

Publication



Shumka Centre for
Creative Entrepreneurship

Career Development +
Work Integrated Learning

How to Create a Simple Project Budget



How to Create a Simple Project Budget

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Do you have a project in mind but don't know how to organize or plan for the expenses involved in making it happen? Are you applying for an artist grant but unsure how to structure the budget component?

Creating a simple project budget is an effective way to anticipate and be accountable to the money needed for a project—it helps you find adequate resources, prioritize costs, and cut costs or avoid overspending.

Why Make a Project Budget?

To help you plan a project and assemble the resources and money needed

A budget gives structure to the operations of the project—you can see how all the components will be assembled and how they will fit together.

For funding applications

All grants and residencies will ask you to submit a budget, so the sooner you learn how to create a budget, the better off you will be. When making a budget for funding, consider the language and narrative you use to describe the project in each application. Make sure you're reflecting the language used in the guidelines. There will often be a budget template that an organization uses, which will tell you how they like to see a budget organized, so this is another way for you to gain information about what a funding body is looking for.

To help track money going in and coming out

A budget can act as a structure or framework for organization of expenses both before and during the duration of your project. Once the project is complete, it becomes a record you can look back on, and a template you can use for your next project.

To come to a group consensus

Creating a project budget forces your team to ask and answer important questions such as: How long will this project last? How much will everyone be paid? What are the components of this project? Where will we get the project funds?

Creating and Keeping Track of your Budget

A budget is basically a list. At the top, list expenses (money being spent). At the bottom, list revenues (money coming in). When you are creating your budget, figure out how the sum of each can equal each other. The budget is one of the earliest planning documents you will require.

Choose a platform:

You will need to develop a system for yourself (and your collaborators) that works well early on—you don't want to be building the systems while you are deeply involved with the active phase of a project. Use an app or spreadsheet such as Expensify, Google Sheets, or Microsoft Excel to keep track of all of the money you've spent in one place. An advantage to using Google Sheets is that it's shareable—this is especially beneficial if you're working with a team.

Track Actuals:

Make sure you have clear records of how much you've spent on a project by creating a new column in your budget called "Actuals". In that column, you should write down what has

been spent as you go along. If your project is supported by a grant, you may need to provide detailed receipts of all of your expenses. Receipts are also useful during tax season, when you need to write off certain kinds of expenses.

Keep notes:

Build notes into your budget that define how you've arrived at each number. If you're working with a team, share this with the whole group. It is advisable to keep the notes right in the budget so everything is in the same place.

Look back:

Take 20 minutes to look back on your budget once your project has been completed. What did you get right and what did you majorly underestimate or overestimate? Now you have more experience to draw on for next time.

Example Project Budget Using Google Sheets

This example is for a photographer, who is planning on doing 5 Editions of 30 prints and wants to offset the cost through sales. Here are some questions that the budget prompted:

- How do people know that you're selling these items? How will you be promoting your sale?
- Is this something that is sold at a physical venue?
- Will you be working in a studio?
- Will your work be available online via a website or Instagram page?
- How many prints do you need to sell in order to cover your costs?

Example Project Budget Using Google Sheets

PROJECT	5 Editions x 30 Prints		Selling 10 of each	Selling 50 of each
EXPENSES				
Materials and Equipment	Paper	17 x 22" paper x 4 boxes x \$229/box	\$916	\$916
	Ink		\$300	\$300
	Framing Materials	\$40/frame + \$15/mat x 150 prints	\$8,250	\$8,250
	Wrapping Material		\$30	\$30
Services	Large Format Printing	\$200/print x 30	\$6,000	\$6,000
	Custom Framing	\$80/frame + \$40/mat x 30	\$3,600	\$3,600
	Certificate and Artist Card Printing		\$30	\$30
	Web Hosting	Annual	\$115	\$115
	Shipping / Transportation		\$0	\$0
Facilities	Venue Rental		\$0	\$0
	Studio Rental	\$200/month	\$200	\$200
		Total	\$19,441	\$19,441
REVENUES				
Sales	17 x 22" Prints	\$130/each	\$1,300	\$19,500
	Large Format	\$320/each	\$3,200	\$16,000
		Total	\$4,500	\$35,500
		Net	-\$14,941	\$16,059

5 Tips for Google Sheets

1. Build a template you like.

Or import one from the internet or someone else's budget and use it all the time. You really only need one, then you can adapt it to the specific requirements of a funder or project structure as needed.

2. Use colours!

If you find budgeting boring, use colours you like in the spreadsheet. It doesn't have to be corporate blue and hospital green!

3. Use formulas!

A formula does the math for you. Take the time to learn two basic formulas. From the main menu, do Insert > Function. Here you can choose SUM, which will add up any of the cells in the spreadsheet. You can also choose MINUS, which will subtract variables. To take your budgeting next level, you can spice things up with multiply operand (*) based on your line item notes. For example, if you estimate that Custom Framing for 30 prints would cost \$80/frame + \$40/mat, then the cell for this expense should be "= 30* (80 + 40)".

