

# ATTACHMENT 6

## Guidelines for Classifying Financial Data

These notes are also provided for each item within the template.

### Accounting Practices

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#### **Administered (Auspiced) Grants**

Only show auspiced grants in your income and expenditure if your organisation has full artistic control and management of the project. We understand there is great diversity in the treatment of these grants, so please call us if you are unsure of what to do.

#### **Capital Grants**

We have provided space at the bottom of the Expenditure Worksheet for those organisations which amortise capital grants for major capital expenditure such as building refurbishment.

### Income

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#### ***Earned Income***

##### **Performance & Audience Sales**

Box office and entry fees, contract fees, co-producer fees, exhibition fees, broadcast fees, recording fees

##### **Fees and Services**

Workshop/course fees, management fees and services, consultancies and services, education programs, assessment fees, administration & auspicing fees, membership fees

##### **Merchandising & Retail Sales**

Publication sales, program and catalogue sales, advertising sales, commissions from sales, sale of recordings, beverage and food sales

##### **Resources Income**

Venue hire, workshop and props hire, instruments hire, costume hire, royalties received, licensing income, equipment hire and usage, public access phone income, freight service, photocopying and printing

#### ***Sponsorship and Fundraising***

Corporate sponsorship, cash sponsorship, fundraising and donations, philanthropic donations.

- ∞ Non-cash (contra) sponsorship: only provide information if your organisation puts these items through your accounts or has supporting documentation to validate the value of the sponsorship.
- ∞ Gifts and donations includes donations, gifts, bequests where the donor does not receive a material benefit in return. The following payments may not be gifts: purchases of raffle or art union tickets; purchases of chocolates, pens, etc; cost of attending fundraising dinners, even if the cost exceeds the value of the dinner; membership fees - though these may be fundraising contributions.)
- ∞ Fundraising includes income from public appeals where there is a material benefit to the donor.

#### ***Other Earned Income***

Interest received, freight collected, sale of assets, late fees collected, sundry income

Reimbursements and recoveries: reimbursements received, income from settled claims

#### ***Grants and Subsidies Received***

##### **State – Arts**

Arts grants annual, arts grants project, regional arts program

##### **State Other**

Such as Health Department, Living Health/Healthways, Lotteries Commission

##### **Australia Council**

Grants received Key Organisation, grants received project, mentorships & devolved grants

##### **Other Commonwealth Grants**

Such as Playing Australia, Festivals Australia, ATSIC, DoCITA, DFAT

##### **Local Government**

Local Government grants

##### **Overseas Grants**

##### **Grants Non-Government Sources**

Such as Community Gambling Fund, philanthropic foundations.

## **Cost of Sales**

Refer to **Publications, Recordings, Cost of Sales**

## **Expenditure**

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### **Salaries Wages and Fees (people costs)**

All wages and/or fees paid to permanent, casual and contracted personnel:

- ∞ **Permanent Staff:** wages & salaries, employment expenses
- ∞ **Artists and Production Team Fees:** artists, performers, writers, creative personnel, production / technical, wardrobe, bump in/out labour, front of house, tutors (for youth organisations) and/or tuition fees.
- ∞ **Contractors and Consultants:** consultants and contractors, speakers' fees, curatorial and editorial fees, bookkeeping and accounting

### **Creative Personnel/Consultants**

Can be the musical director, composer, conductor, artistic director, associate director, director, choreographer, librettist, designer, editor

### **Production/Technical**

May include those who produce a performance, broadcast, publication or recording: including stage management, recording engineers, producers and mechanists

### **On-Costs**

Workers' compensation, superannuation, annual leave costs, long service leave costs, salary packaging expenses, payroll tax, fringe benefits tax

### **Allowances**

Travel allowance, living allowances & per diems, accommodation allowances, childcare allowances, housing allowance

### **Professional Development**

Professional development, seminars & conferences attended

### **Other Staff Related Costs**

Such as staff amenities, other employer expenses, recruitment costs including advertising and agency commissions

