

Producing 101 - Low budget feature filmmaking in Canada

An overview

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Introduction

This paper will attempt to cover some of the many issues that a feature film producer will likely encounter in the course of making a low budget feature film in Canada. Some of the issues presented here will also apply to producing short films or documentaries, but this paper is primarily aimed at the Feature film producer.

It is becoming harder and harder to get your feature film made in the "usual way" Canada - new regulations and smaller amount of government funding are forcing Canadian filmmakers to look at every possible source of money to get their film in the can. Hopefully this document will serve to help prospective producers consider some of the pitfalls and challenges involved in making a feature in Canada.

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1. The role of the producer.

The producer, in my humble opinion, is the most important and most exciting position on a film. With great power, however, comes great responsibility; when you take on a project the buck stops at you. It is up to you get the best director, the best writer, the best actors and the best crew for the amount of money you think you can raise. This is just the start however - hiring the best crew member for every position is important. There are no small parts in a film - consider your hiring of crew and people who will work on your film very carefully.

It will be your responsibility to meet and negotiate with these crew and cast members. Your director is not expected to know all of these people and positions - you will need a data base of people and contacts across the board - production, post-production, accounting, publicists - the list never ends. You will be expected to schmooze at all opportunities and sell yourself and the project to anyone who will listen. Do you really want to do this? Not only will you be expected to know all these people or at least find a way to get to know these people, you will have the responsibility of producing a marketable product that is on time and on budget AND you will have to put some of your own money into the project and risk financial ruin. Still want to do it?

You 'da man!

You will be the person that all of your funders will deal with - they will ask you for all of the information and you had better know the answers. These are the people you will have to pitch to, to negotiate with and talk to on a regular basis. The truth is you may not like them all that much - this business is full of egos that constantly bump into each other. But stay the course, swallow your personal asides and deliver on what you promise.

You will be the point person to deal with all of the post-production houses; you will have to negotiate the initial deals and insure the best price. Remember, these are the people you can start a long-term relationship with - they could be the company you use for the rest of your producing career. This will mean better deals and preferential treatment. Canadian companies are just more inclined to help out the local producer.

Hopefully you already have a relationship with a director - someone you believe in and want to work with again. If you have done your job properly you will have brought all the elements together to make a great film. Depending on how structure your company, the producer will likely have the most votes in a corporation. That means you have the final decision about everything involved in a production. Don't be afraid to make demands - particularly if you are unhappy with the potential results - financial and creative. You may have a director whom you are good friends with and you have loved everything he/she has done up to this point, then he/she suddenly demands to have Zombies in your romantic comedy!

Control of the company is not related to profit - you can give away as much slices of profit as you like - perhaps to make good post-production deals or to secure a big name actor - but at the end of the day, you will be making the decision for the company as it will be your financial well being that is at stake. More than a few filmmakers have gone broke trying to get their feature film made - make sure it is your own destiny and not someone's lease that pushes you forward.

First you have to secure that little piece of destiny.

2. The Option and Chain of Title

Securing your option with a writer is your first job as a producer. In many cases you have found a writer who has great script and you see the potential. Make it yours! A script will almost always need some more work before it can be shown around to the funders/distributors - but securing the work and then making provisions for further drafts should be the initial order of business.

You can get the provincial and Federal agencies to *pay* for your option. Telefilm, the various provincial film agencies, the Harold Greenberg Fund and the Arts Councils are all there for development money. Utilize these resources as much as possible. Don't spend your own money if you don't have to. Let others take the risk.

Assuming you have any kind of relationship with your writer you can assure them if you get your development money that they will be paid. Option or Writer's agreements should always have a clause I would recommend sticking to non-union rates. Like much of the union rates in Canada they are *not* designed for the low budget producer. Attempt to come close to the WGC rates - pay writers what they are worth - but be cautious - many writers have agents who want their clients to go union - circumvent that if possible. If the writer doesn't go through their agent they keep more of the money. Make sure you have an agreement that you are very familiar with and can explain it to your writer in plain English. You both want to feel comfortable with what you are doing - contracts should feel like a good safety net, not a restriction.