This will save you time if you need to readjust your budget and make it much easier to test out multiple scenarios.

4. Tag and assign teammates.

Tag your project team within a specific budget cell and assign it to them when you need an answer or their input.

5. Make a new column for actuals.

This will ensure that your budget becomes an ongoing tool to track expenses.

Navigating Hard and Soft Costs

Soft costs are expenses that lie outside the project construction—hard costs are usually materials, tools and supplies such as paper, paint, rent, etc. Consider the amount of money you will be spending on items such as food and gas during the project.

Map your hourly contributions to different parts of these processes in relation to how much time it will take. For example, if framing a single picture takes 30 minutes, and you know you need to make a minimum of \$19.50/hour, calculate those numbers into your budget. Is it worthwhile for you to do framing by yourself? Conducting these equations gives you the control to make cost-effective decisions.

Best Practices for Grant Budgeting

If you are planning on supporting your project through grants, you will most likely work with budget templates from the granting body that come with detailed instructions. The parameters for each grant can look a little different, which means you may have multiple versions of a project budget.

Remember that at this stage in the early application process, your budget is still speculative. Your proposed budget can be adjusted afterwards, based on how much you're awarded.

Create a master budget spreadsheet.

Include an overall projected budget tab, listing your expenses and all revenues. You can revise your projected budget as you hear back from your funders.

Annotate your revenue line items as confirmed/unconfirmed.

Clearly mark in your document the finalized version of the budget.

This is the version that was submitted to the funder. You can use multiple tabs for multiple grants and copy/paste the templates in tabs (if you were given one).

Link your spreadsheet and your proposal documents together.

Put a link at the top of each document so that you don't have to chase down a bunch of files every time you need to look something up.

Indicate which expense will correspond to which grant line item.

Once you start locking down your budget, this will allow you to easily look back and know what they are expecting to see in the reporting.

Resources for Fee Calculation

Local

CARFAC

CARFAC-RAAV Minimum Recommended Fee Schedule sets minimum recommended rates for the use of artwork and certain services that visual artists provide.

Urban Worker Project Wage Calculator

UWP fee calculator helps self-employed, freelance and contract workers to calculate pay, benefits and protections.

Living Wage for Families

This calculator helps employers ensure that all workers (including direct staff and contracted workers) are paid a living wage when their benefit package is taken into account.

International

Working Artists and the Greater Economy

W.A.G.E fee calculator is a 3-tiered system that determines fair compensation using two mechanisms: it establishes an industry-wide minimum or FLOOR W.A.G.E. for fees in 15 fee categories, and it scales these fees up from the floor using a fixed percentage of an organization's total annual operating expenses (TAOE).

Appendix

This document is based on the Skill Up Session delivered by **Laura Kozak**, Research Associate in Fall 2019. Skill Up Series are co-hosted and co-produced by Career Development + Work Integrated Learning Office and the Shumka Centre for Creative Entrepreneurship at Emily Carr University of Art + Design. These resources are produced with the generous support of the Ministry of Advanced Education, Skills & Training.

Laura Kozak is a design researcher and cultural organizer. As a Research Associate with Emily Carr University of Art + Design's Shumka Centre, she has played a key role in advocating and advancing opportunities for emerging artists and designers in British Columbia. A core interest in collaborative design of the urban environment, grounded in values of stewardship, care, incremental change and place-based knowledge, informs her research and teaching practice. Past publications include *Superimpositions* (SFU, 2019), *Infinite Mappings*, with Rebecca Bayer (Access, 2015) and 'Open Source City', in *Now Urbanism: The Future City is Here* (Routledge, 2014). Laura holds a Master of Advanced Studies in Architecture (UBC, 2012) and teaches in the Jake Kerr Faculty of Graduate Studies at Emily Carr. She is President of 221A Artist Run Centre Society.

The Career Development + Work Integrated Learning Office connects students and alumni with local, national and international employers in the creative industries and beyond. We offer career advising, clinics and strategy sessions, drop-in and individual advising, access to work integrated learning opportunities such as co-ops and internships, co-curricular programming, and industry networking events, as well as the Arts-work career portal.

The Shumka Centre for Creative Entrepreneurship launched in 2018 to create programs and partnerships that help artists and designers realize their ideas in the world. The Centre is a place where creative practitioners can find the community, knowledge, and resources they need to launch, fund, and organize projects across the spectrum of contemporary art and design activities- products, projects, curatorial initiatives, platforms, companies, organizations, and more. We believe that tactical support specifically designed for the needs of artists and designers is the first step in achieving a systemic change to empower creative people. The Centre is operated by Living Labs.



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