our entry. However, we still had a small amount of money left over and we decided that if we were unable to reach the National Finals, we would buy a wind tunnel for our school, further encouraging STEM and making testing much easier.

Cash Accounting Spreadsheets on Excel

Pie chart showing distribution of outgoing funds



Source	Estimated money received (£) (1)	Actual money received (£) (2)	Difference (%) (1-2)
Sponsorship	900	1000	11.11
Fundraising	100	59.5	-40.5
Crowdfunding	50	0	-100
Total Income	1050	1059.5	N/A

Item	Estimated Cost with hypothetical budget (£) (1)	Estimated cost w/o hypothetical budget (£) (2)	Actual cost (£) (3)	Difference (%) (2-3)
Competition Registration Fee	65	65	65	0
Pit Display	400	0	0	0
Car Manufacturing and Testing	790	790	751.91	-4.82
Portfolio	20	0	0	0
Uniform	150	150	148.13	-1.25
Admin (e.g. website)	40	40	34	-15
Merchandise	500	0	0	0
Total Expenditure	**1965**	**1045**	**999.04**	N/A

** For an explanation of the hypothetical budget, please refer to the COVID-19 section.*

UNFORESEEN COSTS :

When initially estimating the expenditure, we had not expected that the external manufacturing costs would be as high as they were, but were able to successfully pay for it due to our risk management, which ensured the allocation of extra contingency funds.

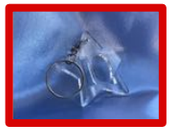
COVID –19 :

COVID-19 affected our finance management dramatically as the competition was held virtually and thus removed the need for physical merchandise and a pit display. Due to this, we decided to create a hypothetical budget alongside the actual budget as we wanted to show how much money would have been received and spent had the event not been virtual.

COVID-19 also changed how we held events, with us having to hold a STEM Quiz Night virtually. This pandemic also affected the likelihood of a sponsorship and the amount of financial resources we could expect from our sponsors as businesses were more focused on ensuring that they were not being negatively affected by changes in the economy. To tackle this, we ensured to contact as many potential sponsors as possible through cold emailing and LinkedIn connections as well as to maintain consistent communication with our existing sponsors and convey the importance of our entry.

INITIAL FUNDRAISING :

Team IQ also organised fundraising events and crowdfunding in order to collect more funds and thus improve the quality of our submission. We designed, laser-cut, assembled and distributed personalised keyrings that came in different shapes, colours, and engravings. They were sold for the price of £2, with an additional 50p for engravings, to students at our school. We also set up a GoFundMe account that explained our project and journey, in order to collect additional funds.



COMMUNICATIONS AND RISK MANAGEMENT :

Given that sponsors were our main source of funding, we knew that clear and regular communication with them would be vital. We therefore made a schedule of when to contact our sponsors to provide them with updates through emails from our official IQ account.

We quickly identified and assessed potential financial risks and realised that COVID-19 could increase costs, such as causing extra delivery or manufacturing costs. We assigned this as a low risk factor. Risk management helped us to minimise financial losses and function efficiently even when experiencing emergencies. For example, we over projected expenses by £50-£100 every time. We then kept aside our surplus funds during the competition so that we could deal with any unexpected emergencies. We also compared various similar products, such as primer/paint, in order to determine which were the most cost-effective options.

To mitigate risks, we also carried out contingency planning:

Identified the risks → Ranked them based on impacts → Planned and prepared responses → Ensured effective communication

Risk	Probability	Area of Impact	Preparation	Response
Delay in transfer of funds from sponsors	High	Could prevent us from purchasing necessary materials and thus being unable to compete	Being aware of the timeline of project	Contact the sponsor politely via email to explain the situation
Sponsor may pull out of agreement	Low	There may not be enough money to produce deliverables. We will have to cut down on elements in scope (e.g. reduce amount of team merchandise). There may not be enough money to produce multiple physical prototypes of car	Contact as many sponsors as possible (at least 3 Ruby sponsors). Also produce multiple fundraising ideas	Swiftly start fundraising and contacting other companies for a potential sponsorship
Extra costs needed for resources	Low	Could prevent us from buying other necessary materials	Over projecting expenses by £50-100 every time	Use surplus funds
Being unable to access account due to school bursar being unavailable	Low	Could prevent us from purchasing urgent materials	Having other means of payment ready	Personally pay for urgent costs and be reimbursed once the bursar responds

EVALUATION :

- We effectively used the financial plan by considering risks and overpredicting (thereby minimal disruption from COVID-19 restrictions)
- We reviewed the budget regularly to make expense predictions more accurate
- Surplus funds would go towards maximising the quality of future competition entries through the funding of a wind tunnel for faster testing and development
- Effective contingency plans as we ended up using the funds we set aside, due to unforeseen manufacturing costs

TARGETS :

- Next time, we would look at boosting the profile of our crowdfunding account, as it could be a very effective way of raising funds.