The option should cover at least two years - and at the very least a year with an option to renew for another year. Development times are taking longer and longer as the competition for funding increases, so 36 months is becoming the new standard. If possible look for a free option if the writer is unproduced - you are both taking a risk. If you have to pay, \$100-\$200 a month is pretty good - but many options run as high as \$5000 to \$10,000 depending on how established the writer is. The option is a payment just to show the script around, the writer is still entitled to writer's fees and purchase fees! Don't feel bad for the writer - they will make out ok.

The option comprises a portion of the Chain of title. It authorizes your company (or corporation) to sell the script and raise money for the eventual production. This is distinctly different for the writer's agreement which sets out parameters for writing new drafts of the script and helps determine the ownership of the script.

This is the first step that you want to involve your lawyer. It is recommended that you set up a corporation at this point. While you can manage these elements through a company you will need to transfer all of these elements at some point anyway. By establishing a corporation, even if it is not the corporation that will ultimately own the film, you protect yourself from lawsuits and serious debt.

That is not to say that the bank won't find ways to get the money out of you if you defaulted on a loan, but you likely could avoid getting personally sued for the 5k light that set BC Place on fire.

You will want to combine the option with a writer's agreement that will set out the payment schedule for further drafts and polishes. This will also set out your eventual purchase price. The purchase price is usually based on the total budget: either a sliding scale price depending on the size of the film, or a simple percentage of the total film. The option amount paid to the writer reduces the eventual purchase price.

Once your option is in place and your writer's agreements are set you can proceed either with development funding or attempt to put a package together for your potential funders. Do not send out a script that you are not 100% happy with! Never rush a script that is 75% finished. You likely only have one chance to have your script read by distributors - do not waste it.

Now get that package ready.

3. The art of packaging - approaching your funders

The package you send to your funders should be the best thing you do a producer period. I cannot stress the importance of this document. It doesn't need to look cool or be full of full colour pictures - but it needs to be concise, easy to read and cover all of your bases.

The team - make sure you have a complete team of producer, director and writer. While it may be possible to proceed without a director I would highly recommend you do not. For the most part the low-budget feature is a writer/director driven product. An auteur product - this places even more emphasis on the remainder of the team. Assuming your writer/director has mad skills, you will need to show that you, as a producer will be able to handle the rigours of low-budget production.

If you are a new producer then ensure you team up with an experienced producer. A broadcaster or distributor may insist that one of their own suggested producers help you in your project. And why produce alone? I have always had a partner at the producer level and frankly it makes the most sense. The producer is the one person who is married to the project for the longest - it helps to have a partner. The producer position is so all-encompassing that it only makes sense to have support. Make sure your partner has skills that compliment your own. If you are a creative producer then team up with a producer who has more production skills.

The package should be up front and not attempt to hide anything. Don't try to gloss over any element that isn't there.

Any package should contain the following elements:

1. A polished script. This doesn't have to be the final, final version... but make damn sure its good enough to show to anyone you can think of.
2. A copy of the director's previous work. If this is a first time director include as much of that director's short film work. Include the one-sheet and other information that would help sell the short- i.e. any awards and festivals.
3. Biographies on the team. In an optimal situation you will have already made overture to a variety of key creatives: not only the director and writer, but also an executive producer, the DOP, the editor, story editors, composers etc. Beyond the Writer, Director and Producer, the other elements are pretty flexible. This is hardly a commitment on the part of the other crew positions - but don't include someone you haven't talked to! This is a small community in Canada. Also its probably wouldn't hurt to include the director and producer's CV's.
4. Your expected budget. Make sure you have budgeted properly for your film. This doesn't need to be exact and budgets usually fluctuate before they lock.
5. A synopsis of the film - a paragraph or two.
6. A format/timeline for the picture. If you are shooting on video or 16mm make that clear. It very hard to shoot a good 35mm feature for under \$750,000 - if you are going to be able to do that, then you need to prove how. A timeline shows that you have thought about the overall schedule for the film. That you have properly budgeted for pre-production, production and post. The time of year you shoot the film will also have a potentially dramatic affect on the look and feel of the film. It is very hard to shoot a summer film in Canada! The funding cycles and lack of crew make it nearly impossible.
7. Director's notes and Visual notes. These must be dead on. If the director's short film does not convey the style he/she wants to bring to the feature then it must be made very clear in these notes. What is the inspiration for this film? Why should anyone give you money for another film about a dysfunctional family? What is the look style and feel of the film? Is it primarily handheld? Lots of underwater shots? Time lapses? etc.

