TABLE OF CONTENTS

INTRODUCTION

The purpose of any budget is to create a financial plan to execute a specific task, whether budgeting for your monthly living expenses, your vacation, or a major construction project. Film and television production budgets are no different. Every type of filmed entertainment—whether a feature film, reality show, music video, or commercial—has a predetermined budget that takes into account all the elements needed to complete the project, as well as all the costs associated with those elements.

While student productions may not have huge budgets, the key to teaching this course is to use Movie Magic Budgeting 7 software to assist students in organizing a production and learning the production's real costs. It is recommended that students be required to set up "cost accounts" for all the elements in their production, including facilities, equipment, and materials provided by the school.

Budget Organization

The production of a film or television show is essentially a manufacturing process, and productions are organized in a departmental hierarchy. Budgets are, therefore, designed in the same way. Movie Magic Budgeting 7 uses four Levels to organize information.

The first Level is called the **Topsheet**. This is an overall view of the budget that displays the summary costs by department. A department, for example, could be Cast, Construction, or Transportation. Users may add a department or edit the name of an existing one, but data at this Level cannot be manipulated because it is in summary form.

The **Topsheet** is divided into a number of key areas known as Production Levels: **Above-the-Line**, **Below-the-Line Production**, **Below-the-Line Post Production**, and **Other**. Above-the-Line (ATL) is defined as the story and screenplay, the producer accounts, the director accounts, the cast, and all their associated charges, such as travel and fringe benefits.

Below-the-Line comprises all the different departments required to physically make the film, for example, Camera, Sound, Lighting, Transportation, etc. These are divided between production and post-production. The ancillary costs required to make a film are budgeted as Other costs and consist of charges like legal fees, insurance, publicity, and miscellaneous.

MMB ACADEMIC TEMPLATE
Student Name

DIRECTOR:
PRODUCER: LOCATION DAYS:
                                             STAGE DAYS:
SCRIPT DATED: TOTAL SHOOT DAYS:

START DATE: UNIONS:

Acct#	Category Description	Page	Total
1100	STORY & SCREENPLAY	1	$0
1200	PRODUCERS	1	$1,310
1300	DIRECTOR	1	$1,330
1400	CAST	2	$2,863
	Total Above-The-Line		**$5,503**
2100	PRODUCTION STAFF	3	$4,312
2200	BACKGROUND ACTORS	5	$500
2300	PRODUCTION DESIGN	5	$1,604
2400	SET CONSTRUCTION	6	$0
2500	SET DRESSING	6	$3,254
2600	PROPS	8	$8,052
2700	WARDROBE	10	$702
2800	MAKEUP & HAIR	11	$702
3100	SET OPERATIONS	11	$1,404
3200	SET LIGHTING	12	$1,404
3300	CAMERA	13	$6,246
3400	PRODUCTION SOUND	14	$1,404
3500	LOCATIONS	15	$7,702
3600	TRANSPORTATION	16	$5,315
3700	PROD FILM/ DATA MANAGEMENT	17	$0
4100	VISUAL EFFECTS	18	$0
4200	TESTS	18	$0
	Total Below-the-Line Production		**$42,601**
5100	EDITORIAL	18	$0
5200	MUSIC	18	$0
5300	POST PRODUCTION SOUND	19	$0
5400	POST FILM / DATA MANAGEMENT	19	$0
5500	TITLES & OPTICALS	19	$0
	Total Post Production		**$0**
6100	INSURANCE	20	$0
6200	PUBLICITY & MARKETING	20	$0
6300	LEGAL	20	$0
6400	GENERAL	20	$0
	Total Other		**$0**
	Grand Total		**$48,104**

Movie Magic Budgeting   Budget Date

Figure Intro.1 Budget Topsheet Level

The second Level is the **Account Level** that breaks down the department cost by all its component parts. For example, Transportation will have Accounts like Drivers, Gas & Oil, Truck Rentals, etc. Users may add new Accounts and names can be edited, but totals at this Level cannot be manipulated because they are still in summary form.

Acct#	Account Description	Page	Total
3600	**TRANSPORTATION**		
3601	COORDINATOR	15	$0
3602	CAPTAIN	15	$0
3603	DRIVERS	15	$0
3608	SPECIALIST DRIVERS	15	$0
3655	GAS & OIL PURCHASES	15	$0
3656	REPAIRS & MAINTENANCE	15	$0
3657	TOLLS	15	$0
3658	TAXI'S & CAR SERVICES	15	$0
3665	VEHICLE RENTALS	15	$5,315
3667	SELF-DRIVE ALLOWANCE	15	$0
3668	SPECIAL EQUIPMENT RENTALS	15	$0
3685	MISCELLANEOUS	15	$0
3695	LOSS & DAMAGE	15	$0
	Account Total for 3600		**$5,315**

Figure Intro.2 Budget Account Level

The third Level is the **Detail Level**. This is where active budgeting is performed—the area where detailed information regarding units of time, rates, and other information is entered. For example, in the Vehicle Rental Detail Level you would enter the information for each vehicle rented: the amount of time required, the number of vehicles, and the rate per unit of time. The Detail Level is also used for a number of "tagging" functions that will be discussed in later lessons.

