

Fact Sheet: Budget

In the budget templates provided by Create NSW for Annual Organisation and Project Funding (for Individuals and Organisations) applications. an introductory page and a page of key terms, addressing each budget field in the template.

This Budget Fact Sheet is a resource in case you have any issues or concerns that arise while working through the budget template.

Create NSW strongly advises Arts and Cultural Organisations applying for funding to work with their Treasurers and financial officers when producing this financial information.

Budget Basics

IMPORTANT GST NOTE

For all Create NSW Grants all income and expenditure amounts should be reported EXCLUSIVE of GST.

Check the funding guidelines against your request for funding

It is important to consult the [guidelines](#) related to your application before drafting a budget. The funding you are applying for may not be able to support particular expenses or investments.

For instance, it is the case for ALL Create NSW applications that filmmaking, screen production, mainstream animation or film festivals are not supported.

If there are aspects of your budget that you are concerned may not be suitable for Create NSW funding, please contact our [staff](#) before submitting your application.

Balancing your budget

All Create NSW application budgets have income and expenditure fields.

Income includes your funding request, along with any Federal Government support, Local Government funding, volunteer in-kind, merchandise or ticketing sales, fundraising or philanthropic money.

Expenditure includes all the costs associated with running your program or project. These expenditure items need to be researched and completed with up-to-date information. For instance, if you are planning to spend part of your income on flights and accommodation for staff or artists, you will need to submit budget estimates based upon your research into actual costs of flights to particular destinations, as well as hotel prices and the current rates for per diems. Create NSW will not ask for evidence of this research, but it will support the smooth running of your organisation to have these real figures accounted for.

Your combined Income and Expenditure fields need to balance to zero at the bottom of your budget, unless there is a clear explanation provided by you for delivering a surplus or a deficit.

In-kind support

Accounting for in-kind support is important, but often leads to budgeting errors.

In-kind support is income from goods or services that are provided to your program or project, without incurring a cash-based cost. For instance, your program may be dependent upon the support of volunteer labour, and therefore it is important for you to account for that labour. If you include in-kind income in your budget, it also needs to appear as an expense.

Mistakes often take place in budgets when in-kind income is not accounted for in expenditure. For instance, you may calculate your volunteer hours at \$20 per hour, for 4 hours per day, and 4 days per week across a year. This totals to \$16,640 and will sit in the income part of your budget as in-kind. If you do not then account for volunteers in the wages and fees section of your budget, it will appear as if you have \$16,640 income to cover other shortfalls in your budget.

A good habit to get into with accounting for in-kind is to fill out these areas in expenditure as soon as you put them into income, so they are not forgotten.

Salaries, wages and fees

When calculating salaries, wages and fees for different staff in your organisation, you will need to address a range of industry standards, and award rates. In particular, there is an award in place for performing artists, the Live Performance Award 2010 (updated for 2020):

https://www.fwc.gov.au/documents/documents/modern_awards/pdf/ma000081.pdf

For visual artists, the National Association for Visual Arts (NAVA) have produced a code of practice that should be consulted:

<https://visualarts.net.au/code-of-practice/>

You may also have staff working casually, part time, or full time. If you need help with calculating the annual rates for these workers, there are online tools that can help you. Service NSW has an up-to-date pay calculator that may be able to assist you.

The calculator will work out pay rates (hourly and weekly), penalty rates, casual rates, allowances, shift work, overtime, and public holiday rates, all based on the industry and role you enquire about.

<https://www.service.nsw.gov.au/transaction/use-pay-calculator>

Oncosts: Superannuation, Workers Compensation and Annual Leave entitlements

On-costs can be estimated by adding 20% on top of the agreed wage (being 9.5% for super, 3% for workers comp, and 7.5% for annual leave). Increase to 21.5% if your organisation pays leave loading. This may not be 100% accurate - but will be close enough to ensure that you have counted this in your budget.

Superannuation

Superannuation is money you pay for your workers to provide for their retirement.

Generally, if you pay an employee \$450 or more before tax in a calendar month, you have to pay superannuation on top of their wages. This includes artists that you may be paying a flat fee, depending on the amount of the fee and the time over which it is paid.