Once your packages are out to all the people you can think of - call within a week to ensure that the packages has been received. Then give it some time. Hope fully you have already prepped your contact with broadcaster/distributor and they are expecting the package. Don't be afraid of these people - it is their job to see new talent and projects. This makes an orderly and accessible package all that more important. You cannot come across as ignorant of all of your elements (even if you are!).

4. Agencies and applications.

Since all of your funders and broadcasters will want nearly the exact same thing you might as well start thinking of the documents you will need. Something you will want is access to a photocopier! I hope you like the sound of that machine because you will be hearing a lot of it. Make a master verions of all your copies and keep that on hand. Invariably the funders loose piece s of information and you need to have them on hand easily and accessibly. Don't complain or whine about why they have lost your corporate profile, just happily fax them over another.

Element that you need to have at the ready (please see attached)

- Schedule - pre-production, production and post-production.
- Budget - in Standard Telefilm format
- Financial Structure - Make sure this includes a breakdown of copyright and ownership.
- Chain of title. Writer's contracts, options and transfer of rights.
- Corporate information - articles of incorporation, shareholders agreements, corporate profile.
- Development agreements. If you have entered into a development agreement you may have certain commitments to that broadcaster. Be aware of these issues - it is up to the producer to be up on these issues.
- Recoupment schedule. Can be complicated by distributors
- Cash Flow. *This is a very good exercise for the producer.* Helps with your estimates for interim financing (see interim financing below).

Lets look at two of the more confusing aspects of the agency applications: the financial structure and recoupment schedule.

Lets look at the financial structure first.

There are a few types of money that can go into a film:

Equity - usually what Telefilm brings to the table. Since you as the producer are responsible for the Tax credits, your tax credit estimation is generally what you bring to the table as equity (remember do not bring private investors to the table without consulting your other partners - it may hurt your tax credits). Equity money is to be repaid and is owed to the partners. It also determines ownership of the project. Equity partners own a part of the film.

Licences - these are what the broadcasters agree to pay you when you deliver the film. They do not have to be repaid and because they are market driven money they do not adversely affect your tax credits. Maximize your licences they are your life blood.

Assistance/Grants - This is free money that you are given up front (mostly) and has no strings attached. While assistance is great it does affect your tax credits negatively. BC Film, Canada Council are examples.

Tax Credits - this is in effect your investment in the film. Because you are responsible for this portion of the financing it becomes your equity in the film. Always estimate your tax credits very conservatively. Your numbers will be checked however and you are only allowed a 10% variance.

Financial structure - Production X

	EQUITY	LICENSE	OTHER	TOTAL	%
No Dist, Low budget FFF					
Telefilm Canada	200,000			200,000	33.3%
British Columbia Film (development)*			15,000	15,000	3%
Canada Council			60,000	60,000	10%
<i>1st Window - Pay TV</i>					
Pay 1		70,000		70,000	12%
Pay 2		40,000		40,000	7%
<i>2nd Window - Cable</i>					
Cable 1		50,000		50,000	9%
Cable 2		50,000		40,000	8%
Provincial Tax Credit	50,000			50,000	9%
Federal Tax Credit	25,000			25,000	4%
Deferrals	50,000			50,000	9%
TOTAL				600,000	100%

This is a standard financial structure. Not so hard is it? This will help you figure out ownership, profit and recoupment schedules.

