

John Gaskin Productions

Recorded Webinar
#5 of 6

“MANAGING
A Film Budget &
Production Costs



Goal of this session: #5 of 6

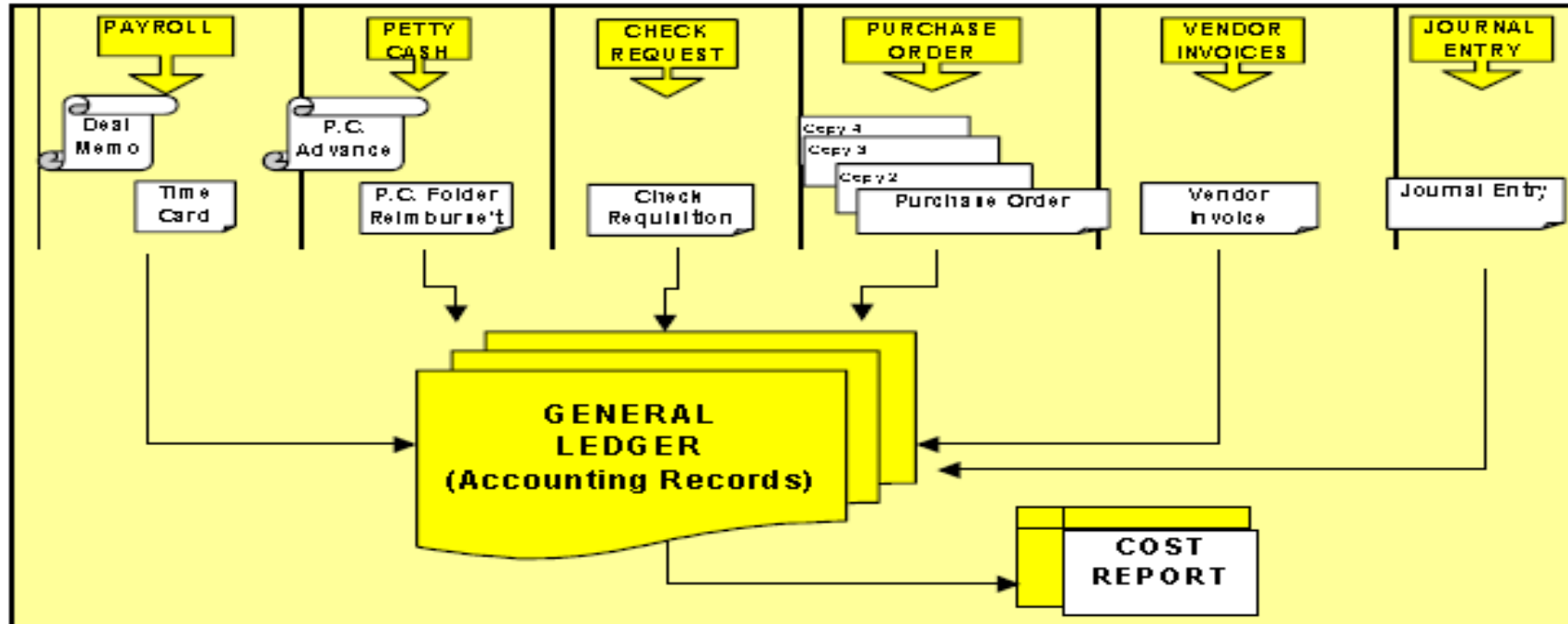
- The goal of this session is to get an understanding of how to predict costs and to use PO's to your advantage.
- Three practical types of expenses are examined:
 1. ATL Travel & Living costs
 2. Extras (Union, Non-Union, Stand-Ins and Special Skill Extras)
 3. Off-set Riggers/De-Riggers

Basics

- In examining the Cost Report we're looking at three things:
- 1. **Bookkeeping** basics – coded correctly, entered timely, filed so as to retrieve quickly.
- 2. **Audit** –is it an “approved” cost within the realm of Dept Head, Line Producer and the Approved/Locked budget
- 3. **Reporting** – what's the best way to report it within the constraints of the Cost Reporting System.

1. Check Requisitions From Crew
2. Purchase Orders From Crew
3. Invoices Payable From Outside Vendors.
4. Petty Cash From Crew and Cast
5. Payroll From Crew and Cast
6. Journal Entries (not addressed in this course – see your acct’ t).

You can rest assured that this covers **EVERYTHING!** See the figure below (from [Pg. 114](#) of *Walk The Talk*).



