

Budgeting

By Kimberly Wibbenmeyer



Why It Matters

Theatre educators navigate constant financial uncertainties. Will we cover expenses? Will we sell enough tickets? How can we pay for rentals? All the while also facing the onslaught of opinions and criticisms from parents and community members. Producing a show can cost an arm and a leg and producing a season and including a variety of student activities and projects can make you dizzy. The key to creating and sustaining your program is first to understand the funding model your school or district uses, then to create, maintain and problem solve your budget.

Theatre educators are taught how to teach in a classroom, how to manage behavior, and how to differentiate instruction. However, rarely is the actual process of how to produce a show or a season part of their training or professional development. The very first step in your budget planning is to understand where the money comes from, who manages it, and how to maintain it through a crisis. With this simple foundation you can manage the production a show or season of shows (almost) flawlessly and be able to plan for the future of your program.

Things to Consider

Theatre educators seek jobs based on the school district, administration and salary. Very rarely is the budget of the program discussed in job interviews. In my experience, the budget's size and type can save time and energy for the teacher. If your budget is large and an annual line item in your district budget, that means you can spend less time fundraising and raising awareness of your program. If you have a self-funded budget, part of your time and energy will have to be dedicated towards finding donations and marketing your shows to sell as many tickets as possible.

Types of Budgets

Typically, your budget will fall into one of three categories: activity account, program budget, or a hybrid account (a mixture of the first two). In an activity account or self-funded model, the funds belong to the students, which means you should involve them in the decision making, especially when it comes to large purchases or rentals. An activity account usually is given to clubs and organizations by the district. Generally, you can continue to pay into this account with fundraisers, ticket sales, donations etc. The funds in this type of model roll over each year. Self-funded programs are similar, even though, typically, self-funded programs are not allotted any amount of money but are made up of the same type of deposits (fundraisers, ticket sales, donations, etc.) and will roll over into the next fiscal year without any penalties or loss of funds. The self-funded model is going to take up more of your energy than you would like as it demands that you are constantly seeking ways of funding your shows, beyond just production revenue. It is critical that you get buy-in from students, parents, alumni and anyone else who believes your program is valuable—they can be your most reliable fundraisers and, sometimes, donors.

If your program *does* have a budget provided by the district, you have hit the jackpot! Your district-based budget may remain the same for multiple years, only changing when there is perhaps a dip in attendance or the financial well-being of the district in general. These funds do have a caveat: usually, whatever isn't spent by the end of the fiscal year is taken back by the district to cover other expenses. It's even possible, if you don't spend everything, the amount may be prompt a revised budget the next year that reflects your expenditures from the past year. Not all districts are like this, but it should be one of the first things you discuss with the activity director, or whoever manages your account. The good thing about this style of budget is that if you do have a "flop" and audience attendance and revenue was less than you expected your program isn't lost. You simply need to tighten your belt until the next fiscal year as the slate is wiped clean until next year!

A hybrid budget is exactly what it sounds like: you are dependent on both fundraising and a fixed amount from your district. The hybrid typically features a deposit (not always a fixed amount, but some type of amount) given by the district at the start of each fiscal year and includes an option to deposit funds that roll over without penalty. The deposit from the district may also roll over without penalty. Usually the deposit is not as large as what you would encounter in a program budget, but it still is nice to know that there is some type of money coming in to start the year off.

Planning Your Year

Once you know what style of budget you have and how much is in it you can begin to plan your year. If it is a self-funded program, schedule shows that will reuse the costumes you have (that need little or no alteration) and that have similar set pieces (platforms, walls, doors, etc), and consider renting costumes or props to other programs or theatres. A budget decides how many shows you can do, what type of shows, and what all you can include in them. Not many audience members who come to see a production realize the costs behind it. Yes, they can imagine that costumes, lumber, and set pieces cost money, but not everyone is aware of other costs: scripts, show rights, paint, light and sound boards, lighting instruments and microphones, to name a few.

The way I begin a year is to look for a season of 3 productions: a fall play, a winter play (or sometimes a night of one-acts), and end-of-the-year spring musical. I have found that this style of season helps me in multiple ways, I have students that wish to be a part of the program but also play sports, so they can choose which show doesn't fall into the season they play in. I also have a show constantly in production which keeps those students that are not involved in other programs or sports active year-round, keeping them out of trouble and their grades up. And finally, this keeps our profile up in the community. The local businesses expect a poster every two months, our student families, senior citizens, and others plan a night out around our shows, all of which helps us fill the seats annually.

