

How Do I Prepare A Budget for an Art Project?

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Often, artists are concerned, confused, and intimidated by the budget portion of the application. The budget page of any grant application is, in essence, the financial description of your proposed project. A complete and realistic budget demonstrates to the selection panel or jury that you have considered the financial as well as the creative aspects of your project.

The first step in preparing any budget is to list all your project expense. Your fee as an artist should be included here. Many artists are not sure if this is an appropriate practice but most granting organizations overwhelmingly feel it is important that artist value their time as makers. You should be paid for your contributions and services to the project. Figure out what your time is worth and represent this time in your budget expenses. The goal is to compensate yourself fairly. You can always donate this time and expense back under project income or list it as an in-kind service.

Other project expenses can include: other artist fees (dancers, other musicians, scene designer, etc.); non-artist professional fees (photographer, consultant, sound technician, engineer, etc.); materials and supplies; marketing fees; and any other expense that related to your proposed different sources and document these quotes--some application will ask for detailed information. After you list of expenses is complete, add them up to get the total expenses for your proposed project.

Next, start compiling a list of income for your proposed project. Income may include both project as well as secured sources of income. Projected sources of income are grant and other funds you have applied for but are box office revenue, or CD and book sales, etc. Secured income is guaranteed income from other grants and awards as well as financing received from family, friends, and other individuals. If you are providing funds for the project include your contribution under income as well.

Project income may also include in-kind items and services. The in-kind dollar amount should represent the fair-market value of the in-kind contribution. "Fair-market" value refers to what this item or service would cost you if you purchased it with cash. For example, if a manufacturer gives you silver toward the completion of a body of jewelry work, the manufacturer had just made an in-kind contribution to your project. The actual cost of the silver x the amount donated – the fair-market value of the contribution. Under income, don't forget to include the request amount from the granting organization for which you are submitting the budget. Many granting organizations offer a range of funds available while some have a specific amount available to applicants.

Finally, total all sources of project income. Total project expense should equal total project income. If your project expenses are higher than your project income, you need to re-evaluate your sources of income and consider how additional funds can be raised.

As you plan an artistic project of any kind, consider the budget. A well-prepared budget displays the feasibility of completing your project. A budget is not only a requirement for prospective funders but can be helpful to you in project planning, cost control, and avoiding financial surprises.