The minimum you must pay is called the super guarantee (SG):

- the SG is currently 9.5% of an employee's ordinary time earnings
- you must pay the SG at least four times a year, by the quarterly due dates

- you must pay and report super electronically in a standard format, ensuring you meet SuperStream requirements
- your super payments must go to a complying super fund – most employees can choose their own fund
- if you don't pay the SG on time, you may have to pay the super guarantee charge.

More information is provided for employers on the Australian Tax Office website:

<https://www.ato.gov.au/Business/Super-for-employers/>

Workers Compensation

Workers compensation is a form of insurance payment to employees if they are injured at work or become sick due to their work.

Workers compensation includes payments to employees to cover their:

- wages while they're not fit for work
- medical expenses and rehabilitation.

Employers in each state or territory have to take out workers compensation insurance to cover themselves and their employees.

For more information on workers compensation, go to the Fair Work Ombudsman:

<https://www.fairwork.gov.au/leave/workers-compensation>

Annual Leave

Annual leave (also known as holiday pay) allows an employee to be paid while having time off from work.

The entitlement to annual leave comes from the [National Employment Standards](#).

Awards, enterprise agreements and other [registered agreements](#) can't offer less than the National Employment Standards but they can give more annual leave.

All employees (except for casual employees) get paid annual leave.

Full-time and part-time employees get 4 weeks of annual leave, based on their ordinary hours of work.

For more information or to calculate Annual Leave for employees, go to the Fair Work Ombudsman:

<https://calculate.fairwork.gov.au/Leave>

Create NSW contribution to your overall budget

Create NSW will not fund 100% of any artistic activity, project or annual program.

In your budget, you must include financial contributions (cash and/or in kind) from non-NSW government sources. This amount varies according to the funding that you're applying for and the level of your funding request. Please refer to the specific guidelines for the details.

How to calculate other financial contributions to your project or program:

Step 1: Add **ALL** your expenditure items together to come up with your **TOTAL EXPENDITURE**. This is your Total Project Budget.

Expenditure items may include artist fees, production costs, marketing, travel and accommodation, venues, etc.

Step 2: Add **ALL** your sources of income together, excluding your Create NSW request to come up with your **TOTAL INCOME**. This is an indicator of your Independent Financial Contribution (IFC).

Income items may include ticket sales, sponsorship, donations, other grants, in kind support etc.

Step 3: **Calculate** your Create NSW request

Total Project Budget – Independent Financial Contribution = Create NSW request

Step 4: Check that your required IFC is appropriate against your Create NSW request.

Budget Summary Tab

For Annual Organisation funding

This is the main part of your financial reporting for this grant application, which will enable assessors to see your financial history, your present financial situation and future financial projections in the one document. Assessors will be able to read across this document to look at particular trends in your financial management including such things as staff growth, increases in rent, increases in artist fees over time, etc.

2019 or 19/20 Audited Accounts

In this column, you need to fill in the last set of accounts you have had audited for your organisation. We are looking for summarised figures here, not extensive detail/breakdown for each field.

Budget (this application)

As per above, this should reflect your current year forecast.

Income

Government Funding

Project (non-recurrent) funding

If you have received one-off funding for a specific project or on annual funding with other government agencies - put these amounts here.

Multi-year (recurrent) funding

If you receive recurrent funding for your program from state and/or federal government agencies - put these amounts here.

Self-Generated

Box Office

This is for us to understand what income may be coming in from putting on a show or holding an exhibition. If you are service organisation or run education programs etc use "Other Activity Based Income" as described below

Merchandise, Royalties and Other Event Related Income

This group is for any additional income that may be received as a result of developing or putting on a show or exhibition. Royalty income should be included here

Donation and Trust (cash)

This group is for philanthropic income received as a donation. Note that this is different to sponsorship where something is given to the sponsor in return for their support. Only record cash contributions here

Sponsorship (cash)

This is to record what income is coming from a business etc in return for brand exposure. free tickets for clients etc. Only record cash contributions here.

