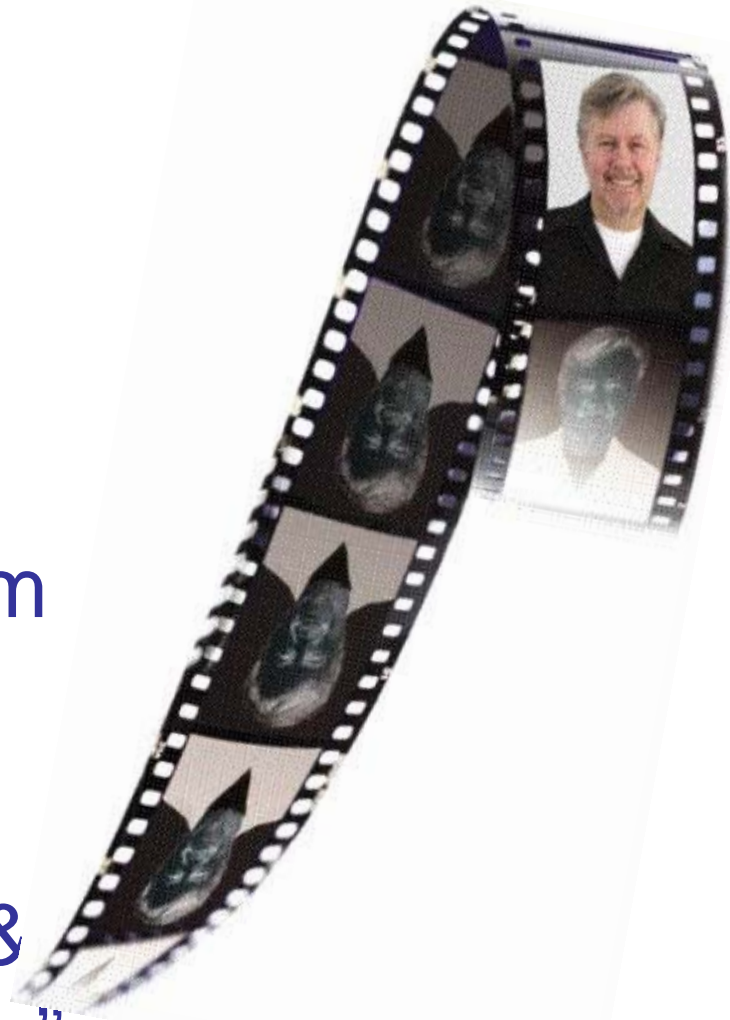


John Gaskin Productions

#6 of 6: Cost
Reporting in Film
Production
“MANAGING
A Film Budget &
Production Costs”

