

## HOW TO COMPLETE THE SUMMARY PRODUCTION BUDGET

### a) Why a common template summary budget?

This template has been prepared by a Study Group from the Eurimages Board of Management composed of specialists from the national film funds of several member States with the aim of:

- having a common production budget for co-productions supported by Eurimages,
- addressing the problems raised by the diversity of financial documents,
- allowing a quick global view of a project,
- facilitating comparison between the production budgets submitted to national funds of the member States or at different stages of the project.

Despite the differing accounting and management principles of each member State, this document will increase the quality and transparency of the financial information provided to Eurimages and to national funds.

**At present, use of this template is optional for producers supported by Eurimages.**

### b) General guidelines

The elements indicated in the Eurimages summary budget should comply with the national regulations and legislation applicable to each co-producer (taxation and accounting regulations, eligibility of expenses, capped or limited expenses, etc., set by national public funds or regulatory authorities).

Fees and salaries are inclusive of social charges/fringes or taxes/overtime/extra-days.

Expenses are understood to be without VAT (except when non-recoverable).

Budgets should be presented with a breakdown between producers. The breakdown should be established on the basis of the expenses COVERED by each producer and not on the basis of the PLACE of expenditure (i.e., territoriality of expenses is not taken into account).

All expenses are in euros. Please use the exchange rate published on the Eurimages website during the application process or the exchange rate indicated in the support agreement after its signature.

The Excel file is split into 4 parts:

1) the summary budget itself (1<sup>st</sup> tab)

A	B	C	
1	<b>Production Budget / Eurimages - EUR</b>		
2			
3	Date:		
4	Title:		
5	Ref:		
6	Director:		
7			
8		COUNTRY	
9	<b>1</b>	<b>DEVELOPMENT &amp; ARTISTIC RIGHTS</b>	<b>CO-PRODUCER 1</b> <b>CO-PRO</b>
10	1.1	Concept, script & dialogues	- €
11	1.2	Adaptation rights	- €
12	1.3	Music rights	- €
13	1.4	Other rights acquisition	- €
14	1.5	Other development expenses	- €
15		Sub-Total	- €
16	<b>2</b>	<b>DIRECTION</b>	<b>CO-PRODUCER 1</b> <b>CO-PRO</b>
17	2.1	Director's fees	- €
18	2.2	Other relative costs for Director(s)	- €
19		Sub-Total	- €
20	<b>3</b>	<b>TALENTS</b>	<b>CO-PRODUCER 1</b> <b>CO-PRO</b>
21	3.1	Lead roles	- €
22	3.2	Other Roles	- €
23	3.3	Other artistic team	- €
24	3.4	Other talents expenses	- €
25		Sub-Total	- €
26	<b>4</b>	<b>PRE-PRODUCTION &amp; PRODUCTION</b>	<b>CO-PRODUCER 1</b> <b>CO-PRO</b>
27	4.1	Production crew	- €
28	4.2	Direction crew	- €
29	4.3	Studio, set design and construction	- €
30	4.4	Location Dept.	- €
31	4.5	Property Dept.	- €
32		<b>BudgetSupportAgreement-EUR</b>	<b>In-Kind&amp;Deferrals</b> <b>Limited Expenses</b> <b>Ex</b>

2) the list of in-kind contributions and deferred fees for each co-producer (2nd tab)

List of in-kind contributions and deferred fees as indicated in the financing plan of each co-producer				
CO-PRODUCER 1				
Account Nb in Summary Budget	Description	In-Kind contribution	Deferred fees	Valued amount
		✓	✓	
	<b>Total</b>			- €
CO-PRODUCER 2				
Account Nb in Summary Budget	Description	In-Kind contribution	Deferred fees	Valued amount
		✓	✓	
	<b>Total</b>			- €
BudgetSupportAgreement-EUR <b>In-Kind&amp;Deferrals</b> Limited Expenses Expense				

3) a chart specifying limited expenses which are capped or limited by national legislation, regulations or industry practices

