

Business: Art Centre payments to artists

This explains some ways in which artists are paid by their art centre

What you will need

 A photograph showing several art prints in boxes and some loose prints on a wooden table.	 A white sack with a black dollar sign (\$) on it, representing money.	 An illustration of a hand holding a pen and writing on a document.
Art centre Sale	Payment	Paper work

SAFETY: How to stay safe

Make sure you are aware of the tax laws about your income.

Make sure you keep your own bank account details safe.

Do not ask for, or take, any one else's payments.

GLOSSARY: Words you need to understand

Contract	The agreement about sale, price, length of exhibition, payment, and protection of intellectual, community, moral and copy rights.
Price	The cost of something.
Retail price	This is the cost that the gallery sells the painting for.
Wholesale price	The business price of something when it is sold by a supplier: For example the price the art centre sets for the art work when selling it up front to a shop or gallery.

Direct sale price	The price of an art work when sold to a customer face to face in an art centre.
Up front	Money paid by the art centre or gallery as soon as they get the work from the artist.
Commission	This is the price that the art centre gets, after the Gallery takes their share. It is a price added onto the artwork in order to cover the costs of the art centre and art gallery.
GST	Goods and Services Tax: a Federal Government tax on most things we buy and sell that adds 10% onto the cost.
Bank transfer	Money is moved into or out of a bank account directly into another bank account, usually using the computer
Signatories	The people who are authorized (registered with the bank) to sign a cheque.
Cheque	A paper money order from a bank with the name of the person who the money is for and the name of who it is from.
Quality	Well made.
Exhibition program	The plan of exhibitions an art centre makes with galleries and artists for a length of time, maybe one or two years.
Discount	An amount or % taken off the price. Sometimes this is for people who travel all the way to the art centre to buy some art. They get a special price, a discount price.
Artefact	An object or decorative piece of craft or art such as a spear, Coolamon, woven basket or punu.
Dollar	\$ is money.
Income	The money which is paid into the art centre business or to the artist.

Loan	Something borrowed from someone else, which must be returned to them. Money can be given as a loan, and then repaid when artwork sells.
Obligated	When an art centre provides materials, work room and business for artists then the artists are obliged to sell their artworks through their art centre, not on the side. It is a duty which is owed because of something given.
Debit	To take out of one account: the money you owe is debited from your account.
Legal way	The way that is right by law. A contract is a legal document that keeps everyone's interest in the agreement safe, provides the rules and protections.
Pie chart	The round circle drawing which shows how big a money slice looks. Mostly in financial reports.
Percent	% is a way of looking at things as a part of the whole picture.
Artist	The person who made the art work.
Art centre	The studio and business place on your community for making and selling you art work.
Annual budget	The costs and incomes for the whole art centre for the whole financial year. A financial year is from July 1 st to June 30 th .
Profit and loss report	The financial report which shows the list of things the art centre paid for and the list of things the art centre got paid for.
Expenses	The things which cost money when the art centre is doing business.

Making Payments to Artists

Money rules

The art centre uses the same rules about money for everybody.

The art centre must keep all the records about:

- how much the art centre keeps.
- how much the government gets.
- how much the artist gets.

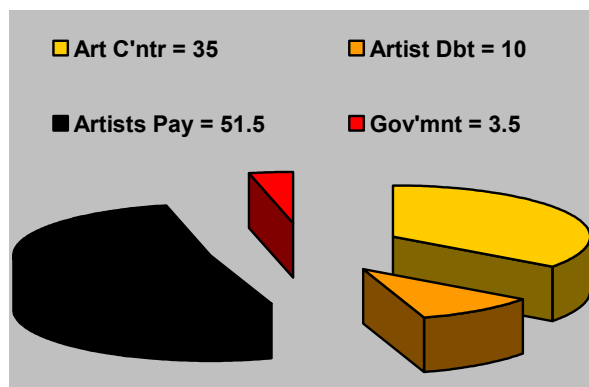


On payday the art centre can tell the artist how much money the artist has got at the art centre bank. This comes from the sale of art work.