## **Program, Production / Exhibition/ Touring Costs**

### **Venue Costs**

Venue hire, beverages and catering, front of house costs, venue security, furniture & fixtures equipment hire, venue cleaning costs, venue repairs and maintenance, rehearsal venue costs, other venue costs

### **Equipment, Lighting and Audio Visual Costs**

Lighting equipment & hire, sound equipment & hire, lighting & sound from venue visual equipment and hire

### **Scenic, Staging and Materials**

Sets, scenic materials, staging equipment & hire

### **Other Development & Creative Costs**

Royalties paid, development costs

### **Travel, Freight, Bump In/Out Costs**

Transportation costs, packing and crating costs, installation costs, demounting costs, bump in/out, consumables

### **Other Production / Exhibition Costs**

Production/exhibition specific insurances, licences, fees and permits, production incidentals

### **Conferences and Workshops**

### **Mentorship / Professional Development Programs**

### **Community Projects & Programs**

### **Publications / Recordings / Cost of Sales**

Includes all costs for journals, magazines and other print media which are sold or distributed to the general public or by subscription, Also includes CD recording costs, Cost of Sales for any items purchased for resale

### **Industry and Community Advocacy**

Meeting expenses, travel, accommodation, catering, staff expenses, other advocacy costs, could include association fees and other memberships, affiliations

### **Evaluation and Research Costs**

## ***Marketing, Promotion & Documentation***

### **Advertising (all media)**

Including design and artwork, photography and visuals, agency booking fees

### **Promotional Materials**

Programs, brochures, flyers, posters, displays and signage, program design and artwork, program photography and visuals, programs printing, distribution / mail out costs

### **Website**

Including design, website content, website maintenance, website hosting

### **Publications**

Including newsletters, design and artwork, photography and visuals, film and scans, translations, printing, distribution/mail costs

### **Documentation Costs**

Policy/project documentation, annual report, design and artwork, photography and visuals, translations, printing, distribution/mail costs

### **Marketing and PR Costs**

General marketing, publicist (if out-sourced), sponsorship servicing, ticket printing, comp tickets & discounts, audience development & research, functions, hospitality

### **Fundraising Expenses**

### **Other Promotions & Marketing Costs**

Such as copyright, royalties & licenses (if not event specific). merchandising purchases, point of sale costs, third party charges and fees (such as ticket agency, EFT and merchant fees)

## ***Infrastructure Costs (Administration Overheads)***

### **Office Rent and Running Costs**

Includes rent and outgoings, office parking, cleaning and rubbish removal, office security, office relocation costs, rates and taxes, office maintenance, gas, electricity, water

### **Office Consumables and Resources**

Includes office supplies, printing and copying, computer consumables, journals & subscriptions, memberships and affiliations, records and filing costs, software purchases and maintenance, equipment repairs & maintenance, minor equipment purchases (under \$500), equipment rental expense

### **Communications**

Postage, courier, freight paid, telephone, mobile phone costs, isp (internet) costs

### **Travel**

Includes local travel, vehicle hire which is not a direct production or project cost

### **Insurance**

Can include general insurance, public and product liability, directors liability insurance. Does not include workers compensation.

### **Legal, Finance and Governance Costs**

- ∞ Governance: board operations and support, board and company planning, membership support costs, AGM and general meetings
- ∞ Accounting & Audit Fees: accountancy and financial services, auditor's remuneration
- ∞ Company & Legal Fees: legal fees, company fees and returns, business name registrations
- ∞ Financial Fees and Charges: bank charges, bank interest charges, leasing interest charges, stamp duty, late fees paid and penalties
- ∞ Financial Expenses: disposal of assets (loss), discounts given, discounts taken, bad and doubtful debts, rounding off & adjustments

### **Depreciation**

Can include depreciation of plant & equipment, amortisation expenses

### **Sundries**

Minor and incidental one-off expenses which cannot be classified elsewhere

## ***Operating Surplus/Deficit***

Your organisation's operating result for the year before accounting for any extraordinary items and/or transfers to or from reserves.

