

Web#1. The Film Production Budget Introduced

90 Minutes

The purpose of this session is to get a fluid understanding of the categories and terms used in a usual Film Budget of more than \$2 or \$3Million dollars. Attendees are encouraged to have a hard copy of the Master Budget in front of them and to take notes - Quizzes will occur randomly.

An actual film production budget is reviewed with the purpose of understanding the industry specific departments and how they inter-relate.

Key terms used in film production, but not widely used, are cleared up. Familiarize the categories of the film budget, the standard columns used and demonstrate how the Producer manages a film budget to the bottom line.

Particular time is spent over coming any inhibitions using such terms as Above-The-Line, Below-The-Line, Gaffer, Grip, Extras, etc.

Discretionary & Non-Discretionary costs in the film budget are discussed and the impact on the Producer's decisions.

The location of certain types of costs are pointed out and the purpose for that location are discussed.

Changes to the budget are demonstrated and how to track them

The importance of labeling costs for various State/Provincial Tax Incentives

Web#2. Introducing Film Industry Labor Unions

90 Minutes

The purpose of this session is to familiarize the attendees with the film industry union wage jargon. A huge part of managing a budget is managing the labor costs, so it essential we take enough time to understand the basic elements.

The primary union for crew is the International Theatrical & Stage Employees - known by everyone in film production as IATSE (Eye-At-See). The appropriate pages of the basic IATSE agreement is looked at (without getting lost in details) for the following terms:

Scale rates

Overtime

“Gold”

Meal penalty

John demonstrates the IATSE local overtime calculations under the Basic Agreement using the concept of Worked Hours and Pay Hours.

Attendee’s calculate the pay hours and meal penalties from examples given by John.

Answers are provided afterward for attendees to study.

(Same practice repeated a few times until majority are comfortable with the Pay Hours and Worked Hours calculation, as well as the Meal Penalty calculation).

John continues to use examples and correct attendees as before.

Depending on the time available the same steps above are completed for Screen Actors Guild daily actors (called Schedule A performers)

Web#3-1. The Concept of “Fringes” (Government&Union Contributions) 30 Minutes

The purpose of this session is to introduce the term "Fringes". Fringes are usually 30% to 40% of the labor costs, so it is essential that you know how to estimate this cost and not be tongue-tied when discussing this cost in the film budget.

The producer must pay normal government and union fringes – a breakdown of the types of fringes is given.

When projecting costs (called Estimating in film) it is common to average the fringe rates for different unions. This process is reviewed for different guilds and unions.

John shows the effect of fringes on the different SAG calculations above – it is quite dramatic

Web#3-2. The Concept of Labor Hours Worked and Hours Paid 60 Minutes

The purpose of this session is to practice the combined knowledge you've learned above - Labor Worked Hours, Paid Hours and Fringes.

The dramatic additional costs of working the 13th, 14th hours is demonstrated. The attendees then work this out for themselves.

Some practice is given and Q & A, Quizzes, etc to ensure the attendees have a good grasp of this very important facet of managing the film budget.

Web #4-1. Introducing the Weekly Cost Report 30 Minutes

The purpose of this session is to introduce the Weekly Cost Report & to give examples of what a career-maker or career-breaker it is regardless of your function in filmmaking.

The “Product” of the film production is what the audience sees on screen. However, for all productions (with the rare exception) the measure of it's success through to end of post-production is the quality compared to the cost. It's the Cost Report that tells the financiers, studio execs, bonding companies, etc

Concept of timing – the cost report is issued weekly at a pre-assigned day (usually a Friday or a Monday). This keeps the pressure on the Producers, Production Manager and Film Auditor.

Define the columns of the Weekly Cost Report

Reading the Estimates-To-Complete Column

Practical examples given for different estimated Stunt man-days.

Attendees practice the effect of changing the Estimates-To-Complete on the Cost Report.

The concept of weekly “period closings” is presented as industry specific.

Web #4-2. Introducing the 6 Basic Cost Systems 60 Minutes

The purpose of this session is to introduce the 6 basic cost control systems. The attendees don't need to know how to do accounting, but they need to recognize the types of costs and how to control them during a film production.

- 1.The Purchase Order
- 2.The Vendor Invoice
- 3.Check Requisitions
- 4.Petty Cash (not so petty in film production - often in the \$0 to \$60,000/week range)
- 5.Payroll
- 6.Journal Entries (records financing interest, charges from the studio, etc)

The attendees are show each of the above and participate through challenging questions, polls and quizzes.

Web#5-1. The Cost Report - Projecting Costs Then Using A PO 30 Minutes

The purpose of this session is to give the attendees an example of how to ensure the costs are reflected in the cost report.

Example – Hotel invoices not PO'd for Cast

A Day Out Of Days (DOOD's) example is shown and gone over.

The attendees are asked to estimate the cost of a hotel in their area for that cast member based on the DOOD's.

A PO is drawn up by the attendee for two of the key cast.

The PO is entered to the G/L.

The effect on the Cost Report is noted.

This process is done again for the same Cast, but this time for their flights from the East (or West) coast, depending on the attendee's location.

The effect on the cost report is noted.

Web#5-2. The Cost Report Projecting Costs to Completion – Extras 60 Minutes

The purpose of this session is to give the attendees an example of how to control costs that do not normally have a purchase order.

We examine the Costs To Date to see the date to which the Extras have been paid.

We ask the 1st Assistant Director for an estimate of the number of Extra Man-Days.

We estimate the future costs of Extras through to completion.

We compare that estimate with the Estimated Final Costs available on the Cost Report.

A different example is given of this to the attendees and they work it out for themselves in conjunction with John.

A similar example is done with the Stand-In's

Web#6-1. The Cost Report Projecting Costs to Completion – Labor 30 Minutes

The purpose of this session is to get familiar with estimating the labor costs in a general fashion that isn't too time consuming.

This is a tricky projection that is somewhat arithmetical.

I have prepared an Excel worksheet as the demonstration and a few departmental cost report presentation.

Because this is a difficult step some review of labor hours worked and hours paid (Overtime and other penalties) will be presented and practiced.

We will work through a few departments until you get understand the concept.

Then attendees will do several themselves based on presentations given to them, submitting results.

John will go over the results with the attendees.

Web#6-2. The Cost Report Projecting Costs to Completion – Fringes 30 Minutes

The purpose of this session is to get familiar with estimating the labor fringes costs, again without getting too technical.

This a tricky projection that is somewhat arithmetical.

I have prepared an Excel worksheet as the demonstration and a few departmental cost report presentations.

Because this is a difficult step some review of labor fringe rates for various categories of unions and guilds (and situations) will be presented and practiced.

We will work through a few departmental fringe costs until you get understand the concept. Then attendees will do several themselves based on presentations given to them, submitting results.

John will go over the results with the attendees.

Web#6. Opportunities

30 Minutes

What a Producer, Production Manager, or Film Auditor WANTS and what he/she NEEDS. The Resume – how to convince the Producer, Production Manager, Film Auditor, etc that you’re the right person.

Ways & means to gather addresses and to meet film producers, production accountants, etc. Real examples of how this has worked for others.

Overall Sum up and Q & A

END OF Live On-Line Training x 6 - PRODUCTION MANAGING: FILM BUDGETS AND COST REPORTS

Total Hours - CPE 9 Hrs