

Film Production Accounting

Above the Line refers to the creative team and key personnel involved in film production, including the director, producers, writers, and actors, who are responsible for the overall artistic vision and storytelling aspects of the film. Related terms include below the line, which refers to the technical crew and support staff. In film production accounting, above the line costs are typically higher and more difficult to predict than below the line costs.

Accounting Software refers to computer programs used to manage and track financial transactions, including budgeting, forecasting, and reporting tools. Examples of accounting software used in film production include QuickBooks, Xero, and Movie Magic. These programs help production accountants to streamline their workflow, reduce errors, and provide accurate and timely financial information to stakeholders.

Accounts Payable refers to the amounts owed by the production company to its creditors, including suppliers, vendors, and contractors. In film production accounting, accounts payable are typically managed by the production accountant, who ensures that all invoices are paid on time and that the company's credit rating is maintained.

Accounts Receivable refers to the amounts owed to the production company by its clients or investors, including payments for film distribution, merchandising, and licensing. In film production accounting, accounts receivable are typically managed by the production accountant, who ensures that all payments are received on time and that the company's cash flow is maintained.

Accrual Accounting refers to a method of accounting that recognizes revenues and expenses when they are earned or incurred, regardless of when the related cash flows occur. In film production accounting, accrual accounting is used to match costs with revenues and to provide a more accurate picture of the company's financial performance.

Amortization refers to the process of allocating the cost of a tangible or intangible asset over its useful life. In film production accounting, amortization is used to depreciate assets such as equipment, vehicles, and buildings, and to recognize the cost of intellectual property, such as copyrights and trademarks.

Asset refers to a resource owned or controlled by the production company, including tangible assets such as equipment, vehicles, and buildings, and intangible assets such as intellectual property, including copyrights, trademarks, and trade secrets. In film production accounting, assets are typically recorded on the balance sheet and depreciated over their useful life.

Audit refers to an independent examination of the production company's financial statements and accounting records, typically conducted by a certified public accountant. In film production accounting, audits are used to ensure that the company's financial statements are accurate and compliant with

accounting standards and regulations.

Below the Line refers to the technical crew and support staff involved in film production, including the camera team, lighting and sound technicians, and special effects personnel, who are responsible for the physical production of the film. Related terms include above the line, which refers to the creative team and key personnel involved in film production.

Beneficial Ownership refers to the individuals or entities that ultimately own or control the production company, including shareholders, partners, and beneficiaries. In film production accounting, beneficial ownership is used to identify the ultimate owners of the company and to ensure compliance with tax laws and regulations.

Budget refers to a plan for the allocation of financial resources over a specific period of time, including estimates of revenues and expenses. In film production accounting, budgets are used to plan and control the costs of film production, including above the line and below the line costs.

Capital Expenditure refers to a payment made for the acquisition or improvement of a tangible or intangible asset, including equipment, vehicles, and buildings. In film production accounting, capital expenditures are typically recorded as assets on the balance sheet and depreciated over their useful life.

Cash Flow refers to the movement of cash into or out of the production company, including receipts from customers and payments to creditors. In film production accounting, cash flow is used to manage the company's liquidity and to ensure that the company has sufficient funds to meet its obligations.

Certified Public Accountant refers to a professional accountant who has passed the Uniform CPA Examination and has been certified by a state or national accounting organization. In film production accounting, certified public accountants are often hired to conduct audits and to provide assurance services to the production company.

Chain of Title refers to the documentation that establishes the ownership of a film, including contracts, agreements, and assignments of copyrights and other intellectual property rights. In film production accounting, the chain of title is used to ensure that the production company has the necessary rights to produce and distribute the film.

Completion Bond refers to a type of insurance that guarantees the completion of a film, including the payment of costs and expenses associated with the production. In film production accounting, completion bonds are often used to secure financing for film production and to mitigate the risk of production delays or cancellations.