## ***Abnormals and Allocations***

Commonly (large) capital grants (for buildings, refurbishments etc ) and related amortisations against such capital. Use this if your organisation shows these items in its annual accounts.

## Balance Sheet

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### **Current Assets**

#### **Cash**

Includes cheque and bank account(s), term deposits and cash investments, electronic payment clearing, undeposited funds, petty cash, cash floats

#### **Receivables**

Accounts receivable, less provision for doubtful debts, deposits with suppliers, security bonds paid, agency sales held in trust, accrued income, other debtors

#### **Inventory**

Items held for resale expected to be consumed in the next financial year. Includes fundraising stock, trading stock, publications for sale and client support inventory. May include work in progress being produced, such as materials and supplies awaiting use in the production process, In the case of a service provider, inventories include the costs of the service, for which the entity has not yet recognised the related revenue.

#### **Other**

Other current assets not specifically included in previous rows. May include some prepayments, deposits and bonds.

### **Non-Current Assets**

#### **Long Term Investments**

Long term financial investments such as equities, debentures, fixed interest securities.

#### **Property, Plant & Equipment**

Buildings: buildings at cost; Buildings Accumulated Leasehold Improvements: leasehold improvements at cost, leasehold improvements amortisation, motor vehicles: motor vehicles at cost, motor vehicles accumulated depreciation; Furniture & Fixtures: furniture & fixtures at cost, furniture & fixtures accumulated depreciation; Office Equipment: office equipment at cost, office equipment accumulated depreciation

#### **Intangibles and Preliminary Expenses**

Can include good will, amortised set-up costs and long-term security deposits/bonds.

### **Current Liabilities**

These are amounts owed, or estimated obligations your organisation will have to meet within normal operations over the next 12 months.

**Payables** Trade creditors, accrued expenses, other creditors

**Interest Bearing Liabilities** Includes short term overdrafts, loans, credit cards and short term lease liabilities.

#### **Income Received in Advance**

Deferred income: such as earned income received in advance, membership fees in advance, subscriptions in advance, sponsorship received in advance, box office income in advance

#### **Subsidies Received in Advance/Unexpended Grants**

Record these items separately from non-grant income received in advance. These are normally grant payments received prior to the period to which they specifically relate or grants received which are unspent. Do not include auspiced grants which go with the following item.

**Deposits and Funds Held in Trust** DGR (ROCO) trust funds, auspiced grants and income, unexpended auspiced grants, deposits collected

#### **Tax and Other Withholdings:**

This section is for various tax liability items and other legal obligations. Includes - GST liabilities: GST collected, GST paid; Payroll Liabilities: PAYG withholdings payable, payroll deductions payable, superannuation payable; Other Tax Withholdings: voluntary withholdings payable, ABN withholdings payable,

#### **Provisions**

Provisions for most organisations these are employee entitlements which are likely to be paid within twelve months. Includes provision for annual leave, provision for long service leave, provision for income tax.

**Other Current Liabilities** Anything else not already covered in this section.

### **Non Current Liabilities**

These are amounts that your organisation owes to outside creditors and which are of a relatively long term nature.

**Borrowings** Generally long term mortgage and lease liabilities, bank loans, directors' loans

**Provisions** Includes provisions for future liabilities beyond 12 months, such as long service leave.

**Other Long Term Liabilities** Anything else not already covered in this section.

### ***Accumulated Funds***

#### **Reserves or Designated Funds.**

The template calculates this automatically from data you provide in the Actuals column. You will not need to add anything unless your organisation plans to establish dedicated reserves for asset revaluation, building fund, endowment or some other special purpose etc.

#### **Retained Surplus (Deficit)**

Remainder of the assets less liabilities, which the template calculates for you. Unless your organisation has dedicated reserves this will normally consist last year's retained surpluses (or deficits) plus or minus this year's operating surplus or defect. **NOTE: Total Funds must equal Net Assets**