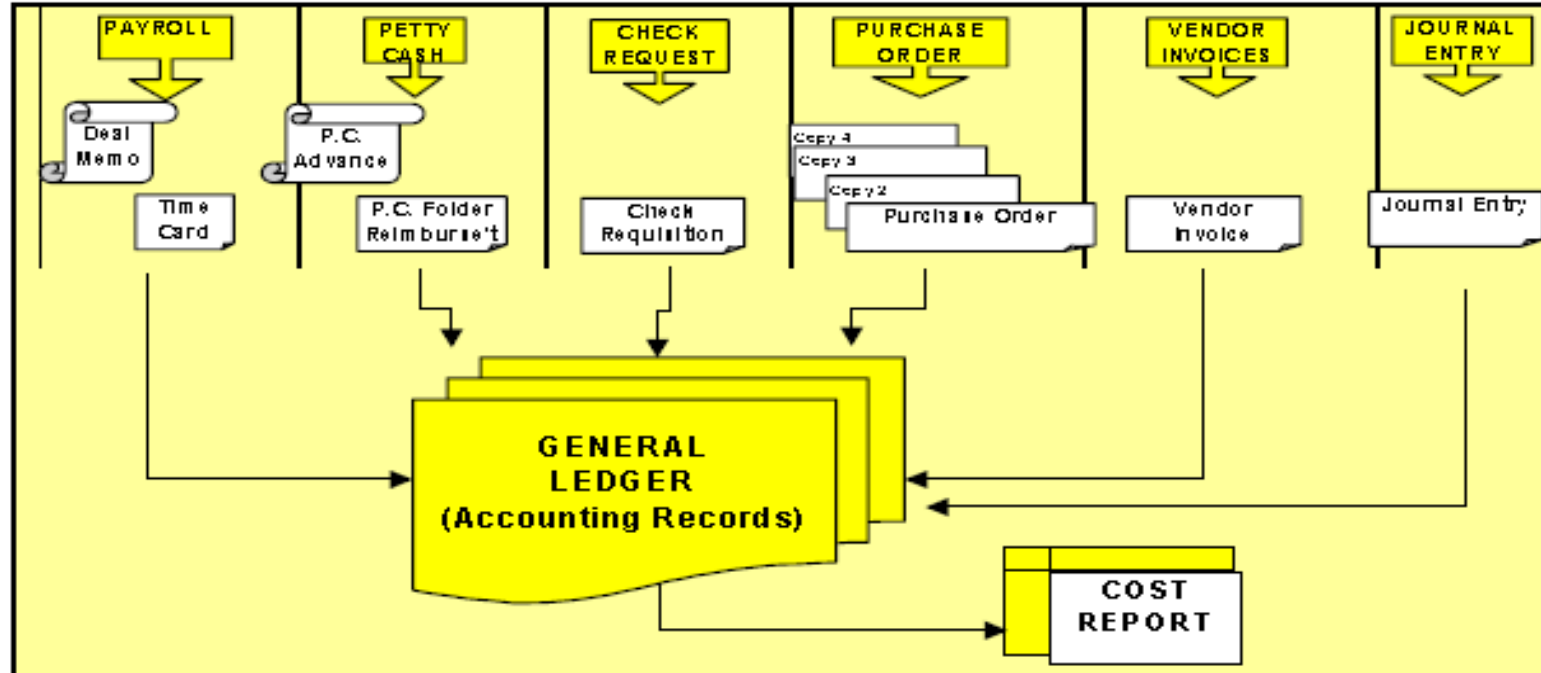


Goal of this Session: #6 of 6

- The goal of this session is to gain more understanding of estimating in film production.

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

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.

Standard Procedure

- A/C#3217: 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 (anchor yourself to the “Locked” Budget)

Missing PO

- Steadicam:
- Find out that the Line Producer made a deal for the Steadicam at \$3,500/wk x 3wks
- Plus operator at \$5,500/wk x 3wks, Union Fringe
- 45% Fringes
- 3 wks

Standard Procedure

- A/C#3317: If)Over)/Under record on the Cheat Sheet.
- 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)

Po Overbudget

- See Walkies a/c#3422

Mis-Coding

- Petty Cash – if never seen one, here is an example
- Mis-codings of small amounts are common
- See a/c#3385. (Handle with a JE).

Fringe Projections

1	2	3	4	5	6	7	8	9	10
Account Number	Account Description	ACTUAL THIS PERIOD	ACTUAL TO DATE	TOTAL COMMITS	TOTAL COST	ESTIMATE ToComplete	EFC	BUDGET	(Over)/Under VARIANCE
90-01	MAKEUP ARTISTS	6,560	14,881	-	14,881	36,554	51,435	51,435	-
90-02	ADDITIONAL MAKEUP	10,703	18,699	-	18,699	43,797	62,496	62,496	-
90-03	BODY MAKEUP	-	-	-	-	7,500	7,500	7,500	-
90-04	HAIRSTYLISTS	6,920	15,241	-	15,241	36,194	51,435	51,435	-
90-05	ADDITIONAL HAIRSTYLISTS	8,165	15,381	-	15,381	47,115	62,496	62,496	-
90-06	MAKEUP SUPPLIES	506	2,340	-	2,340	4,160	6,500	6,500	-
90-07	HAIRDRESSING SUPPLIES	1,045	1,787	-	1,787	1,713	3,500	3,500	-
90-08	WIG PURCHASE RENTAL	508	3,384	9,000	12,384	616	13,000	13,000	-
90-09	BOX RENTAL	2,085	4,725	-	4,725	14,775	19,500	19,500	-
90-10	MISCELLANEOUS EXPENSE	8,227	13,065	7,200	20,265	2,551	22,816	30,200	7,384
90-99	FRINGES	7,867	15,379	-	15,379	58,054	73,433	73,433	-
832	HAIR	52,586	104,882	16,200	121,082	251,029	374,111	381,495	7,384

Labor Paid	\$ 64,202	ETC LABOR	\$ 171,160	BudgetLbr	235,362
FRINGES Paid	15,379	ETC FRINGE:	58,054	BudgetFrng	73,433
ACTUAL% FRINGE	24.0%			Budgeted %	31.2%

PROJECT THE FUTURE FRINGES AT 24% ACTUAL X \$171,160 ETC'S FOR LABOR =	41,000
COMPARE TO THE TOTAL ESTIMATE-TO COMPLETE FRINGES AVAILABLE =	58,054
SAVINGS PROJECTED ON MAKEUP/HAIR FRINGES →	<u>\$ 17,054</u>

These are the Labor Costs within the department.

