

Beyond Applause Questionnaires

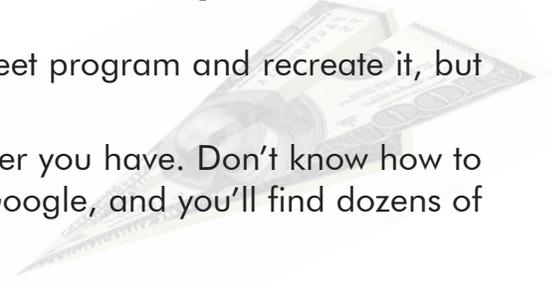
Chapter 5 - Finance

Sample Budget for a Single Performance			
Income:			
	Fee		
	Deposit	\$ 200.00	
	Balance	\$ 300.00	
	Total Fee		\$ 500.00
Sales Items			
	10 \$5.00 Magic Coloring Books	\$ 50.00	
	10 \$2.00 Magic Masks	\$ 20.00	
			\$ 70.00
	Total Income this engagement		\$ 570.00
Expenses:			
Perishable Props			
	2 Throw Streamers	\$ 12.00	
	1 Snowstorm	\$ 4.00	
			\$ 16.00
Costume			
	Dry Clean	\$ 8.00	
	Repairs	\$ 1.00	
			\$ 9.00
Travel			
	Car Mileage Allowance at .50 per mile x 12 miles	\$ 6.00	
			\$ 6.00
Insurance			
	\$230 per year / 30 shows	\$ 7.67	
			\$ 7.67
Cost of Sale			
	Printing Letter/ Contracts	\$ 0.80	
	Postage	\$ 0.50	
			\$ 1.30
Advertising			
	\$500 per year / 30 shows	\$ 16.67	
			\$ 16.67
Cost of merchandise sold			
	10 \$1.50 Magic Coloring Books	\$ 10.50	
	10 \$.80 Magic Masks	\$ 8.00	
			\$ 18.50
	Total Expenses this engagement		\$ 75.13
	Profit (Loss) this engagement		\$ 494.87
	Time to prepare, travel & perform	6 hours	
	Earnings per hour, this engagement		\$ 82.48

Assignment: Create a Budget for one performance of your show

Using the above as an example, go into your spreadsheet program and recreate it, but with numbers and specific items from your own show.

((MS Excel, Google Sheets, Open Office Calc, or whatever you have. Don't know how to use a spreadsheet? Look up "Spreadsheet Tutorial" on Google, and you'll find dozens of quick, free video lessons showing you how.)



Worksheet: Large Project Budget over Time

1. Build your own project budget for a project you may have considered. This could be a lecture tour, a run for your own show at a theater or some other long term project. If you need to secure financing for such a project, you will need to be able to create and talk about this kind of budget to your potential investors or lenders. It is invaluable in deciding whether to undertake a particular project.

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Sample 4 week Budget					
	Opening Bank Balance	\$ 185.00	\$ 551.67	\$ 322.67	\$ 461.67
		Week 1	Week 2	Week 3	Week 4
Income					
	Performances	500.00	300.00	300.00	700.00
	Sales	50.00	30.00	30.00	70.00
	Lessons	75.00	75.00	75.00	75.00
	Total Revenue from Bus.	\$ 625.00	\$ 405.00	\$ 405.00	\$ 845.00
Expenses					
	Perishable Props	83.33	50.00	50.00	116.67
	New Trick Purchase		80.00		
	Lecture Fees				30.00
	New Book/ Video		45.00		
	Costume Cleaning		12.00		
	Travel				
	Auto Payment		350.00		
	Insurance			120.00	
	Gas	50.00	20.00	25.00	40.00
	Storage Rental	50.00			
	Advertising	50.00	50.00	50.00	50.00
	Office Supplies	10.00	12.00	6.00	15.00
	Internet				80.00
	Phone	10.00	10.00	10.00	10.00
	Misc.	5.00	5.00	5.00	5.00
		258.33	634.00	266.00	346.67
	Profit/ (Loss) per week	\$ 366.67	\$ (229.00)	\$ 139.00	\$ 498.33
	Balance End of Week	\$ 551.67	\$ 322.67	\$ 461.67	\$ 960.00
	Net Earnings From Business Before Tax for 12 weeks:				\$ 775.00

NOTE: If you don't own your own spreadsheet program, the free Google spreadsheet works just fine for this. You'll need a Google account, but they're free, and quite useful for all kinds of things, including sharing files, keeping your calendar, Gmail, etc. See Appendix A for a listing of these and other available tools, with links to where to find them.



