

# 3 accounting tips for a successful production

## PLAN FOR YOUR PRODUCER OFFSET

- **Track your development expenditure and file the associated receipts.** All of your development expenditure can be considered as part of a final offset claim if you have the receipts whether covered by a development grant or self-financed.
- **Optimise your QAPE (qualifying Australian production expenditure).** Engage Australian suppliers, crew, cast and extras. Budget for “sweat equity”. Consult with an expert on what is considered reasonable reinvest of your time, facilities and overheads.
- **The timing of the Offset.** As a rule of Thumb allow 4 weeks from final cost report for the preparation of the final application and audit. Screen Australia POCU (producer offset and co-production unit) will take up to twelve weeks to assess and issue a final certificate. The final certificate is submitted with the tax return for the year in which film is completed and may take up to five weeks to land in your account or that of your offset lender.
- **Consider your production schedule.** The producer offset is claimed through the tax return of the production entity. If completion is between July and December it would be advisable to liquidate the company rather than delaying receipt of offset to after financial year end. If there is some flexibility in the schedule plan to complete before 30th June. Completion is DCP or fully mixed digital master.

## MANAGE YOUR CASHFLOW

- **A detailed cashflow is important.** Usually required as an inclusion in PIA (producer and Investor Agreements) as well as essential to know in advance whether there will be any pressure points that should be managed by negotiation with financiers or additional loan facility. The cashflow considers when you will need the funds per the budget how that compares to contractual drawdowns and how the expensive loan funds can be delayed to save on interest.
- **Consider GST and payroll fringes.** Cash in the bank account is not cash you can spend. Consider GST, PAYG taxes, annual leave, payroll tax and super. Ensure the production company is registered for GST on an accruals basis and monthly to ensure the best flexibility to manage cashflow of the BAS.
- **Execute and review.** A good cashflow plan needs to be executed, reviewed and updated. So that you are always confident in paying your bills and tax.

## MASTER YOUR REPORTS

- **Cost Reports are not just for investors.** An integrated production accounting software allows you to review your costs and commitments to date and update your estimates to complete live during the fast paced period of production. An online purchase order system enables absolute currency of information. Complete confidence in your financial position facilitates optimal creative decisions.
- **Consider the Statement of Investors Funds.** this report is required by the financiers and reflects the unspent funds and liabilities at any point in time. You should be SOIF aware ensuring there are no uncollectable debtors or deposits that should be reflected as a cost.
- **Know your reporting requirements.** Check your agreements and know the reporting requirements. Report, track, adjust. An advanced production accounting software will generate reports for QAPE / State Expenditure / Regional Expenditure natively, customize the special purpose reports to your needs.



## ABOUT US

- Money Penny offers end to end accounting services from budgeting to offset final application. We have proudly serviced the Australian creative industry for 40 years!
- We will customise our services to your budget. Mix and match software, payroll services, onsite or remote production accounting or mentoring if you have a trusted bookkeeper that doesn't know the intricacies of film reporting. You have a project, we have a plan!
- MydaEs is our award-winning production accounting software. It is powerful and affordable!
- **Have a project? Call us for a discussion!**