Contingency Fund refers to a reserve of funds set aside to cover unexpected costs or expenses associated with film production, including delays, cancellations, and accidents. In film production accounting, contingency funds are used to manage risk and to ensure that the production company has sufficient funds to complete the film.

Copyright refers to a type of intellectual property right that protects original literary, dramatic, musical, and

artistic works, including films, scripts, and music. In film production accounting, copyrights are used to establish ownership of the film and to prevent unauthorized use or exploitation of the film.

Cost Accounting refers to a method of accounting that tracks and analyzes the costs associated with film production, including labor, materials, and overhead. In film production accounting, cost accounting is used to manage costs and to ensure that the production company is operating efficiently and effectively.

Deferred Tax refers to a type of tax that is owed but not paid until a future period, including taxes on income that has not been received or expenses that have not been paid. In film production accounting, deferred taxes are used to manage tax liabilities and to ensure that the production company is in compliance with tax laws and regulations.

Depreciation refers to the process of allocating the cost of a tangible or intangible asset over its useful life, including equipment, vehicles, and buildings. In film production accounting, depreciation is used to recognize the cost of assets over time and to match costs with revenues.

Development refers to the process of creating and refining a film project, including script development, casting, and location scouting. In film production accounting, development costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Distribution refers to the process of releasing a film to the public, including theatrical release, home video, and streaming. In film production accounting, distribution costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Distribution Agreement refers to a contract between the production company and a distributor that outlines the terms and conditions of film distribution, including revenue sharing, marketing, and delivery requirements. In film production accounting, distribution agreements are used to establish the rights and obligations of the parties involved in film distribution.

Equipment refers to the tangible assets used in film production, including cameras, lights, sound equipment, and special effects equipment. In film production accounting, equipment costs are typically capitalized and depreciated over their useful life.

Film Production refers to the process of creating a film, including pre-production, production, and post-production. In film production accounting, film production costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Film Production Company refers to a business entity that produces films, including corporations, partnerships, and limited liability companies. In film production accounting, film production companies are used to manage the financial and legal aspects of film production.

Financing refers to the process of securing funds for film production, including investors, lenders, and grants. In film production accounting, financing costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Fixed Asset refers to a tangible asset that is owned or controlled by the production company, including

equipment, vehicles, and buildings. In film production accounting, fixed assets are typically recorded on the balance sheet and depreciated over their useful life.

Franchise refers to a series of films that are based on a single intellectual property, including characters, stories, and settings. In film production accounting, franchises are used to manage the financial and legal aspects of film production and to maximize revenues and profits.

Gap Financing refers to a of financing that is used to bridge the gap between the cost of film production and the amount of funding available, including investors, lenders, and grants. In film production accounting, gap financing is used to manage the financial risks associated with film production.

General Ledger refers to a book or computer file that contains all of the financial transactions of the production company, including assets, liabilities, equity, revenues, and expenses. In film production accounting, the general ledger is used to manage the financial aspects of film production and to prepare financial statements.

Guarantee refers to a type of contract that obligates one party to pay or perform on behalf of another party, including completion guarantees and payment guarantees. In film production accounting, guarantees are used to manage the financial risks associated with film production and to secure funding for film production.

Intellectual Property refers to creations of the mind, including copyrights, trademarks, patents, and trade secrets. In film production accounting, intellectual property is used to establish ownership of the film and to prevent unauthorized use or exploitation of the film.

International Film Production refers to the process of creating a film in a foreign country, including co-productions and foreign location shooting. In film production accounting, international film production is used to manage the financial and legal aspects of film production in a foreign country.

Investor refers to a person or entity that provides funding for film production, including equity investors and debt investors. In film production accounting, investors are used to secure funding for film production and to manage the financial risks associated with film production.