A	B	C	D	E	F	G
1	<b>CO-PRODUCER 1</b>					
2	Limited expenses		Overheads	Producer's fees	Contingency	Others:....
3						
4	<b>Total Production Cost</b>		- €	- €	- €	- €
5	<b>Expenses deducted from total cost:</b>					
6	8.1/8.2	Overheads				
7	9.1/9.2	Producer's fees				
8	10	Contingency				
9	7.3	Completion Bond				
10	7.4	Financial Charges				
11	7.5	Financing fees				
12	7.6	Marketing & promotion				
13	1.5	Other development expenses				
14						
15	<b>A</b>	<b>Total Net Cost</b>	- €	- €	- €	- €
16	<b>B</b>	<b>Regulated Percentage/Amount</b>				
17	<b>C</b>	<b>Calculated amount</b>	- €	- €	- €	- €
18	<b>CO-PRODUCER 2</b>					
19	Limited expenses		Overheads	Producer's fees	Contingency	Others:....
20						
21	<b>Total Production Cost</b>		- €	- €	- €	- €
BudgetSupportAgreement-EUR <b>In-Kind&amp;Deferrals</b> <b>Limited Expenses</b> Expense						

4) a guide “Expenses Classification” on allocating expenses (4th tab) advising how to reprocess expenditure from the detailed production budget into the summary budget.

1 Summary Production Budget - Guideline to allocate expenses	
2	This document is a guide to help filling in the summary budget. It is not a con
3	Its aim is to provide guidance on the allocation of expenses between the diff
4	summary budget.
5	Fees & salaries are inclusive of any social charges/fringes or taxes and overtime/extra
6	Expenses are understood without VAT (except when non recoverable).
7	Expenses which are not disbursed (deferrals, in-kind contribution, internal invoices...)
8	document and their total indicated in line 11.
9	Localisation of expenses is not taken into account.
10	
11	<b>1 DEVELOPMENT &amp; ARTISTIC RIGHTS</b>
12	<b>1.1 Concept, script &amp; dialogues</b>
13	Options agreement (transfer of rights)
14	Story, Synopsis & treatment
15	Script Writer & co-writers (fees and rights)
16	Script Consultant / Script Editor
17	Dialogue writer
18	<b>1.2 Adaptation rights</b>
19	Film rights existing work (book, novel, biography, etc.)
20	Other adaptation rights
21	Literary agent
22	
23	<b>1.3 Music rights</b>
24	Composer (fees and rights)
25	Music rights & clearances
26	
27	<b>1.4 Other rights acquisition</b>

Please be aware that the Eurimages support agreement, final cost certification and any future audits will be based on this summary production budget.

### c) Summary budget and expenses classification

The document “Expenses Classification” is a guide to filling in the summary budget and allocating the expenses to the relevant account. It is not a compulsory detailed budget. Its aim is to provide guidance on the allocation of expenses between the different chapters of the summary budget.

The summary budget is divided into two parts:

- ✓ a **total Cash Budget** (expenses financed by public or private cash investments), and
- ✓ **deferrals and in-kind contributions** (un-cashed/non disbursed expenses). The latter are detailed in a separate chart (2<sup>nd</sup> tab). *See below for more information on this particular point.*

It is possible to add or delete columns depending on the number of co-producers. However, please pay attention to the calculation of totals. It is not possible to add lines or accounts, therefore please refer to the guide “Expenses Classification” if you don’t know where to register an expense.

In the line “Country”, please indicate the two-letter ISO country code.

([https://en.wikipedia.org/wiki/ISO\\_3166-1\\_alpha-2](https://en.wikipedia.org/wiki/ISO_3166-1_alpha-2)).

**Project managers may request a more detailed production budget on a case-by-case basis.**

### c) In-kind contribution and deferrals

The appendix to the Summary Budget called “In-Kind and Deferrals” (2<sup>nd</sup> tab) should indicate per co-producer the list of items which correspond to in-kind contributions or deferred fees. The total of this appendix for each co-producer should correspond to lines 8.2, 9.2 and 11 of the summary budget.

Producer’s overheads and producer’s fees may be split into two accounts 8.1/8.2 and 9.1/9.2 depending on their financing. Deferred overheads and deferred producer’s fee should be registered in accounts 8.2 and 9.2 and the details provided in the appendix “In-Kind and Deferrals”.

Similarly, other deferred fees and in-kind contributions are indicated in line 11 as an aggregate and detailed in the appendix “In-Kind and Deferrals”.

**All deferrals and in-kind contributions should be justified by contractual documents or letters of intent with the corresponding amount and be duly registered in the production company’s accounts.**

Wonderful Productions / DE				
Account No in Summary Budget	Description	In-Kind contributions	Deferred fees	Valued amount
11	Incredible Post-Production Services	✓		54 045 €
9.2	Wonderful Prod. Producer's fee		✓	40 534 €
9.2	Extra Films Producer's fee		✓	55 396 €
8.2	Wonderful Prod. overheads		✓	108 091 €
<b>Total</b>				<b>258 066 €</b>

This chart should be completed for each co-producer. Charts can be copied below each other if necessary.