The costs incurred plus the estimated costs to complete the shoot are compared to the Approved Budget. Any variances, over or under, are shown line-by-line, on the Cost Report.

The Approved Budget

Purchase Orders

- Very useful to reflect any contractual commitment.
- PO Example a/c#3217, Electric Rentals

1	2	3	4	5	6	7	8	9	10
A/C #	Account Description	ACTUAL THIS PERIOD	ACTUAL TO DATE	COMMITMENTS TO DATE	TOTAL COSTS	ESTIMATE ToComplete	Estimated Final Cost	BUDGET	VARIANCE
941-01	DIRECTOR OF PHOTOG.	10,000	70,000	-	70,000	70,000	140,000	140,000	-
941-02	CAMERA OPERATOR	3,633	9,068	-	9,068	28,312	37,380	55,380	18,000
941-03	FIRST ASSISTANT	5,583	15,927	-	15,927	38,800	54,727	49,727	(5,000)
941-04	SECOND ASSISTANT	4,641	12,823	-	12,823	31,910	44,733	37,733	(7,000)
941-05	EXTRA CAMERA	15,645	29,580	-	29,580	81,110	110,690	91,690	(19,000)
941-06	EXTRA CAMERA	4,316	7,872	-	7,872	24,047	31,919	28,919	(3,000)
941-07	STILL PHOTOGR.	3,700	14,060	-	14,060	27,350	41,410	45,410	4,000
941-08	LOADER	3,374	9,450	-	9,450	23,573	33,023	32,023	(1,000)
941-09	LOSS & DAMAGE	-	-	-	-	2,500	2,500	2,500	-
941-10	PURCHASES	103	3,766	-	3,766	15,484	19,250	19,250	-
941-11	RENTALS	-	-	290	290	221,210	221,500	234,500	13,000
941-12	BOX RENTAL	2,400	7,240	-	7,240	15,440	22,680	22,680	-
941-13	MISCELLANEOUS	-	245	-	245	1,255	1,500	1,500	-
	941 CAMERA	53,395	180,031	290	180,321	580,991	761,312		

Why isn't there any Purchase Order here to commit the rental of the Camera Equipment?

This looks like a quick "plug" to offset the over-budget camera labor. Can we really take \$13,000 savings? Where's the Purchase Order?

Checking PO's to Budget

- We put it through the standard routine of:
 - - Bookkeeping
 - - Audit
 - - How to report it using the Cost Reporting System (anchor yourself to the “Locked” Budget)

Offsetting Principle

1. If you can offset a cost-savings against a cost overrun **WITHIN THE SAME DEPARTMENT** the studio/financiers don't (usually) require you to disclose the variances.
2. The reasoning is that the department has found
 - efficiencies within their own department to offset any unpredicted cost overruns.
3. This kind of offsetting of costs is considered good, responsible activity within the department.

Another Basic

- Keeping a running tabulation of what you know is (Over)/Under Budget

Day Out of Days Report for Cast Members

Month/Day	12/13	12/14	12/15	Co.						
Day of Week	Sun	Mon	Tue	Travel	Work	Hold	Holiday	Start	Finish	TOTAL
Shooting Day	37	38	39							
	W	W	WF		27	12		10/24	12/15	39
			PWF		21	5		10/27	12/15	26
					20	11		10/31	12/12	31
ARAH					20	11		10/31	12/12	31
					17	6		10/31	11/30	23
					18	5		10/31	11/30	23
					10	10		10/25	12/09	20
					11	8		10/25	12/07	19
	H	W	WF		15	10		10/24	12/15	25
	WF				6	9		10/24	12/13	15
					2			12/08	12/09	2
	W	W	WF		9	5		11/03	12/15	14
										0
					4	3		11/01	12/09	7

