Carnegie Mellon
HeinzCollege
Master of Entertainment Industry Management

Course Information	PRODUCTION FINANCE 93880 -A4 – SPRING 2024 Mondays and Wednesdays 11:00am – 12:20pm / All classes will be on Zoom Instructor: Andrew Saul Email: asaul@andrew.cmu.edu ______________________________________ Week 1 – Wednesday 3/13 Week 2 – Monday 3/18 and Wed. 3/20 Week 3 – Monday 3/25 and Wed 3/27 Week 4 – Monday 4/1 and Wed 4/3 Week 5 – Monday 4/8 and Wed 4/10 Week 6 – Monday 4/15 and Wed 4/17 Week 7 – Monday 4/22 and Wed 4/24 **Join URL:** https://cmu.zoom.us/j/91393123359?pwd=MytZd3VzUEVsclBXUGd4OHNBdnJtZz09 **Meeting ID:** 913 9312 3359 **Passcode:** See Canvas
Description	This course will provide an in-depth exploration of the financial and accounting aspects of producing filmed content. Students will learn how to manage and report on the financial aspects of producing, as well as understand the financial models and business considerations that underpin content production. Accounting is a foundation to many businesses' enterprises. The Production Accountant position on a film or TV show manages the fiscal affairs and reporting of all production funds. This introductory class will cover accounting concepts and financial reporting with an emphasis to how these principles are applied in the entertainment sector by using ethical decision-making skills. Entertainment accounting examples will be used throughout the class. Topics will include the responsibilities of those in the production office, phases of production, budgeting, payroll, cost forecasting, and a typical day of a production accountant. Students will also have the opportunity to learn about career opportunities in production finance/accounting space and develop their networking and job search strategies. The course will be taught through a combination of lectures, case studies, and practical exercises, providing students with hands-on experience in these financial and accounting areas. By the end of the course, students will have a comprehensive understanding of how to navigate the financial and accounting aspects of production operations. Topics covered in the course include: • The role of finance and accounting in the production process • Accounting principles for production, including chart of accounts, general ledger, and financial statements • Career opportunities in Production Finance and Production Accounting By the end of the course, students will have gained a strong foundation in production finance/accounting and will be equipped with the tools to effectively manage the financial aspects of production.

Learning/Course Objectives*	

Learning Objective	How Assessed
Analyze current trends and challenges facing the entertainment industry	In-class discussion
Communicate effectively with stakeholders in a cross-functional environment	In-class discussion
Develop budgeting and cost estimation techniques for production	In-class discussion
Comprehension of basic accounting concepts, principles, and terminology, including the recording of transactions	Quiz #1
Apply cost accounting functions, financial analysis techniques, and concepts used during production	Quiz #2
Gain an overview of tax incentives and rebates	Quiz #2
Understanding key financial concepts related to production content	Final Exam
Apply financial and accounting knowledge to make strategic business decisions	Final Exam
Determine key performance indicators (KPIs) for measuring the financial success of productions	Final Exam

Evaluation Method

Class Participation	20%
Quiz #1 (Week 5)	20%
Quiz #2 (Week 7)	20%
Final Exam	40%

The focus of the quizzes and tests are as follows:

Quiz 1 will assess the students' understanding of the role of a production accountant and their ability to work effectively with the production team to provide timely and accurate financial reporting to support real-time decision-making. The quiz will also test the students' comprehension of basic accounting concepts, principles, and terminology, including the recording of transactions according to Generally Accepted Accounting Principles (GAAP).
Quiz 2 will evaluate the students' knowledge and ability to apply financial analysis techniques to television production projects, including the interpretation of financial statements and cost reports. The quiz will also assess the students' understanding of the tax credit landscape in the television production industry, including federal and state incentives, and how this knowledge can be used to optimize production financing. Finally, the quiz will test the students' comprehension of the key functions and procedures involved in wrap accounting and how these relate to the effective management of financial operations for television production projects.
For your final exam, you will have the opportunity to apply your understanding of Production Accounting to a real-world scenario. Your task is to demonstrate your knowledge and skills by preparing a concise paper that assesses the current state of the production's budget and recommends strategies to remain within budget/cost report for the remainder of the production. Your paper should be <u>no longer than four pages, double-spaced</u>. By successfully completing this exam, you will have demonstrated your ability to apply Production Accounting concepts to a real-world scenario, and to provide effective recommendations for managing the production's budget. Good luck!

Absences/Tardy/ Zoom Video:

Even though this class is conducted via Zoom, attendance is required and will be factored into your class participation grade. To be marked as present, students must have their video turned on during the full duration of the class session; failure to display video will be considered an absence. If you know you will be late or absent, please inform me in advance via email (see above). Please note that each unexcused absence, lateness, or early departure from class, or failure to have your video on, may result in a reduction of a letter grade in your participation score. Therefore, it is important to attend all classes, be on time, and have your video on to ensure full participation.

Course Materials

There will be no required text, but I will share some readings throughout the semester.

Class Participation Rubric

Grading for Class Participation

As participation is a major factor in the grading of this class, I'm including a rubric for how I will be grading. Again, if you read the assigned articles and contribute in class you should be fine.

	A Grade	**B Grade**	**C Grade**	**D/R Grade**
Frequency and Quality	Attends class regularly and *always contributes* to the discussion by raising thoughtful questions, analyzing relevant issues, building on others' ideas, synthesizing across readings and discussions, expanding the class' perspective, and appropriately challenging assumptions and perspectives	Attends class regularly and *sometimes contributes* to the discussion in the aforemention ed ways.	Attends class regularly but *rarely contributes* to the discussion in the aforementio ned ways.	Attends class regularly but *never contributes* to the discussion in the aforementio ned ways.