Location refers to the place where a film is shot, including studios, locations, and sets. In film production accounting, location costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Marketing refers to the process of promoting a film, including trailers, posters, and advertising. In film production accounting, marketing costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Merchandising refers to the process of creating and selling products related to a film, including toys, clothing, and other products. In film production accounting, merchandising costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Negative Cost refers to the cost of producing a film, including production costs, post-production costs, and

other costs associated with film production. In film production accounting, negative costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Option refers to a contract that grants the right to purchase or lease a film or other intellectual property, including scripts, stories, and characters. In film production accounting, options are used to manage the financial and legal aspects of film production and to secure rights to intellectual property.

Overhead refers to the indirect costs associated with film production, including rent, utilities, and other expenses that are not directly related to the production of a film. In film production accounting, overhead costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Payroll refers to the process of paying employees and independent contractors, including salaries, wages, and benefits. In film production accounting, payroll costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Post-Production refers to the process of editing, visual effects, and sound design, including music composition and sound mixing. In film production accounting, post-production costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Pre-Production refers to the process of planning and preparing for film production, including script development, casting, and location scouting. In film production accounting, pre-production costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Production refers to the process of shooting a film, including principal photography and sound recording. In film production accounting, production costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Production Accountant refers to a professional accountant who manages the financial aspects of film production, including budgeting, cost control, and financial reporting. In film production accounting, production accountants are used to manage the financial risks associated with film production and to ensure that the production company is operating efficiently and effectively.

Production Company refers to a business entity that produces films, including corporations, partnerships, and limited liability companies. In film production accounting, production companies are used to manage the financial and legal aspects of film production.

Production Insurance refers to a type of insurance that covers the risk of loss or damage during film production, including equipment insurance, location insurance, and other types of insurance. In film production accounting, production insurance is used to manage the financial risks associated with film production.

Profit Participation refers to a type of contract that grants the right to receive a percentage of the profits from a film, including net profits and gross profits. In film production accounting, profit participation is used to manage the financial aspects of film production and to secure rights to profits from a film.

Release refers to the process of making a film available to the public, including theatrical release, home

video, and streaming. In film production accounting, release costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Residuals refer to the payments made to actors, writers, and directors for their work on a film, including repeat payments and royalties. In film production accounting, residuals are used to manage the financial aspects of film production and to secure rights to intellectual property.

Rights refers to the legal authority to use or exploit a film or other intellectual property, including copyrights, trademarks, and other types of rights. In film production accounting, rights are used to establish ownership of the film and to prevent unauthorized use or exploitation of the film.

Royalties refer to the payments made to creators of a film or other intellectual property, including music royalties and literary royalties. In film production accounting, royalties are used to manage the financial aspects of film production and to secure rights to intellectual property.

Script refers to the written document that outlines the story, characters, and dialogue of a film. In film production accounting, scripts are used to manage the creative aspects of film production and to secure rights to intellectual property.

Sound Design refers to the process of creating and editing the sound elements of a film, including music, sound effects, and dialogue. In film production accounting, sound design costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Special Effects refers to the process of creating and integrating visual effects into a film, including computer-generated imagery and practical effects. In film production accounting, special effects costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Tax Credits refer to a type of tax incentive that reduces the amount of taxes owed by a film production company, including state and federal tax credits. In film production accounting, tax credits are used to manage the financial aspects of film production and to secure funding for film production.

Trade Mark refers to a type of intellectual property right that protects a name, logo, or symbol associated with a film or other product. In film production accounting, trade marks are used to establish ownership of the film and to prevent unauthorized use or exploitation of the film.

Visual Effects refers to the process of creating and integrating visual elements into a film, including computer-generated imagery and practical effects. In film production accounting, visual effects costs are typically expensed as incurred, unless they are capitalized as part of a film project.

Warranty refers to a type of contract that guarantees the quality or performance of a film or other product, including equipment and services. In film production accounting, warranties are used to manage the financial risks associated with film production and to secure rights to intellectual property.

Wrap refers to the process of completing a film project, including post-production, marketing, and distribution. In film production accounting, wrap costs are typically expensed as incurred, unless they are capitalized as part of a film project.