Our fall play typically is larger and usually generates more in ticket sales. The funds received from the fall tickets pay for the winter play, which is typically smaller and doesn't always sell as many ticket sales as the fall play. We then save what we can and fundraise in order to end with a bang and our big spring musical. I try to plan out the fall play using costumes from previous shows (for example, the "townie" costumes in *Hunchback* can be used for a Shakespeare piece), a simple set without too much need for paint and props. In other words, I do my best to avoid any excessive spending later in the years. The fall show is still a full production, with all technical elements and needs, but may not feature our greatest "wow" factors. Then the winter play or one-acts are done in a simplistic style, usually where we sit the audience on stage with us and set it in a theatre in the round or thrust configuration. The reason for this is a), we know seats won't sell so we still get to rejoice in sold out nights, b), the students get to experience a thrust or theatre in the round show which they may not get to do until college or later, and c), our audience gets to experience this intimate style of production which wouldn't be done otherwise in our rural area. Spring always brings fundraisers, donations and our big musical fills in our gaps or losses from the year, so we end up in the green with some wiggle room to plan our next season.

Always remember that the funds in your budget, no matter what model, belong to the students, the district and the school. At no time should you allocate money to an outside source without approval and *never* create an account in another bank or financial institution. Too often we are bogged down in time constraints and having a separate account would make things simpler but doing so is illegal and can cost you your job and potentially your career. Your school district will have explicit directions and rules for you to sign off on regarding the use of the budget you're responsible for. Be sure to keep a copy of those rules handy and always refer to them when making purchases. If you have questions, do not hesitate to ask your activities director or accounts secretary.

Balancing Your Budget

The easiest way to keep your budget organized is to create a spreadsheet. Once you know the style of budget and the amount you have for the year you can begin to plan out your season. Keeping a projected spreadsheet which has estimated expenses for each show while allowing enough funds for emergencies (sound boards breaking, fees coming in from past shows etc.) will allow you to plan worry-free, or at least almost worry-free.

When you are just starting out, a projected expenses spreadsheet, with a separate actual expense section is probably the easiest way to see the "big picture". Once you have a few shows or a few seasons under your belt, you will be able to blend your projected and actual expenses into one spreadsheet. There are some accounting programs that you can use, or your district may have a spreadsheet for you to use. Personally, I've always found it easier to make my own.

Transparency in your budget spending and earning is always best. My students don't necessarily scour spreadsheets with me, but they understand when I say we can no longer make additional purchases for a production or even the program for the remainder of the year, which means be careful not to break or lose props/costume pieces, don't waste paint, and be careful with tools and instruments. I am also very transparent when it comes to ticket pre-sales, nightly sales and how we

are doing or did with a production. I've found that students are more likely to adhere to the rules regarding resources when I tell exactly where we stand financially. The more they know, the more you can rely on them and teach a real-life lesson in budgeting and fiscal management.

Maintaining Operating Funds/Reserves

When it comes to operating your budget, you need to ask your activities director several questions: Who are checks made out to? How often can you deposit funds? How do you go about getting access to your account's balance? What vendors can be used? How do you go about making purchases or rentals? And so on. Always ask first, get approval and proceed. Your school district will offer suggestions or have policies in place which will guide your judgements on operating your budget. If you are ever in doubt, ask the AD.

Some districts only allow a certain amount of deposits per semester. If that's the policy at your school, you should format your calendar of shows, fundraisers and when donations can be accepted during this period. Or, your account balance may only be accessible once a fiscal year, or once a quarter etc. This can be dangerous if you are not being careful in your per production spending. A negative balance can approach quite quickly; this is one of the mistakes made most often by new teachers. Another issue in districts is vendors and which you can use versus those you cannot. You also need to be careful about your vendors—some are less reliable or honest than others. If you have doubts, again—ask your activities director.

If you have a standing budget or even self-funded that has a large reserve, you can pre-plan your entire season all at once with money that you have already. However, if you are in a self-funded or smaller budgeted program, you will have to wait to pre-plan out your spreadsheet for the later shows after the first has taken place. This type of model can be a bit frustrating because you will have to estimate your spending for the entire year and that could be very difficult to figure out if you haven't yet produced your first show. It's possible, of course, especially as you get more experiences and gain a better sense of what you're spending annually on each show.

As you begin to feel comfortable in the day-to-day operation of your program, you can start setting up a tradition of yearly fundraisers. We have a fundraiser just before the holiday season, and another in late March. Doing fundraisers on the same schedule annually gives your community a heads up that you will be seeking program support around the same time each year. The more predictable you can be for your community, the more help you will receive. Bear in mind that it will take time to build up community support for your fundraising efforts. Just make sure you balance the budget and are transparent with how you are spending it. Help will come, if you're patient and honest.