Recoupment is a little more confusing. The term "pro rata pari-pasu" is thrown around by the agencies. It simply means that equity investors will be returned their money based on the total amount of equity they invest in relation to the other investors. If Telefilm invests 60% of the equity and invest 40%, Telefilm will get \$.60 of each dollar that is made in sale and you will get \$.40.

Look at this example:

Tier	Production X	Telefilm Canada
One	\$125,000	\$200,000
Totals	\$125,000	\$200,000

The total equity in this production is \$325,000. Money that is returned due to sales will be based on a percentage until all of the equity is returned. This is your recoupment schedule. Things get more complicated with distribution and different tiers, but this will suffice for now.

Recoupment:

Equity Investment / Total Equity

Production X: 38%

Telefilm: 62%

Once your equity investment has been paid out then you can begin to rake in the mighty profits.

Profit Participation is based on the total equity plus any grants that you have brought to the table. In the above case there is \$325,00 in equity plus a Canada Council Grant of \$60,000. This is a reward to the producer for bringing additional funds to the table. This brings the total Investment to \$385,000. The agencies usually give an additional bonus by "halving" their profit share.

Profit Participation:

Equity Investment / Total Equity (plus grants)

Telefilm: $\$200,000 / \$385,000 / 2 = 26\%$

Production X : 74% (the remainder)

Finally Copyright Ownership is based on the total budget of the film. Only the equity investors are entitled to a copyright ownership.

Copyright

Equity Investment / Total Budget

Telefilm ; $\$200,000 / \$600,000 = 33.3\%$

Production X : 66.7% (the Remainder)

No you will come across as the smartest producer you know.

5. Interim Financing.

This can be the most complicated part of your process. It's not easy. The first part of this process must be refining your cash flow for your potential interim financiers. Assuming you have a manageable budget you need to look hard at how you will be spending money for the next year. Pre-production expenses such as art department, your PM and Accountant, office deposits and basic craft services are going to have to be covered in those first few weeks. Your first day of principle will also be a big expense day. This is usually the day you need to pay the writer his/her purchase price. You may also have to pay back any development loans from Broadcasters of government agencies.

Sadly you will likely be still in negotiation right up until first day of Principle Photography, and without signed deals no one is going to lend you a cent. Credit cards and lines of credit come in to play at this point. Make sure you have access to a \$20-30,000 until you can close all your deals. Nothing shuts down a production faster than the crew not getting paid. The first week of principle is not as terrifying as the second week - crew gets paid weekly, but usually on the Friday after their first time sheet - your biggest hits will be on the start of PP and the following Friday.

The cash flow can help you understand where your holes are in terms of the run to the finish line. Big expenses such as the on-line and mix of your film are relatively far in the future but you have to ensure you have the money to cover those expenses. If you do not maintain a good relationship with your post-house you will quickly find yourself with a completed film. Make sure you negotiate net 30 days with all of your post-house and suppliers. This is another reason to have good relationships with your suppliers, as they will serve as credit references.

There are two types of feature films shot in Canada - those that have distribution and those that do not. In both cases you will be expected to interim finance any shortfall. If you have a distributor, they will take over your broadcast licences in return for a minimum guarantee. Unfortunately for the producer, the MG is usually much less than the total cost of the broadcast licences - in Canada it has been approximately .50 on the dollar. If you, as the producer, secure \$200,000 in licences from all your hard work and hustling, you will only get \$100,000 from the distributor. The upside is, of course, theatrical distribution. The MG also comes up front and does not need to be financed.

