

Dance Finances 0 to 999

Chris Deephouse, treasurer for the Philadelphia contra dance

This is a hands-on workshop for dance organizers to deepen their understanding of sources and uses of funds. Organizers make many decisions including whether to offer student discounts, how payments are calculated for callers and musicians, how to budget special events, and more. We will learn from each other and discuss choices that work in various situations.

Workshop Goals

Introduce financial basics

Focus on how to use financial information to make decisions (i.e., go beyond reporting to decision-making)

How much do you know about your dance finances?

First, there are important numbers to be aware of. We filled in a questionnaire to highlight these:

- Name and location of your dance series
- How much do you charge for your dance?
- What is the student price, if you have one?
- Do any volunteers get in free? What are their duties?
- How much do you pay for musicians and callers?
- Do you pay a share of the door? How is it calculated?
- What other expenses do you have for each dance?
 - Rent
 - Sound staff or equipment rental
 - Refreshments
 - Others?
- What is your fiscal year? (Jan-Dec and Jul-Jun are common.)
- How many dances are in the series each year?
- What was your average paid attendance last year?
- What fixed expense does the dance series have (per year)?
 - Piano tuning
 - Insurance
 - CDSS dues
 - Others?
- Are there any other financial factors to consider?

Participants discussed several topics related to these questions. A couple came from communities where they charge based on a sliding scale, and find that they bring in more per head than they did with a single price. One dance posts information that shows how many attendees are needed at various levels to meet expenses, and finds that this stimulates more giving. One dance uses a venue that charges no rent, and their callers volunteer their services; and their admission is “donation only.”

Useful forms

To track finances for a dance series, it is helpful to have:

- Tally sheets for each dance
- Dance tracking spreadsheet
- Spreadsheets for any other income and expenses, showing date, amount, category, and who provided or received the money
- Income statement
- Balance sheet

These are explained in more detail below.

Tally Sheets

A tally sheet is a form for tracking money at one evening's dance. Most dance series use them. Those responsible for collecting admission typically fill them in. A tally sheet would include lines for income and expenses for the one evening, such as admissions received, rent, and costs for performers. It might also include spaces for donations, or costs related to sound or rent. It would not include annual costs, such as insurance. If there is a formula for profit sharing between performers and the organization, the tally sheet lays this out.

We looked at two examples, one from the Old Farmer's Ball (Asheville, NC, found online), and another from Chris's local dance (Philadelphia). As an exercise we completed both (working in pairs, each filling in one), and then compared them. Chris provided some parameters for attendance, etc. to help with the exercise. Some participants found features on each form that they liked or disliked. Chris made the point that forms should be developed for local use and preferences, and can vary as long as they provide key information.

Dance Tracking Spreadsheet

This is a spreadsheet where each row is an event date. The columns provide performer names, numbers of dancers (can be further broken down by full price, discounted, or free) gross income, costs for performers, sound and rent, what the bank deposit would be, an amount for fixed costs (total annual costs divided by number of events). Information for each row would come from the tally sheet for that event. A bottom row can calculate totals for each category, and a final column can provide net income or loss.

We looked at an example from Philadelphia with performers' names removed. To analyze the sample report, we looked for lowest and highest gross and net profits, and noted differences in attendance and performer costs.

Income Statement

This is a reporting tool and can be used to report to your board or your membership, either on an annual basis, or, if needed for decision-making, on a year-to-date basis.

Just as information from tally sheets is the source of data for your dance tracking spreadsheet, it, in turn, provides the beginning information you need for your income statement. To this information you will add any other costs and sources of income. The example Chris showed us included the following categories. As with all the forms we looked at in the workshop, the categories can vary based on the local situation.

Income

- Dance income: gross income from the dance tracker spreadsheet
- Special dance income: income from special events run by the organization but not considered part of the regular series
- Contributions
- Any other income

Expenses

- Expenses from dance tracker spreadsheet: callers, musicians, sound, rent, etc.
- Insurance
- Piano tuning
- Depreciation of fixed assets (such as sound equipment that the organization purchased)
- Any other expenses

The income statement also has lines to total all income and all expenses, and its bottom line provides net income (loss). Although Chris did not provide examples, he also referred to other spreadsheets he uses to track information for an income statement, such as an “other expenses spreadsheet” for tracking such things as insurance premiums.

Balance sheet

This is an overall statement of assets and liabilities of the organization, what the organization owns and owes. Maintaining a balance sheet is part of the checks and balances of running a fiscally responsible organization. Categories for the balance sheet are:

Assets (what you own)

Current Assets

- What is in the checking account (info from bank statements)
- Cash and coins, if you maintain a cash box
- Accounts receivable. This means money due from others. This is unusual for a dance organization, but may happen. For example, you might be awarded a grant and know that funds will be arriving.
- Pre-paid expenses, such as pre-paid rent, or plane tickets you purchase in advance to bring in a performer.

Fixed Assets, such as a piano or sound gear (must be “meaningful” and you depreciate these)

Total Assets

Liabilities (what you owe)

- Accounts payable
- Unearned income: for example pre-registrations for an event
- Loans from others (interest would be a separate line)

Total Liabilities

Retained income

- Balance from the start of the year
- Current income
- Balance at the end of the year (the sum of balance from start of year and current income)

Total liabilities and retained income: this is the organization’s financial worth.

It is good to maintain the balance sheet on an ongoing basis. Chris updates his organization’s balance sheet up to date every month or so. Reporting to the board probably does not have to be as frequent. Chris reports 3-4 times a year.

Beyond Reporting

Keeping track of financial information is critical for organizational decision-making. For example, using a dance tracking spreadsheet helped one dance organization decide that it was a good idea to hold their dance the day after Thanksgiving, but not the day after Christmas. Knowing the organization’s assets helps you decide whether or not you can afford to upgrade sound equipment, or take a risk on a new

event, or need to write a grant. Decisions such as what sort of insurance is needed or whether or not board members can attend the dances for free are best answered when there is data that allows us to evaluate the impact of such decisions on the dance's bottom line.

Software to use

- Spreadsheets can be created with MS Excel or Google Sheets (free) or Apple Numbers. All work well and can be opened by each other.
- Accounting software such as QuickBooks is built to be friendly for uses of this kind.
- Note that [TechSoup](#) is a good source for inexpensive software for non-profits, available in several countries including both the U.S. and Canada.

Financial Governance

Our final exercise was to complete the following questionnaire, and discuss some issues related to governance.

- What type of entity is your dance (non profit corporation, for profit corporation or LLC, unincorporated association, sole proprietor, don't know)?
- Does your dance have a tax ID (EIN)?
- Does your dance have a bank account in its own name
- Who is authorized to sign checks? (should be more than two)
- Does your dance have insurance? (Name of company; broker; coverage; are all dance locations covered?)

Fiscal year: For non-profits in the U.S. you can choose any fiscal year. The advantage to July - June as a fiscal year is that if your dance is that it may simplify some transactions if your organization's work is fairly quiet in the summer.

Tax filing requirements (in the U.S.):

- Annual income of 0-\$50,000: a postcard
- \$50,000-\$200,000: 990 EZ (short form)
- Over \$200,000: 990, long form
- 1099 forms for any individuals earning \$600 or more from your organization over the course of a year

This is due 4½ months after the end of your fiscal year, and you can get an extension if needed.