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BUDGET TIPS & SAMPLES

The project budget is the basis for a funded artist's contract with Creative Capital. It is the launching pad for professional development in fundraising and other areas, and a flexible document for you to use and revise as you plan and carry out your project. Some points to consider are below.

Expenses

Pay yourself! We know that this is a new concept for some artists and writers, but trust us: it's smarter to figure out now what your time is worth than to under-budget the project and wind up maxing out your credit cards. Here are two ways to represent your time in your project budget:

1. *If this project is your primary source of income*, you can represent your time as a percentage of a theoretical, yet reasonable, annual salary. For example, if \$35,000 is a reasonable annual salary, and you estimate that you will spend six months working full-time on this project, your artist/writer's fee—one-half of your "annual salary"—would be represented in your budget as follows:

Artist/Writer's fee for six months ($\$35,000 \times 50\%$)	\$17,500
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2. *If this project is not your primary source of income* (i.e., you're working on it concurrent with other projects or if you have a full-time job that supports you adequately), you can represent your time as a percentage of the total project budget. Organizations typically budget 15-25% of a project's costs to cover "A&O" (administration and overhead), and, as an individual artist, you are the organization that makes this project happen. Even if the project budget pays for your expenses in other ways—by covering travel, research costs, and the like—the A&O line will compensate you for your time spent planning and fundraising for the project.

Whichever way you choose to represent your artist's fee in the project budget, the goal is to compensate yourself fairly, not to pay yourself last, if at all.

A word about "self-financing": It's easy to forget that "self-financed" expenses are still project expenses, and need to be accounted for in your project budget. If you've been using personal credit cards to cover creative expenses, check your receipts and add them to your total expenses.

Income

A complete budget includes expenses AND income! Please include all possible income and designate as confirmed, projected, or pending. If you still need to raise money for your project, but don't have an identified source, please write "to be raised," followed by the amount. Please do not include the Creative Capital grant at this stage.

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An income budget for a \$50,000 project might look like this:

State Art Council	\$2,000 confirmed
Private Donor	\$1,000 confirmed
Ford Foundation	\$18,000 pending
Sales	\$10,000 projected
To be raised	\$19,000
Total income:	\$50,000

In-kind

There are two important things to remember about in-kind goods and services:

- In-kind goes *in* as income and comes *out* as an expense of the *same* amount.
- This dollar amount should represent the *fair-market value* of the in-kind good or service.

Because it may take time to figure out, for example, the fair-market value of a used computer donated to your project (other than that it's worth much less than a new one), it's helpful to separate the in-kind budget from both the income and expense budgets. Unless you have no in-kind funds, your complete budget will have three distinct sections: expenses, income, and in-kind. If you're not yet sure of the fair-market value of your in-kind line items, simply write "value to be determined," and add the dollar amount when you know it.

Miscellaneous

A word about depreciation: If you're using your personal computer, equipment, etc., for this project, note this in the in-kind section of your budget. While it may be impossible to figure out the dollar amount of your equipment's depreciation due to project-related wear-and-tear, your budget will, at least, reflect your "loan" to the project. If you believe that you will need to replace or upgrade your personal equipment as the direct result of heavy use during this project, it's a good idea to include an "equipment replacement" line in the expenses section of your budget, just in case.

A word about home-based offices and studios: If you work out of your home, you can figure out the value of your workspace and include it in the project budget. The formula is similar to the one for figuring out your fee, i.e., what percentage of your home are you using for what period of time? This does not mean that you can claim your entire rent as a project expense; rather, this is similar to the home-office deduction allowed by the IRS. More important from the perspective of project budgeting: determine the extent to which you will use your home phone, home fax, or internet connection for project-related communications.

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**Creative Capital
Example of an Emerging Fields Project Budget**

EXPENSES

Artist's Fee

Salary for Spring Semester Leave \$29000

Materials:

Production materials \$5500

Equipment \$8700

Software \$3300

Fabrication \$10000

Sub-total: \$27500

Work Space

Studio rent & utilities \$4000 (\$500 x 8 months)

Studio assistant \$2250 (\$15 x 150 hours)

Sub-total: \$6250

Research Travel

2 plane tickets: Minneapolis to New Orleans \$800

Car rental \$525 (\$35 x 15 days)

Lodging & Meals \$2250 (\$150 x 15 days)

Sub-total: \$3575

Promotion & Publicity

Web Designer \$1400

Viral Marketing consultant \$500

Documentation of work \$500

Subtotal: \$2400

In-Kind:

Use of University Lab \$1500 (\$50 x 30 days)

***Total Expenses:* \$70,225**

INCOME

Faculty grant \$2500

Rockefeller New Media Grant \$10000

Sale of work (estimate) \$8000

In-kind donation \$1500

To be raised \$48225

***Total Income:* \$70,225**

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Creative Capital
Example of an Innovative Literature Project Budget

EXPENSES

Writer's Fee & Advance

Writer's Fee	\$35000
Publisher's Advance	\$5000
<i>Sub-total:</i>	<i>\$40000</i>

Materials:

New Laptop computer	\$2000
Ink cartridges	\$500
Office supplies	\$200
<i>Sub-total:</i>	<i>\$2700</i>

Work Space

Writer's Room	\$4500 (\$250 x 18 months)
Intern	\$2400 (\$12 x 200 hours)
Telephone, fax, DSL	\$450 (\$100 x 18 months x 25%)
<i>Sub-total:</i>	<i>\$7350</i>

Research & Travel

Travel to Artist Residency	\$750
Lodging & Meals	\$1500
<i>Sub-total:</i>	<i>\$2250</i>

Book Production

Reproduction & Permission fees	\$750
Photographer for Author photo	\$350
<i>Sub-total:</i>	<i>\$1100</i>

Promotion & Publicity

Agent's fee (15% of sales, rights income)	\$2550
Publicist	\$1200
Northeast mini-book tour	\$2100
<i>Sub-total:</i>	<i>\$5850</i>

Total Expenses: \$59,250

INCOME

Jerome Foundation grant	\$5000
First serial excerpts	\$750
Royalties (4000 copies x \$3, minus Advance)	\$7000
Foreign publication rights	\$5000
To be raised	\$41,500
Total Income:	\$59,250

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Creative Capital
Example of a Performing Arts Project Budget

EXPENSES

Artists' Fees:

Artistic Director	\$35000
Performer Fees	\$39000
Costume Designer	\$2500
Composer	\$6000
Videographer	\$2000
<i>Sub-total:</i>	\$84500

Production Costs:

Rehearsal Space	\$5000
Costumes	\$1500
Set Design	\$1200
Lighting & Sound	\$3000
Equipment Rental	\$1800
<i>Sub-total:</i>	\$12500

Research & Travel:

Travel to Tallahassee, FL	\$1000
Car rental	\$500
Food & Lodging	\$1500
<i>Sub-total:</i>	\$3000

Marketing & Promotion:

DVD production & duplication	\$1000
Photography	\$1000
Printing materials	\$750
Press Kit assembly & postage	\$1500
Website design	\$1500
<i>Sub-total:</i>	\$5750

Administrative Costs:

Office materials	\$250
Utilities	\$1000
Intern	\$3000
<i>Sub-total:</i>	\$4250

Total Expenses: **110,000**

INCOME

Commissioning Fee	\$15000
Mellon Foundation	\$10000
To be raised	\$85000

Total Income: **\$110,000**