You will also need to finance your Government funding. Since both provincial and federal agencies dole out money according to certain schedules, you will need to finance the later draw downs. Generally speaking Telefilm gives out its equity in 4 blocks:

20% on Signing
40% on First day of Principle
30% on delivery of rough cut
10% on delivery of complete VHS *and* audit

Remember that all of these cheques take time - generally a week to 10 days, and they are very strict about what other elements are to accompany the delivery items. You might have all the information you need to the agency but they will process the cheque as fast as they can and still be there days past when you were supposed to pay your crew. Crews that don't get paid tend to walk off sets and spread nasty rumours about you as a producer. There is nothing more sacred than your reputation - ensure that you can control your cash flow effectively.

The main lenders for feature films are the major banks. They will be happy to loan you money against your licences or agency equity, but they are less happy about lending money on your tax credits. Since the tax

credits take along time and can fluctuate from the original estimate, they tend only to lend against very large tax credit amounts and usually only 80% of the total. That leaves the producer holding 20% of the tax credit bag. Keep this in mind - you may have to defer your own salary to ensure the tax credits are repaid. Most producers do not see the majority of their salary until the tax credits are returned. Its another reason to make sure you make your salary as high as possible - you likely won't see much of it! Rogers Cablefund also lends money to producers seeking interim financing and they lend at a very favourable rate - they only cover broadcast licences though. The tax credits are a sticky situation - you often need them to complete your financing, but at what cost?

6. Crewing Up / Pre-production

The three most important positions you can hire as a producer is your accountant, your Production Manager and your publicist/stills photographer. Interview as many people as you can and CALL their references. I cannot stress enough how important it is to call references. More than a few shows have lost a lot of money and burned a lot of bridges because a crew member seemed great in the interview but became a complete nightmare when it came down to work.

Since cash flow is such an important issue during the production of a feature film it is essential that you get the best accountant. These people are like gold. They should probably be paid the most of any crew member (next to the PM) and they deserve it. Your production accountant will ensure that every dollar is accounted for, make sure all of your pertinent paperwork is in line and all of this amounts to a smooth and easy audit. Why is the audit such a concern? Not only are the last draw downs from many of your agencies dependant on a clean audit, but your tax credits will be based on the audit. As we all know Tax credits play a substantial part of the financial structure in the film. If these are delayed or are incorrect, you could be on the hook for the delays and the difference. Begin your search for good accountant early in your hunt for essential crew. Good accountants get offers all the time - expect to pay between \$1000 and \$3000 a week for your accountant.

Your PM is the problem solver, the crew finder and the dealmaker - an extension of yourself. They must have good interpersonal skills and be able to relate to the crew. They also must be able to say "no" in a nice way. Make sure the PM you hire can bring a lot to the table including a good list of crew they have worked with and potential volunteers who can help in a pinch. An effective PM can help save a production thousands of dollars by pinching here and scrounging there.

Don't think for a minute that because you are a low-budget Canadian production that you will get everything for free. "Free" sometimes means the crappy equipment the rentals house never uses. Suppliers will often try to nail productions for damage that never occurred or damage from previous shows - or rent you faulty equipment then blame you from the damage. Just because you think you are making a really important film that everyone should get on board for doesn't mean that they feel that way. I can assure you that most companies could care less if your story will touch the hearts or change lives - they have rent and overhead to take care of. Your PM should be able to track all of your equipment and get effective reports from the Key Grip and Gaffer of the condition of equipment. Your PM needs to have a sense of the mood of the crew and of their needs. The producer is often the last person to know. Generally the Producer is shielded from the day to day minutiae of the set (as so they should be), so it is vital that you trust your PM to stay on top of the need and problems of the set.

The Publicist is usually hired early on in pre-production. They are a worthwhile addition to any production and do not underestimate the amount of work it requires to call press, follow up on stories and organize your press kit. This is a full time job. While shooting you want get some stories about the production itself - so when you make a big splash at your local film festival you will have those bases covered. The reporter will be able to pull out his/her story, with great interviews from your usually far-flung stars and director (and of course interviews with the vaunted producer) and get you the front cover of whatever publication you need. Assembling the press kit in a digestive manner is the work of professionals - your publicist will be able to pull together all of the elements needed for an effective kit. This will be instrumental in getting the much needed buzz when the film is finally released.