In-kind Support

Record any in-kind support you are expecting in this section. This can be corporate sponsorship (eg free legal advice / audit etc) or donated goods and services. Add in value of volunteers here.

Make sure that you include the corresponding cost in your budget. In-kind support will generally have a zero impact on the bottom-line (ie income and costs are equal) but including these in the budget help us understand the scale of your operation.

Please read above in the section on in-kind support if you have any concerns about balancing in-kind amounts.

Other Activity Based Income

use this group for all activity based income that you receive that isn't performance or exhibition related. This could include membership fees, classes, venue hire, script assessment income etc.

Other Income

This is for anything that doesn't fit into the above categories. Please provide details if amounts in this group are material (ie make up more than 10% of total income)

Expenditure

Salaries and Wages

This group is for all costs relating to the employment or contracting of people associated with your organisation. Divide up according the broad definitions provided below. Ideally include Full Time Equivalent (FTE) calcs as provided in the template. Though note that this is not mandatory.

Note that on-costs should be included in this section. The template assumes that this will be reported separately. However, you can report this as part of gross wages if preferred. Please note that you have done this in the commentary section.

Artist & Creatives

This category is for all employees or contractors who are performing on the stage, creating art / music / books etc. It also includes curating a show, delivering a seminar plus any creative employees or contractors (eg lighting designer, director etc)

Production & Technical Staff

This category is for any employee or contractor who is engaged to deliver technical elements of a production (eg stage manager, lighting director etc), exhibition or event.

Marketing & Business Development Staff

This category is for both marketing / PR / promotion employees or contractors as well as those working to raise private sector funds (donations / sponsorship etc) for your organisation. Please split between the two categories in the template if relevant.

Management & Admin Staff

This category is for all core employees and contractors who do not directly fit into any of the above categories.

Allowances

This is to capture any allowances (for example travel allowance, meal allowance or overtime) if relevant.

Direct Project/Program Cost (non-salary)

Production & Technical

This category is to capture all non-staff / contractor costs relating to the staging of an exhibition, event (including public programs) or production. Include staging costs, venue hire, costumes, AV hire etc in this section.

Publication & Marketing

This category is to capture all non-staff / contractor costs relating to the marketing and promotion of an exhibition, event or production.

Travel & Accommodation

This category is to capture touring costs for any production, exhibition, event that you are planning. Do not include incidental / admin travel here - include this in indirect program costs as per below.

Indirect Program Cost (Non-Salary)

Use this category for all the costs associated with running the organisation eg occupancy costs (including rent, utilities etc), admin costs (stationery etc), incidental travel and financial / governance costs (eg audit, meeting costs etc). Include depreciation / amortisation as a separate item in this group.

Balance Sheet Tab

A Balance Sheet is a financial statement that reports a company's assets, liabilities and equity at a particular point in time. The Balance Sheet in the budget templates requests information from your most recently audited accounts, and projections for the current year.

Field	Explanation
Cash and Cash Equivalents	Bank accounts, investments (not long-term / non-current investments), petty cash etc.
Receivables and Prepayments	Amounts owing on invoice and anything treated as a prepayment.
Other Current Assets	All other current assets including inventories etc.
Property, Plant & Equipment (Net)	All capital items net of depreciation changes.
Other Non-Current Assets	Including non-current investments.
Current Trade Creditors and Other Payables	All amounts that you owe including amounts to ATO, Superannuation but not employee benefits such as provision for annual leave and provision for long service leave.

Current Income in Advance (Including Grants in Advance)	All grants and other income (eg ticket income in advance) should be entered here.
Other Current Liabilities	All other current liabilities including provisions / employee benefits (excluding statutory obligations eg superannuation, works comp, GST etc).
Non-Current Liabilities	All non-current liabilities eg employee benefits like long-service leave provisions categorised as non-current in the balance sheet.
Restricted / Designated Reserves	All non-current liabilities eg employee benefits like long-service leave provisions categorised as non-current in the balance sheet.
Retained Earnings	In the balance sheet, net assets (ie assets minus liabilities) equal total equity. Retained earnings should be net assets less reserves.