Predictions and Driving Next Year's Budget

In living in a Fine Arts world and understanding that programs like mine are cut every day to save money for a district, I always try to spend only what we need. I never like to leave a show without making it back into the black and hopefully ending in the green. This way, I know that even if a district were to cut my program budget, we could still operate as a self-funded model. I also am sure to detail all expenditures on the expense spreadsheets. That way I have a living document that will demonstrate the financial responsibility of our program.

Using expense spreadsheets and projected expense spreadsheets allows you to see what moments in the school year are best for ticket sales, what type of shows do best for your program, and perhaps where you can and should cut costs. During winter break, just before second semester begins, I start planning the next school year's season, starting with show rights and production costs and cast/crew needs. I then put together a season proposal binder which includes scripts, rationale for my choices, ideas for how it can benefit the students and community and details about expected costs and how we will cover them. I send the completed binder to the principal, the assistant principals, activity director, theatre manager, choir teacher and have all of them sign off on it.

A good start to planning is to create three lists: What I Need, What I Want, and What I Wish I Could Have. For "what do I need": scripts, rights to shows, actors that are clothed, actors we can hear, actors we can see. For "what I want?": specific look of costumes, a set that allows some "wow" factors, a mic for each actor. For "what I wish I could have": specialized lighting, a design that flows through the entire show, house decorations to match the production and so on. Always start with your Need list and lay out your funds, then if money is left over move into the Want list. Then lastly, if by magic you have something left over while maintaining your emergency money, move into the Wish list.

Keeping on top of the game and being prepared for any wildcards that are thrown your way will make you the leader of your program, not the troubleshooter. If you are constantly troubleshooting, you will wear yourself out and have nothing left for teaching your students. Drama students like to be dramatic, but if they understand that their program is being driven by someone who is prepared and has their best interest at heart, the drama will be left on the stage and not following you home.

Cash Flow Management

Your greatest friend when it comes to knowing where the money is going is your accounts secretary. A lot of money comes in and out of a school, so always keep your own records. That way when an account balance printout is made you can cross reference it. This is especially important if you have both a program budget and an activity account. The program budget is filled with the funds that will not rollover and therefore should be spent first; the activity account rolls over and primarily is used for deposits. However, sometimes, deposits get made into the program budget and withdrawals come from the activity account. Be sure to monitor both accounts, so you can make alert the account secretary of any funds that were deposited in the wrong account.

Your expense spreadsheets and projected expense spreadsheets are valuable reference documents you can refer to throughout the year. Once the academic year is over, print and file them away. You won't necessarily need these documents for any sort of legal reason, but they may help in decision making in future years.

If you think your student treasurer is ready for such responsibility, you can start teaching them how to manage the spreadsheets. I usually keep my own version of the spreadsheet and let the student treasurer maintain their own. This way I know exactly what is in the accounts and use any variation between the two versions for teaching moments.

Computerized ticketing systems have been a boon for budgeting, particularly for ticket sales. These programs can give you real-time access to current and past sales, as well as a basic customer service perks, such as ticket refunds. Once we transitioned to an online vendor at my school, life became so much easier. Computerized systems even allow you to transition exclusively to online card sales. There are a variety of programs available, so take a moment to inquire and shop around for which one would be best for your program.

Keeping your documents up to date and accurate will ensure that you are always ready when an emergency comes your way. Even programs with large budgets can be challenged when a crisis happens. If you keep accurate records that show that you do not spend money frivolously, when you are in a bind, you can approach your activities director, principal, or even superintendent with confidence to plead your case. And remember, not everyone knows how much productions cost, so make sure to account for every expense. Again, be the leader, not the troubleshooter.

Final Thoughts

No program is ever going to be perfect, but the more prepared you are as the educator the better you can educate others and your students. Give your program a good start by solidifying its foundation in preparing the budget in a realistic manner. Just because it isn't your credit card, doesn't mean it has an endless balance.

Recommended Actions

- **Schedule** a meeting with your activities director to review spending questions and to better understand the funding model you have for your program.
- **Purchase** a ticket selling program that will give you real-time results on current and past sales.
- **Ask** local program directors at the secondary, collegiate and community theatre levels about expense spreadsheet models they find helpful.
- **Create** a support or booster group within your parents and community members that can help take some pressure and projects off your plate.

Links and Resources

The Educational Theatre Association

www.schooltheatre.org

Theatre Educator Pro online learning center

<http://learn.schooltheatre.org>

Teaching Theatre

<https://www.schooltheatre.org/publications/teachingtheatre>

About the Author

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