The stills photographer. The number one mistake new producers make is not having enough production and gallery stills. Distributor need as many photographs as you can give them, festivals will require several sets of good quality action and behind the scenes photographs and for that great magazine cover? You guessed it - more stills.

Insurance

Four types of insurance are common. Comprehensive General Liability, Entertainment Package, Errors and Omissions and the Completion Guarantee. With the disaster of 9/11 plus a variety of other insurance disasters throughout the world including a massive asbestos claim in France, insurance rates have gone up substantially. Rates across the board have increased - it is important that you get an insurance agent who understands your needs and will be able to explain all of the issues to you. Preferably someone who has worked in the film industry and can help assess what total amount of insurance you will need.

The Comprehensive General Liability or "G/L" as its commonly known covers issues related to accidents. If one of your crew kills a nice old lady this liability provides insurance for the company and also helps protect any of your funders who would be potentially named in a lawsuit. You will need to ensure that all of the organizations involved in your financing are named in the insurance documents. This generally has a \$10,000 deductible and \$5,000,000 in coverage.

The Entertainment Package covers damage to the equipment you rent. In this case the supplier that you rent from will provide you with a total replacement cost for the cameras, lights, trucks etc. Be advised that some of these suppliers will try to hi-ball the price of their equipment making it more expensive for you to insure - if you see a number that you find hard to believe, feel free to ask the supplier if the numbers are accurate and maybe even check out the price from another source to be sure. It's your dollar - if you have enough to cover the replacement that should be all the insurance you need.

Your Errors and Omissions insurance is required for your broadcasters to cover any issues that may come up because of negligence on the producer's part. This covers individuals or companies suing the production for a variety of misrepresentations or libel. Your broadcaster will require that you have coverage in effect for the entire term of their broadcast window and this will need to be in place before delivery to the broadcaster. Be advised that this can amount to quite a long window that can affect the overall price of the E&O insurance.

Finally the Completion Guarantee is generally required for larger productions. Usually your broadcaster and investors will require a completion Guarantee to be in place before you begin shooting. The guarantor insures that the production will be finished on time and hopefully on budget. They have the power to take control of the entire production if the producer is out of control in his/her cost overruns. The Guarantor will be reading your cost reports and checking in with the producer on a daily basis to ensure the production is moving along smoothly. The Guarantor can be a good friend in terms of the advice - use that relationship to help out with any issues. Be open as possible with your Guarantor as they will likely be able to help out. Hiding problems from your Guarantor will result in your show getting taken away from you. The Guarantee will usually be a percentage of the budget, between 3-5% of the total budget depending on the size and your reputation.

The bottom line with insurance is it is there to protect you against serious problems. But if you need to use your insurance because of your short-sightedness, your career as a producer will probably be over. You will not get insured again and therefore no one will trust you with his or her money again. Make sure you always cover the angles.

Another important set-up that will pay strong dividends is a payroll services company. For a fairly small fee you can have all of your cast and crew cheques taken care of. They deal with income tax issues and make sure your AD's have done their math right. A payroll company can also make your tax credit and audit go very smoothly. For a tiny percentage of the payroll you can feel confident that your cast and crew will be properly paid in a timely manner.

7. Production

What is the role of a producer in a low-budget feature? Depending on how low budget, the producer may be wearing a huge variety of hats - from Location Manager to Craft Service it all depends on what you can afford. Hopefully you are able to hire for all of those positions and be able to stick to being a producer. For the most part you will be splitting your time between the set and the office. You will likely still be securing your financing and ensuring that the money is flowing for the production. If you have hired an effective Production Manager there should be little problem with the day to day running of the set. While on set you should be concentrating on keeping up the spirits of your actors and key crew, ensuring that you are happy with the production look and keeping your legal head about you.