Acct#	Description	Amt	Units	X	Rate	Sub T	Total
3600	**TRANSPORTATION**						
3665	VEHICLE RENTALS						
	Cast car						
	Prep	1	Day	1	85	$85	
	Shoot	5	Days	1	85	$425	
	Wrap	1	Day	1	85	$85	
						$595	
	Equipment Cube Truck						
	Prep	2	Days	1	125	$250	
	Shoot	5	Days	1	125	$625	
	Wrap	1	Day	1	125	$125	
						$1,000	
	Art Dept Cube Truck						
	Prep	10	Days	1	125	$1,250	
	Shoot	5	Days	1	125	$625	
	Wrap	5	Days	1	125	$625	
						$2,500	
	Craft Service Van						
	Prep	2	Days	1	90	$180	
	Shoot	5	Days	1	90	$450	
	Wrap	1	Day	1	90	$90	
						$720	
	Allow for other vehicles	1		1	500	$500	
	Total						$5,315
Account Total for 3600							**$5,315**

Figure Intro.3 Budget Detail Level: Vehicle Rentals

The final Level is a worksheet called the **4th Level**. It allows for detailed breakdowns that support line items in the Detail Level and can also be used to cut and paste totals from other documents. For example, Drivers and Vehicles can be detailed in a worksheet by the Transportation Captain, copied into the 4th Level and referenced into the Detail Level from there. This can allow an actual bid or a departmental budget to be compared to the original budget. These are dynamically linked so that a change in the 4th Level worksheet will result in a change in the linked budget Detail account.

NOTE: This functionality will be used more by advanced budgeters and does not have to be used by students.

Figure Intro.4 4th Level Worksheet: Vehicles Bid

Creating a Budget

The person responsible for creating a budget for a film is generally the producer. The producer may engage the services of a production manager, a production accountant, or any number of specialists to assist. For example, visual effects specialists would be consulted to create that portion of a budget for a large-scale visual effects movie.

As with any budget, the process begins with a set of assumptions. The more detailed and accurate the assumptions, the more accurate the budget will be. It's important to understand that budgeting is a dynamic process. The parameters are constantly shifting based on new information. There are generally three phases of budgeting:

        PHASE I – Early planning stages; there may be no funding or schedule
        PHASE II – Budget needs to fit the criteria for "green light" (final approval)
        PHASE III – Preproduction; budget revised as assumptions are tested

For the purposes of the exercises in this Lesson Plan, we will assume the production is in Phase I, as it is first being assembled.

The script is the primary element—the blueprint for the production. The script is broken down in scene-by-scene detail and a shooting schedule is formulated. Sometimes the budget will need to be prepared before the schedule is finished. In that case, assumptions must be made regarding the overall number of shooting days and the time and cost of large production elements, such as set construction, stunts, etc.

Unlike a set of architectural drawings, however, a screenplay is subject to a wide range of interpretation. Following the same blueprint, any number of builders will construct the same building, but no two directors will make the same script into the same movie. This means that the set of assumptions will be very different from one director to another. For the purposes of teaching, we will assume that the budgeter is not only the producer, but also the director and will be responsible for creating those assumptions.

> **PROFESSIONAL POV:** For the reasons outlined, it is critical that the producer becomes very familiar with exactly how the director "sees" the script. This requires many detailed conversations. The role of the producer in this case is to assist the director in finding a way to accomplish their vision, while being mindful of budgeting and scheduling limitations.

Organization of the Lesson Plan

This Lesson Plan is intended to assist teachers in building the curriculum of budgeting. It begins with the breakdown of a six-page screenplay, "ICU" (see Appendix E), and proceeds through the budgeting process, introducing different functionalities of the software application, Movie Magic Budgeting 7, in guided exercises. **Student Assignments** are placed either at the end of a Lesson or throughout the Lesson.

> NOTE: The screenplay "ICU" is recommended, but any script will work. The key to teaching this course successfully is for all students to work on the same screenplay for their first budget. This practice will not only illustrate the discipline of budgeting, but also the art of the process.

After the screenplay is broken down and budgeted, the budget is then revised as production circumstances change.

Throughout the text there are **Budgeting Keys** that point to items that are essential for students to learn, **Teaching Tips** that act as guideposts and suggestions for instructors, and **Professional POVs** to help the students understand how the application is used in real-world situations.

Budgeting concepts, as well as features of the application, are introduced in one lesson, and then revisited over the course of several other lessons to expand students' understanding. Budgeting for film and television requires basic understanding of industry practices, as well as general business practices, so many standard elements are explained as they are introduced. This Lesson Plan is intended to be a rigorous, professional exercise in filmmaking.