



Sales: Income and Expenses Activity An activity to explore your art centre's financial information. You will learn how much money the art centre needs to run its business.

What you will need

 <p>Calculator</p>	<p>Art Centre Annual Budget and Access to your Art Centre Coordinator</p>	 <p>Pen/Pencil</p>
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GLOSSARY: Words you need to understand

- Audit report** This is the annual report made by an independent authority to establish what income and expenses your art centre had during each financial year.
- Annual Budget** This is an estimate of the income and expenses that your art centre might expect in a financial year.
- Activity Generated Income** Money produced from the sale of artefacts and art works, royalties, publications and other art centre activity.

Activity

Activity Scenario

An art centre sells an art work to a customer for \$1,000.00.

In this activity you will work out:

1

What money is owed to the artist in:

- \$dollar
- %percentage value:



2

What money is owed to the Art Centre for Commission in:

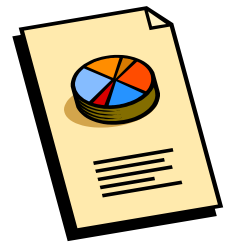
- \$dollar
- %percentage value:



3

What money is owed to the Government for **GST** (Goods and Services Tax) in:

- \$dollar
- %percentage value:



Amount of money for each share

Now work out all the amount of money for this activity, so we can see how the money result works for everyone.

From the sale of your art work for \$1,000.00 write in the box what the % (percent) is for:

- Artist
- Art Centre
- GST.

You will need to look on the art centre files or ask the coordinator:

What is the art centre commission by % (percent)?

Then write in what this is in \$ dollars. Remember: For most artists the GST is only taken from the Art Centre money, not from the artist money.

Artist:

\$:
%:

Art Centre:

\$
%

GST:

\$
%

What the Art Centre Commission is spent on

From the sale of your art work for \$1,000.00 you have now worked out one artist's share and the art centre's commission, plus GST.

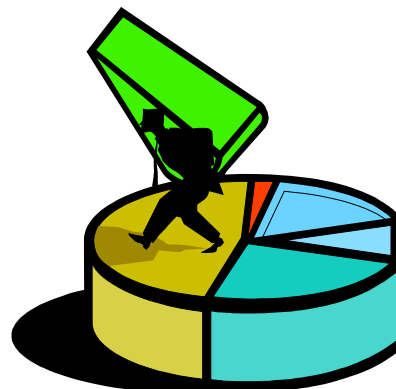
Now work out the costs of some services the art centre pays for so you can work out how their commission is spent.

- you will need the art centre **annual budget**
- or
- an art centre **profit and loss report**

Here are some **expenses** you might find:

- Write down the annual (yearly) amount spent on each of them.

Phone: \$	Vehicle: \$
Paints: \$	Canvas: \$
Book Keeping: \$	Freight: \$
Wages: \$	Power: \$
Travel: \$	Brushes: \$



This is the money the art centre needs to buy all the things the artists and the art centre business need. These payments come from the art centre's activity generated funds: That is, the money from commission from sales., royalties etc.

Without this activity generated income, the art centre cannot keep going.

From the financial report, or the audit report, you can find out if there is any profit left after all the expenses are met for each year.