Artist Debit to Art Centre

If the artist owes money (a **debit**) at the art centre:

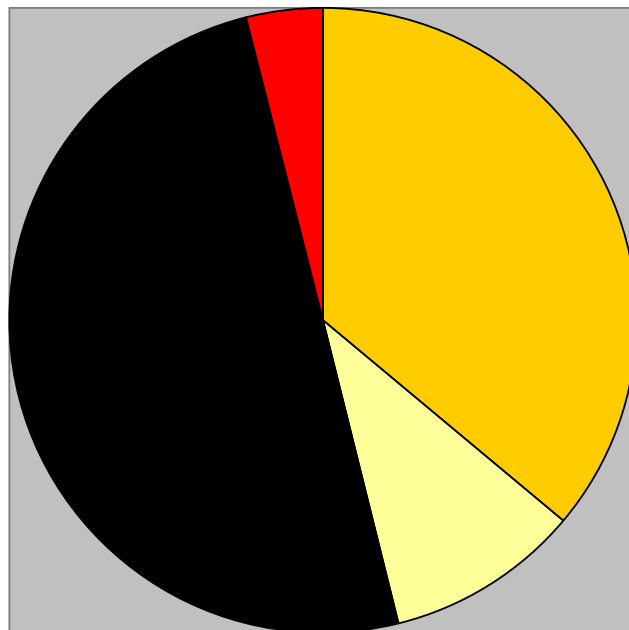
- This money needs to be paid back to the art centre before the artist gets paid.
- Some of the money from the artist's payment will be kept by the art centre to pay off the debit.
- The art centre manager can write this out or show this to the artist.



Pieces of the Sale 'Pie'

If the artist wants to save money for something, like a fridge or tv or even a car, they can leave the money in the art centre's bank, saving up all their money from art work sales until they have enough to buy what they want.

The artist can always ask for their money from the art centre on pay day as long as they don't owe a debit to the art centre bank.



In this graph, the sale = \$100.

The artist receives 60% of the sale, or \$60.

The art centre receives 40 % or \$40.

The art centre pays 10% or \$4 to the government for GST.

This leaves the art centre with \$36.

The artist has a debit to the art centre, so the art centre gives the artist \$50 and keeps \$10 to repay the debit.

Getting Paid

If the artist wants some – or all – of their painting money, there are two ways to get paid.

CHEQUE:

The artist and art centre agree on how much the cheque is for.

The cheque is written out for the artist to give to the bank or the store.

If the cheque is to pay all the money to the store or another business, then the name of the store will be on the cheque.

If the cheque is for the artist to take to the bank for cash, then their own name will be written on the cheque.

Usually the cheque will need two people to sign it. They have to be **signatories**. Usually the art centre manager is one, and then a senior artist or executive member is another.



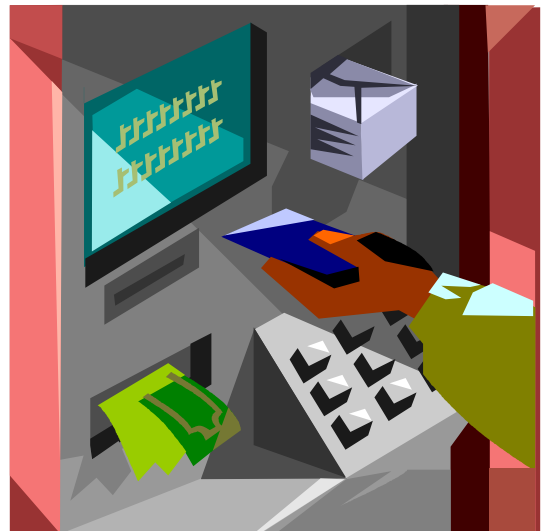
BANK TRANSFER:

Some art centres can put money straight into the artist's keycard account.

This can be a bit slow as the **bank transfers** may take 1-2 days.

The artist and art centre still must sign something to show that the artist has been paid.

This paper is kept with the office files to show the business is running **legally** and looking after the artists.



TIPS: Transferring pay on the computer.

Some art centres can do their banking business for their artists on the computer.

Art centre can 'transfer' – that is it can move the money from its account into your account if you have a keycard account.

You need to give the art centre these details:

- Name on the card.
- Bank.
- BSB number.
- Account number.

Some art centres cannot do this because they have security on their bank account to stop them from doing computer banking.
