



ARTS PROJECT BUDGET AND FINANCIAL STATEMENT: INCOME & EXPENSE CATEGORIES

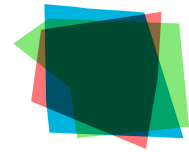
Each project is different, therefore project budgets will vary widely in terms of the types of income and expenses included. The following are definitions of some common expense and income categories used to organize information into a working budget, as well as useful tips in how to reflect them.

Your own budgets may include, but should not be limited to these sample categories –add and itemize as much as you need to in order to best support your planning, management and communication with others about the project. We do not comment here on production or technical subcategories, which will be highly specific to each discipline and project.

Once a project is complete, use the same budget format to calculate the actual income received and expenses incurred by the project to create a **financial statement or report** for the project. A budget is a plan and a working document. A financial statement reflects final financial accounting once relevant activities have concluded.

INCOME CATEGORIES

- Sales:** Ticket revenue or income from sales of work, recordings, souvenirs/paraphernalia, refreshments, other goods related to the project realized during the project period.
- Other Earned:** Payment received for goods or services you render through the project. Itemize artist fees or commissions, fees or tuition for workshops or residencies associated with the project, etc.
- Contributions:** Income that is not earned, but contributed through donations or grants. This is often used as a broader category or heading in a budget, under which you could organize and track contributed income by source: e.g. government, foundation, corporate, individual.
- Contributions:**
- Government:** Income from government grants, from the federal level to the local level. Also referred to as “public” funds.
 - Foundation:** Income from foundation grants
 - Corporate:** Income from donations from businesses, grants from corporate foundations, or corporate sponsorships



INCOME CATEGORIES (continued)

Individual: Income from individual donors. Itemize by source if needed, for example annual appeals, donations to a benefit or fundraising event or crowdsourcing effort.

TIP: If you record total, or “gross”, income from fundraising events, be sure to reflect costs related to producing the event in the expense section of your budget, or else record only net income (income after you subtract the costs of putting on the event).

EXPENSE CATEGORIES

Personnel: Broader expense category under which you can include payment to employees (if an organization), contractors and incidental labor, if applicable. Provide detailed breakdowns of personnel, including role, hours worked or percentage of time, pay rate, number of individuals paid. Indicate salary vs fee.

Artistic: Itemize the salaries or fees for the creative and administrative time of the lead artist(s) and all other artists involved the project.

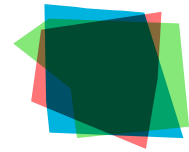
TIP: This is the category in which individual artists should designate a line item and funds to PAY YOURSELF. As an individual artist, we recommend that you show one artist fee amount to cover all of your time as the lead on the project and describe your role(s) in a note or detail (ie “includes creative fee, administration” rather than show your fee broken down across Personnel subcategories).

Administrative: Itemize the salaries or fees for all administrative personnel on the project

Technical: Itemize the salaries or fees for all technical personnel on the project.

Other: Itemize salaries or fees for all other personnel on the project or create more designated subcategories. This might include graphic design for promotional materials, a PR consultant, etc.

Art Production Materials: Itemize costs related to creating an artwork or production consumables



EXPENSE CATEGORIES (continued)

Space Rental: Itemize costs related to renting space for creation (rehearsals, studio) or presentation (theater, exhibition space) as applicable

Marketing and Promotion: Itemize costs related to project marketing and promotional activities such as website hosting, updates, e-communications, print materials, postage.

Transportation & Shipping Itemize costs related to necessary transportation of personnel or goods (metrocard, taxi, car/truck rental, airfare, train)

Hospitality Itemize costs related to receptions or necessary meals related to the project

Permits, Fees and Licenses Costs related to music rights and other artistic licensing, public art permits, sound permits, etc.

Administration: Broader expense category under which you can itemize direct costs associated with an artist's administrative or operational needs for the management of the project, i.e., office supplies, insurance, etc. For organizations, this may also include the allocation of a percentage of overhead costs to the project, such as office space rental & utilities.

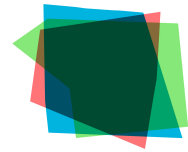
TIP: As an individual artist, don't include your personal life expenses (apartment rent, utilities) under this category. Instead, pay yourself an artist fee (personal income) that is meant to address those personal costs.

Fiscal Sponsorship: Fee charged by a fiscal sponsor (if applicable) on all grants & donations raised and received on behalf of a project.

Contingency: Allocation in your budget for the unexpected, such as repairs or replacement costs if something breaks or unavoidable cost overruns, depending on project scope and prior experience.

TIP: Base your contingency on the likelihood something will go wrong. If your project involves significant technical or material aspects that are new to you, you may wish to budget more for contingency than for a project where you are familiar with all aspects. Common range is 5-10%.

Note: Financial reports at the conclusion of a project should not show a contingency line as any actual costs incurred should appear under named categories above.



IN-KIND CONTRIBUTIONS

In-kind Contributions: The value of donated goods or services, as opposed to cash. Itemize as needed.

TIPS: Show the value of donated goods or professional services to reflect the full range of support contributed to your project, even if no cash changes hands.

Value in-kind donations at their fair market rate. Apply only to outright donations for which the value can be documented: for example, a fee waived by a lawyer or a space rental fee that is waived. Discounts, reduced rates, “good deals,” borrowed goods or the use of equipment you already own should not be reflected as in-kind values.

*To avoid confusion with actual cash, **show in-kind valuations in budget notes or in a separate section outside of the budget itself.***

If for any reason you must show in-kind values within your budget or financial report, do not show them as income without showing the same amount as an expense to keep your budget or financial statement balanced. Otherwise, this will cause confusion about the amount of cash managed.

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