

Music & Fine Arts Arts for the Soul Budget Clarification

The Music and Fine Arts Committee (MFA) has done exceptional work in presenting the ministry of the Arts for the Soul Fine Arts Series over the past 11 years. It is a wonderful ministry of First Presbyterian Church, and we look forward to the series continuing for many years.

MFA is to be commended for their diligence in bringing in exceptional artists, serving our community through sharing those artists, and for working diligently to raise funding for the ministry through ticket sales, ad sales, donations, and grant applications. For the majority of the life of the AFS series, those sources of income have covered the main expenses of the program, while the giving of the congregation has supported the more invisible expenses, such as staff support and building expenses. In addition, we have had the luxury some special funds designated for the music program of the church, to aid in making the series possible if additional funds were necessary.

To clarify how the Arts for the Soul income and expenses are handled, the following is approved by session:

1. BUDGETING:

- a. MFA prepares a budget of anticipated income and expenses for the full AFS season, which runs from fall through spring.
 - i. Expenses include such things as: artist fees, expenses related to artists (housing, travel, etc.) advertising, printing, and all that goes into making the season happen.
 - ii. Income includes such things as: ticket sales, donations, ad sales, and grants.
- b. Every fall MFA will present to the Stewardship & Finance Committee expected income and expenses for the part of the season that falls in the winter/spring of the following calendar year. For budgeting purposes, the expected expenses will be used as the expense budget, and the income budget will be set at an amount equal to the expected expenses. Even though the income may be anticipated to be higher or lower than expenses, this practice will allow S&F to prepare a budget for the church that is not skewed by the unique nature of the concert series budget, which flows over two calendar years.
- c. Every summer MFA will present to the Stewardship & Finance Committee (S&F) expected income and expenses for the part of the season that falls in the fall/winter of that calendar year. The session will adjust the church budget appropriately, adding the expected expenses to the AFS expense budget line, and an amount equal to those expected expenses to the AFS income budget line.

2. AT THE END OF THE CALENDAR YEAR, if AFS expenses are greater than income, the following will apply in order:

- a. Unused grant monies that were designated for AFS will be used to make up the difference between income and expenses.
- b. If there is still a gap after (a), S&F will direct that funds from the Arts for the Soul fund (301700), if available, be used to make up the difference between income and expenses.

- c. If there is still a gap after (a) and (b), and the total church budget reflects a deficit, S&F in consultation with MFA will direct that the undesignated portion of the Music and Fine Arts Fund (301900) be used to make up the difference between income and expenses.
 - d. If there is still a gap after (a-c), and the total church budget reflects a deficit, S&F will request that session use unused income from the Gore Fund from previous years, if available, to make up the difference between income and expenses.
 - e. If there is still a gap after (a-d) and the total church budget reflects a deficit, S&F will look at other sources of funds and make a recommendation to session, as is the current practice whenever there is a deficit in the total church budget at the end of the year.
 - f. If the total church budget shows a positive cash flow for the year, no additional funds will be transferred after (a) and (b) are applied.
- 3. AT THE END OF THE CALENDAR YEAR, if AFS income is greater than expenses,** recognizing that some of that income is intended to help cover the cost of concerts in the spring portion of the AFS season, S&F will direct that the difference between income and expenses be transferred to the Arts for the Soul Fund (3017001) for use in the Spring portion of the season. If it is not all needed then, it will be available for use in future seasons.
- 4. AT THE END OF THE AFS SEASON (mid-calendar year),** because AFS grants are given specifically for concerts in the immediate season, any unused grant monies designated for AFS will be transferred into the AFS income budget line.
- a. If, after unused grant monies are transferred, **expenses are greater than income**, the following will apply in order:
 - i. S&F will direct that funds from the Arts for the Soul fund (301700), if available, be used to make up the difference between income and expenses.
 - ii. If there is still a gap after (i), S&F in consultation with MFA will direct that the undesignated portion of the Music and Fine Arts Fund (301900) be used to make up the difference between income and expenses.
 - iii. If there is still a gap after (i) and (ii), S&F will request that session use unused income from the Gore Fund from previous years, if available, to make up the difference between income and expenses.
 - iv. If there is still a gap after (i-iii) S&F, in consultation with MFA, will either look at other sources of funds and make a recommendation to session, or allow the deficit to be carried until the end of the year, at which time the provisions in #2 will apply.
 - b. If, after unused grant monies are transferred, **income is greater than expenses**, S&F will direct that the difference between income and expenses be transferred to the Arts for the Soul Fund (301700) for use in future AFS seasons.

Because MFA has a history of keeping expenses in line with income, it is anticipated that rarely will there be a large gap between available sources of income and expenses. However, because AFS is a valuable ministry of music and outreach of our church, S&F recognizes that there may be years where gaps are larger, or where MFA has a desire to bring in an artist where it is not anticipated that income will offset the expenses. MFA, as any other committee, may always ask the session through S&F to approve such extra expenses for the sake of the ministry of the church. In those cases S&F will follow its usual practice of ascertaining if existing designated funds would be appropriate to use to meet the requested need, if the need is best met through the regular giving of the congregation, or if other options should be pursued, and will make an appropriate recommendation to session in consultation with MFA.