Balances of Petty Cash O/S

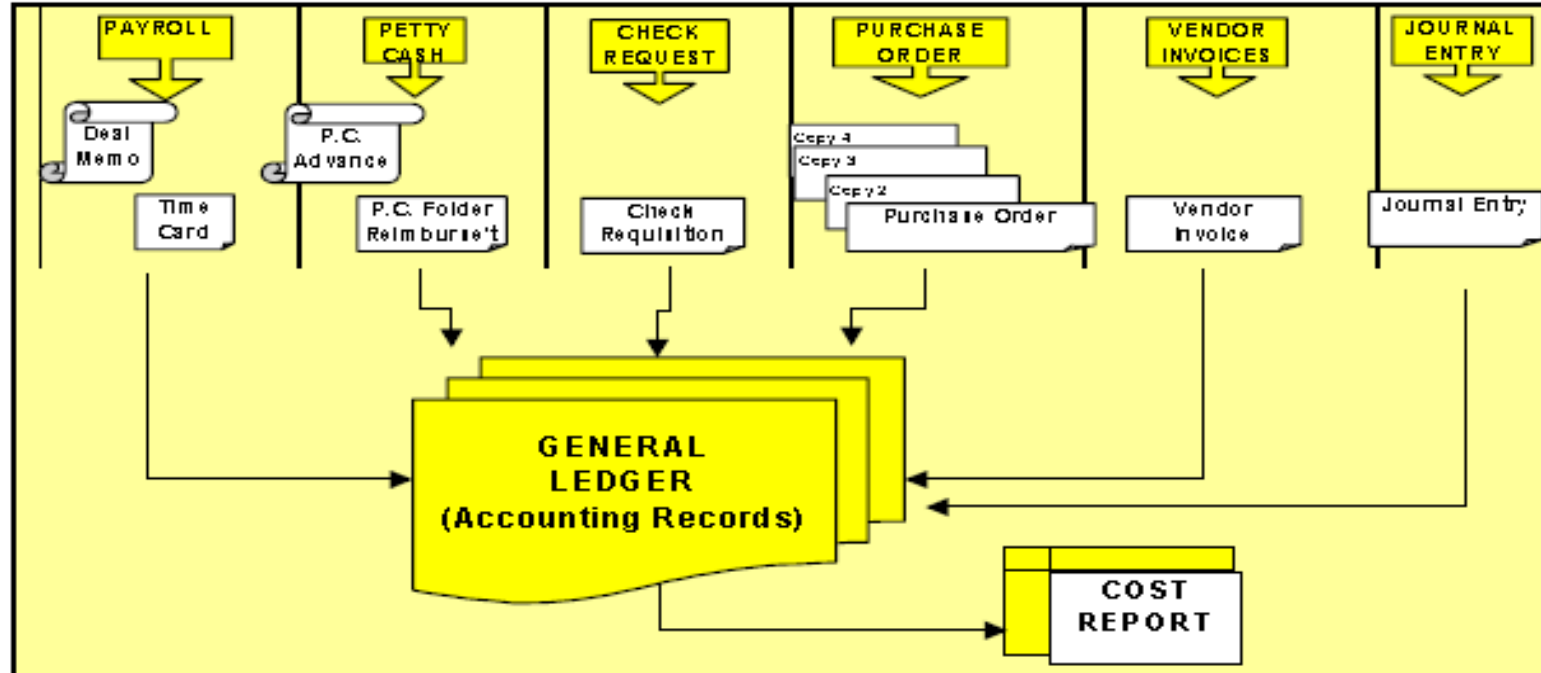
- Wardrobe need special attention

Tools

- Estimate labor based on “Current Period”
- Estimate fringe based on past %
- Look for PO’s and any missing/confusing PO’s based on the Calendar/Timeline
- Look at each of the “Locked Budget” and the expenditures and the ETC’s.
- When some variance is discovered, note it on the Cost Report Variance sheet as (Over)/Under

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