Chart of Accounts

BANK/ CREDIT CARD ACCTS:

CHECKING_ONE Bank Acct
AMEX CORP Credit Card

INCOME ACCOUNTS:

FEES
TEACHING INCOME
PERFORMANCE INCOME
RESIDUALS
ROYALTIES
INTEREST EARNED
MERCHANDISE SALES
MISCELLANEOUS INCOME
REIMBURSED EXPENSE

EXPENSES:

ACCOUNTING
ADVERTISING
 WEB SITE
 PRINT BUYS
ARTWORK
AUTO EXP
 AUTO MAINTENANCE
 GAS
 AUTO LOAN PAYMENTS
 BACKSTAGE EXPENSE
 MAKE-UP
SUPPLIES

BANK CHARGES
COMMISSIONS PAID
CONTRIBUTIONS
COSTUMES
COSTUME PURCHASE
COSTUME MAINTENANCE
DUES
EDUCATION EXPENSE
EQUIPMENT PURCHASE
 MAGIC EQUIPMENT
 OFFICE EQUIPMENT
EQUIPMENT RENTAL
FEES PAID
DESIGNER FEE
 FEE - ASST.
 MGMT FEE
 PROF SVCS
GIFT
HAULING
INSURANCE
WORKERS COMP
 LIABILITY
INTERNET SERVICE
LEGAL
LICENSES & PERMITS
 LUGGAGE PURCHASE
MAGIC SUPPLIES
MANAGERS EXPENSES
MEDICAL
MEETING EXPENSE
MISC

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MUSIC		TIX (Research)
OFFICE SUPPLIES		TRADE PUBLICATIONS
PHONES		TRAVEL EXPENSE
POSTAGE		TRAV. AGENT FEE
PRINTING		AIRFARE
PROPS		BAGGAGE FEE
PUBLIC RELATIONS		HOTEL
ARTWORK		MEALS
PHOTOS		TAXIS
PROMO MAT		UTILITIES
ROYALTIES PAID		ALARM
SALARY		ELECTRIC
SHIPPING		MAINTENANCE
SPACE		SECURITY
RENTAL		VIDEO
	MORTGAGE	
	REPAIRS&MAINT	OTHER ACCOUNTS:
STORAGE		LOAN PAYMENTS
TAXES		INVEST/ RETIREMENT FUND
	941 TAX	RETURNED CK.
	SALES TAX	VOID CK
	FUTA	

Worksheet: Set up Accounting Program

1. Do some research and choose a program you want to use to track your finances. Sign up for it and enter your basic information (most programs will guide you through this).
2. Get your list of categories and accounts set up in the new program. You may have to delete some of those that come already set up, as they won't be appropriate for your business as an independent performer.
3. Enter (or download) all transactions for the past month. The program will have a menu for reports, and you should have a look at some of these. Print out your first Profit & Loss statement, for the month you just entered!



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4. Write a paragraph below about your own experience setting up your accounting program, and save a copy of that profit and loss statement!



Assignment: Set up Banking

1. If you don't already have separate accounts for your business, your job is to set up a separate checking account and set aside one credit or debit card for your business. Do it now! (Many banks allow you to add an account from their sites on-line. You might not even have to visit a branch in order to do this.)
2. Also: When you do visit your bank to set up the accounts (make a separate trip if you've already set them up), make a point of meeting with your banker and get their business card. The next day, send this person a thank you note for their time, along with your business card or a postcard you may have that promotes your services.
3. Write yourself a paragraph here reporting how this went:

Worksheet: Your System

1. Please write a summary of the financial management system you are creating for your business. Indicate what do you intend to do on each day of each week, what you'll do on a particular day each month, and what you'll do once each quarter or once each year (Hint: In the US, payroll taxes should be paid once every three months at a minimum, and of course, income taxes must be filed and paid at least once a year.) Indicate what mechanism you have set up to remind yourself to keep to your schedule. We'll come back to this in the chapter on systems.