**d) Limited or capped expenses**

Most national or regional funds have regulations to control or limit certain expenses like producer’s fees, overheads, contingency, marketing and promotion expenses, financing fees, etc.

The appendix to the Summary Budget entitled “Limited expenses” should indicate how these expenses are calculated. Depending on the applicable regulations, some elements of the budget are deducted from the total budget before applying a maximum percentage or a cap. Please check with your national authorities regarding the applicable regulations.

The chart below should be completed for each co-producer. “Overheads”, “Producer’s fees” and “Contingency” are the most common elements that are regulated. These items on line 2 can be modified and columns added if necessary.

The two columns 1 and 2 on the left indicate the elements that are excluded from the total production cost so as to serve as a basis for calculation. At least the element calculated should be excluded (for instance producer’s fee percentage is not applied on producer’s fee). These lines can be modified or lines added if necessary.

In the example below, the national regulations stipulate that overheads cannot represent more than 7% of the total production cost excluding overheads, contingency and development expenses. Producer’s fees are capped at 5% of the total production cost excluding overheads, producer’s fees, contingency, completion bond fee and development expenses. Similarly, the contingency is set at 10% of the total production cost excluding overheads, contingency, financing fees, completion bond fee and development expenses. Also, the regulations limit the marketing and promotion expenses included in the production budget to €100.000 or 3% of the total production cost excluding

overheads, contingency, financing fees, marketing and promotion expenses and completion bond fee. In this example, only the marketing and promotion expenses are above the allowed cap (€80,000 instead of a maximum of €71,705 = 3% x €2,390,160).

	1	2	3	4	5	6	7
1	Wonderful Productions / DE						
2	Limited expenses		Overheads	Producer's fees	Contingency	Others: Marketing & Promotion	Comments
3	Total Production Cost		2 884 459 €	2 884 459 €	2 884 459 €	2 884 459 €	
4	Expenses deducted from total cost:						
5	8.1/8.2	Overheads	163 659 €	163 659 €	163 659 €	163 659 €	
6	9.1/9.2	Producer's fees		105 000 €			
7	10	Contingency	184 640 €	184 640 €	184 640 €	184 640 €	
8	7.3	Interest Charges					
9	7.4	Financing fees			36 000 €	36 000 €	
10	7.5	Marketing & promotion				80 000 €	
11	7.6	Completion Bond		30 000 €	30 000 €	30 000 €	
12	1.5	Other development expenses	169 431 €	169 431 €	169 431 €		
13							
14	A	Total Net Cost	2 366 729 €	2 231 729 €	2 300 729 €	2 390 160 €	
15	B	Regulated Percentage/Amount	7,0%	5,0%	10,0%	3% / max 100.000 €	
16	C	Calculated amount	165 671 €	111 586 €	230 073 €	71 705 €	

e) Some definitions

**Development expenses:** Development money is the total amount to invest in an idea until it can be green lighted and enter pre-production. Development includes story and script development (until an acceptable draft can be presented to the financiers), packaging and financing. Development money can be used to pay the writer while the screenplay is being rewritten, the producer's travel expenses to film markets to arrange pre-sales financing from investors, and location scouting and camera tests. It also covers the cost of administration and overheads until the film is officially in pre-production.

**Deferral/Deferred fee** is a pre-agreed delaying of all or part of a fee (generally for the Producer, Talent or Director) where this deferred fee is being paid out of exploitation receipts rather than from production financing.

An **In-Kind contribution** is a provision of goods, services or facilities which are necessary for the production of the film where these contributions are provided at a significant discount rate, for free, in exchange for deferred payment or as profit participation.

**Producer's fees:** include the fees for (without limitation) Delegate Producer, Executive Producer and Associate Producer and excludes fees for essentially technical roles (like Post-production Producer or Production Manager).

**Overheads:** A total sum of the indirect administrative or executive costs that relate to the management, conduct, or supervision of a business that is not attributable to a particular film. They are not related to direct labour, direct materials or third-party expenses that are billed directly to the film. Expenses such as rent, taxes, insurance, lighting, heating, stationery, utilities, support staff salaries, rent and other miscellaneous office expenses all fall under the overhead category. Authorised overheads are defined in the national regulations (in particular expenses that can be included or excluded from overheads). Usually a maximum percentage of the production cost is set.