	2	3	4	5	6	7	8	9	10
Account Description	ACTUAL THIS PERIOD	ACTUAL TO DATE	TOTAL COMMITS	TOTAL COSTS	ESTIMATE ToComplete	ESTIMATED FINAL COST	BUDGET	VARIANCE	
LINE									
STORY RIGHTS	-	620,000	-	620,000	-	620,000	600,000	(20,000)	
OTHER RIGHTS	-	38,495	-	38,495	10,065	48,560	47,560	(1,000)	
STORY & OTHER RIGH	-	658,495	-	658,495	10,065	668,560	647,560	(21,000)	
WRITERS SALARIES	-	195,000	-	195,000	100,000	295,000	295,000	-	
SECRETARIES	-	65	-	65	435	500	-	(500)	
SCRIPT PRINTING	309	1,097	-	1,097	403	1,500	2,500	1,000	
TRAVEL & LIVING EXP	-	5,462	-	5,462	1,712	7,174	7,174	-	
RESEARCH	3,677	3,677	-	3,677	323	4,000	3,500	(500)	
WRITING	3,986	205,301	-	205,301	102,873	308,174	308,174	-	
EXECUTIVE PRO	-	112,304	-	112,304	162,696	275,000	275,000	-	
PRODUCER	-	302,624	-	302,624	822,376	1,124,999	1,124,999	-	
ASSISTA	-	18,240	-	18,240	10,739	28,979	28,979	-	
TRAVEL	-	7,703	-	7,703	994	8,697	8,697	(3,100)	
INDEP	-	1,000	-	1,000	-	1,000	1,000	-	
PURCH	-	154	-	154	66	220	220	-	
RENTAL	-	117	-	117	383	500	500	-	
WRAP PA	-	-	-	-	5,000	5,000	5,000	-	
ENTERTAINM	-	2,617	-	2,617	4,883	7,500	7,500	-	
MISCELLANEOUS	-	10,000	-	10,000	3,500	13,500	13,500	-	
PRODUCER & STAFF	132,983	506,559	385	644,117	1,139,337	1,783,481	1,780,386	(3,100)	
DIRECTOR	69,565	500,869	-	500,869	1,099,131	1,600,000	1,600,000	-	
CHOREOGRAPHERS	-	1,375	-	1,375	-	1,375	-	(1,375)	
ASSISTANTS	625	4,563	-	4,563	19,737	24,300	24,500	200	
TRAVEL & LIVING	10,250	100,931	42,019	142,950	39,635	182,585	184,585	2,000	
PURCHASES & SUPPL	10,250	1,000	100,931	1,010,250	1,000	1,010,250	1,010,250	-	

Note that Col. 5, The Purchase Order Commitment of \$42,019, is added to Col.4 and the result is the Total Costs to date in Col. 6.

Then the Estimate To Complete of \$39,635 in Col.7 is added to the Total Costs to get the Final Estimate to Complete in Col. 8.

The Estimated Final Cost is less than the Budget resulting in an Under-Budget Variance of \$2,000 in

DOOD's – Used A Lot

NOTES

PRE PROD. DAY SCHOOL?
M2

1 DAILY 2 ROOM
2 DAILY 2 ROOM
2 WEEKLY 2 ROOM

DEVIL
Out of Days Report for Cast Members

DEVIL
Out of Days Report for Cast Members

DEVIL
Out of Days Report for Cast Members

DEVIL
Out of Days Report for Cast Members

WRAP 3 ROOM

RETURN ONE 2 ROOM

JO - XL
Paul - XL
JL - XL
JEFF - L
Norm - XXL

GREEN 110408
9:30pm

DEVIL
Day Out of Days Report for Cast Members

DEVIL
Out of Days Report for Cast Members

DEVIL
Out of Days Report for Cast Members

DEVIL
Out of Days Report for Cast Members

7:20 2:20 3:20
1:00 2:00 2:25

3:20 3:20 2:20 3:20 3:20
2:00 1:00 1:00 1:20

2:00 1:00 2:20
1:00 2:00 2:00
7 Hrs

MILITARY TIME

A.M.	+12	P.M.
0100	+12	1300
0200	+12	1400
0300	+12	1500
0400	+12	1600
0500	+12	1700
0600	+12	1800
0700	+12	1900
0800	+12	2000
0900	+12	2100
1000	+12	2200
1100	+12	2300
1200	+12	2400

COMPANY	NAME	PHONE
PENSKE	John	416-259-6341
PENSKE	Adam	416-830-7847 cell
ENTERPRISE	Mel/Ted	416-601-0756
ENTERPRISE	Scott	416-509-9768 cell
THRIFTY	Diane	416-868-6175
THRIFTY	Selwyn	416-727-4607 cell

PETER HOFFMAN
416-766-6234
346 MONITOR

ATL – Hotel and Travel

- No payments to date for Per Diems.
- See the DOOD's mock-up
- Calculate hotel and air flights
- Then we'll put in the PO and examine the cost report/budget.

Extras

- Review budget for Extras

Standard Procedure

- If a PROBLEM
- We put it through the standard routine of:
 - - Bookkeeping
 - - Audit – Purchase Order, signed-up P/R
 - - How to report it using the Cost Reporting System.

Riggers

- Off-set crew can often be forgotten resulting in Problems.