Things you want to be looking for in a legal standpoint are issues related to locations and actors. If an actor has more than 5 lines he/she become a principle - this will cost you more if you are going union. When you are budgeting / breaking down your script - cutting the lines of actors can save you a lot of money - does that actor need to be there? Could they say a line on another day to help save a days wage? Getting the writer to lose one line for an actor can save you \$300 or more - that buys a lot of things on a low budget set. If your actors are all non-union this becomes much less of an issue - but be advised - the actors union is very strong and it will be impossible to get any sort of name to appear in your film if you do not utilize an actor's union.

When filming outside you want to be aware of what is being included in your shot. Your location manager should be getting location agreements with all of the buildings and properties that you shoot an may be included in any part of the shot - but things change while shooting and your director may suddenly want to shoot down that awesome looking alley. The rule of thumb is if the building of recognizable logo is established in any way you must get clearance. If the building is simply in the background and is not an established part of the scene then there is little need to worry. The same goes for filming people in the background. If the people are clearly recognizable and somehow established then they need to sign a right to use likeness. If they are in the distance or not a clear part of the film (particularly if they are not "misrepresented" in anyway) then there is little fear of repercussions.

Here enters the clearance report. An integral part of your Errors and Omissions insurance will be the clearance report. The report covers all the potential concerns related to copyright and similar names. If you have chosen a name for a character that has a very common name you are likely fine - if it is a name that only 3 people in BC have you may have to change it (or get all the people to sign off on the use of their name). This will be a useful guide for your Director and Writer to make nay last minute changes that could become potential legal issues. In the thick of shooting, however, new names or references might enter into dialogue and the producer has to e in top on the ramifications of varying from the script. Your clearance report is an important legal document that your lawyer will use to assure the financing partners that there is no potential lawsuit on the horizon - while it is important that you avoid as many issues as possible, your lawyer can advise you on issues that are somewhere in the middle.

8. Post-production

Having a post-production co-ordinator is a wonderful thing. Post is never as smooth as it should be. A person who is devoted to the issues of post helps take the pressure off the producer. Since the position can often be done in a part time capacity it is usually easier to find someone who can share their work schedule. Post production supervisors are particularly valuable when the show is finished and you need to get all your deliverables ready for your broadcasters and distributor. There are a myriad of technical requirements that may vary from broadcaster to broadcaster and if you are like me, some of these issues go right over my head. You don't want to be delivering a one hour time code beta master to a broadcaster who want 10 hour time code. This gets to the core of Post-production: you need to watch every penny. It's easy for costs to balloon. When a digi-beta recorder goes for a mere \$150 hour or a on-line suite is \$450 hour you need to be prepared and not go into any post-production situation unprepared. If you don't know the answer ask someone who does - or even better - hire someone who does.

In a best case scenario you want to go a post-production house that will supply both you off-line and on-line services. But knowing that off-line editing takes at a minimum 14 weeks for a feature and possibly much, much longer it often makes sense to buy your own system (Final cut pro) and sell the system at the end of the show (remember you cannot have any assets other than the film itself when you go to audit). Always build in some slack into your off-line budget. Make sure there is at least two more weeks of wages and rentals than think you will need for the off-line.

The on-line and colour correction are a very expensive part of the process. This is the deal you really need to work on with the post-production house. Do your research in terms of who is the best on-line editor or colour correction specialist working at a particular company. If you are get a deal, its still important to get the best editor you can. You do not want the newbie editor who is going to cost you time in the suite.

The sound edit and mix are also crucial parts of the post-production puzzle. There is no doubt that the impact of proper sound can effect the whole feel of a film. As a sound effects editor will tell you - if you don't notice the sound then the editors have done their job. Usually you can work a package deal for the entire show.

9. Finish and audit

The audit is where your production accountant will shine. If you require an audit to get your last draw downs from the agencies make sure you have an initial consultation with the accounting firm that will handle your audit. The audit should be a flat fee and part of that fee will be a tax credit estimation from the audit company. This estimation needs to be done as part of the financing stage - it can be a complicated dance as it will be hard to determine how much financing you will have and what your exact budget will be, but a proper estimation from a tax credit specialist will go a long way to the credibility of your financial structure.

If your production and post production accountant have done their job correctly the audit should go fairly smoothly. Your production accountant will have "Start" packs that will have all the required forms for the actors and crew to fill out. Make sure that forms such as BC residency and Canadian Citizenship forms are properly filled out. Invariably you will have to chase down certain people who have not filled out the forms properly - do not let this get away. If they have not declared themselves resident etc. you cannot claim a tax credit on them. In BC the tax labour credit can be as high as 22.5% of their labour (minus a variety of deductions) - a \$50,000 actor can mean a lot of tax credit returned! You can also get an additional 12.5% outside of the zone. This is an area set outside Vancouver - places like Langley and Victoria are definitely outside the zone. But you will add costs like accommodation and less experienced local crew - things to think about.

The returning of the tax credit can take a long time. Make sure you apply for your part "A" almost immediately. Do not forget! Getting your part "B" (which means your project has been approved by the government tax departments) can take a long time. This means usually a year for provincial departments and up to two years for federal.

10. Marketing and distribution

All of your hard work and pre-planning in utilizing the press and ensuring that you have many high quality stills on hand will now pay off in a marketing push. This will help comprise your press package to the various press, distributors, theatres and festivals. The festival will quickly become your number one tool to getting the most out of your film. It is at the festival where you will get your widest exposure on the national and hopefully international market, basically for free! The festival means several types of opportunities:

1. The chance to win festival prizes which can amount to sizeable cash awards and help draw larger press and more laurels to add to your video box.
2. International reviews - most importantly if the film is well received by the press you will likely get a *Variety* review which is a nice feather in the press kit cap and helps raise the exposure for the film: good US press can mean invites from other festivals around the world, increasing your chances for more prizes and awards.
3. The larger festivals tend to have buyers from a variety of distributors who might be interested in buying your film for distribution. Even if you have Canadian distribution, you will be looking for international sales.

In a larger festival it may help to have a sales agent and a publicist. The sales agent or producer's rep will help herd some of the distributors towards your film - ensure they see the print and if they don't, ensure that they see a VHS copy. They will also help broker the deal on behalf of the producer. They will naturally take a percentage of the sale, so it is in their best interest to get a good deal for you. There are not a whole lot of sales agents in Canada - so make sure your entertainment lawyer is close at hand when you are at the festival as you may need to make some frantic calls to them when Miramax offers you the big bucks.

A publicist is also useful at a festival. Every festival has its own press office and communications [person who is partly there to help promote your film to the press - but having that extra voice chanting your films' name into the reviewer's ear helps get the film rally noticed. They can also be useful if you want to throw a party for the film, post festival screening. The publicist can help introduce you and your talent to press and maximize the exposure of the film to potential buyers. They are also another contact person who will likely be at more parties than you and can act as an indirect agent for the film.

Every producer hopes that they can secure a distribution deal early on in the process so they don't have to have that headache after the film is done. The one advantage you can have in not having a distributor is there will be very little meddling with the creative process. You can expect that your equity partners and broadcaster will want to have an influence on direction of the film, but to be sure a distributor makes serious creative demands.

A best case scenario sees you making a great film and selling it for big bucks at a festival... GOOD LUCK!

Online resources

www.womeninfilm.ca

-a good starting organization to join (even for men!)

www.cftpa.ca

-necessary to join for any union shows in Canada

www.bcfilm.bc.ca

-where would we be without them?

www.telefilm.gc.ca

-Canada's very own version of a Hollywood studio..