Please see section on "Absences/Tardy" for information on how absences or tardiness may affect your class participation grade.

Grading Scale*

A+	99.0-100%	Exceptional
A	94.0-98.9%	Excellent
A-	91.0-93.9%	Very Good
B+	88.0-90.9%	Good
B	84.0-87.9%	Acceptable
B-	81.0-83.9%	Fair
C+	78.0-80.9%	Poor
C	74.0-77.9%	Very Poor
C-	71.0-73.9%	Minimum Passing

Course/Topical Outline	

Week 1: Introduction to TV Production Finance

Topic	Overview • Introduction to TV Production Accounting • Key Terminologies in TV Production Accounting • Key vendors in TV Production Accounting and Production Finance

Week 2: Production Accounting 101

Topic	Role of the Production Accountant and Pre-Production • Responsibilities of the Production Accounting Department • Double Entry Accounting • System Infrastructure • Pre-Production Accounting • Production Documentation • Budgeting Basics • Cash Flow

Week 3: Production Accounting Systems

Topic	Accounting During Production and Concepts • Purchase Orders • Vendor Management • Invoices/AP • Check Requisitions • Petty Cash/PC Advances/P-Cards • Payroll • Journal Entries • Bank Reconciliation

Week 4: Reporting

Topic	Cost Reporting and Forecasting • Overview of Cost Reporting and Forecasting • Cost Control Strategies • Cost Reporting best practices • Budget vs. Actuals • KPI's and Metrics Post Production & Wrap Accounting • Financial Statements • Post-Production Accounting • Risk Management / Insurance Claims • Auditing and Reconciliation • Project Closeout and Final Accounting • Archive and Documentation

Week 5: Credits and Incentives	
Topic	<u>Industry Tax Incentives & Guest Speaker</u> • Overview of tax incentives and rebates • Types of incentives and rebates • Tagging requirements • Eligibility requirements • Monetization • Case studies • Production Incentive Audit / AUP

Week 6: Industry Overview and Studio Production Finance	
Topic	<u>Emerging Trends & Technology & Studio Production Finance</u> • Emerging Trends and Technologies in TV Production Accounting • Green Production and Sustainability • Hiring and recruiting • Future of TV Production Accounting • Global Production <u>Studio Production Finance 101</u> • Contracts and Agreements (Deal Types) • Development & Overall Deals • Co-Productions • Production Ultimates (Amortization)

Week 7: Career Insights	
Topic	<u>Career Opportunities & Guest Speaker</u> • Overview of career opportunities in TV production finance • Skills and qualifications required • Networking and job search strategies • Recap of key topics and takeaways • Additional resources for students

Plagiarism and cheating notice*	Plagiarism and other forms of academic misrepresentation are viewed as extremely serious matters. Misrepresentation of another's work as one's own is widely recognized as among the most serious violations. The violation is clearly flagrant when it occurs as plagiarism on a required paper or as cheating on an examination, including take-home as well as in-class examinations. The punishment for such offenses can involve expulsion from the MEIM Program and Heinz School. Cheating includes but is not limited to: 1. Plagiarism (explained below); 2. Submission of work that is not the student's own; 3. Submission or use of falsified data; 4. Unauthorized access to an exam or assignment; 5. Use of a stand-in for an exam; 6. Use of unauthorized material in the preparation of an assignment or during an examination; 7. Supplying or communicating unauthorized information to another student for use in an assignment or exam;

	8. Unauthorized collaboration on an assignment. Collaboration must be explicitly permitted by an instructor for it to be considered authorized. 9. Submission of the same work for credit in more than one course. Plagiarism is the failure to indicate the source of work either with quotation marks or footnotes. The source can be a phrase, a graphic element, a proof, specific language, or an idea derived from the work of another person. Note that material on the web is another person's work and is therefore equally subject to the rules on plagiarism and cheating as any other source material. Cheating and/or plagiarism on an essay assignment will result in a failing grade (0 points) for that assignment. The essay in which the cheating occurs will not be excluded from the offending student's assignments included in grade calculations; the points for that essay zero (0) will be factored into the grade. Furthermore, the cheating student's final grade will be reduced one full letter grade. A cheating student's final grade will be impacted significantly. In addition, cases of cheating and plagiarism will be submitted to and reviewed by the Dean's Office; more severe penalties may be imposed, up to and including expulsion from the Heinz School. Academic Dishonesty: Students are expected to maintain the highest ethical standards inside and outside the classroom. Cheating on exams and term papers (i.e., plagiarism and unauthorized collaboration) is obviously discouraged and will be treated appropriately. The usual penalty for violations is a failing grade for the particular assignment in question; however, in some instances, such actions may result in a failing grade for the course.
Artificial Intelligence Policy:	In the context of evolving educational tools, the use of generative AI is permitted in this class. You are welcome to use generative AI programs such as ChatGPT or DALL-E, etc. **Suggested uses include:** • Brainstorm new ideas • Develop example outlines or approaches to your work • Research topics, or generate different ways to talk about a problem **You may not use AI to:** • Generate content that you cut and paste into an assignment with a written component without quotations and a citation • Generate content that is not adequately paraphrased without a citation • Generate bibliographies for topics that you haven't researched yourself • Generate other content (images, video, others) unless expressly permitted and following provided guidance. • Otherwise use or present generative AI content that you pass off as your own work, when really it is not **If you use AI:** • You must acknowledge, disclose and detail the use of AI tools within your work including AI prompts. • You should recognize that large language models often provide incorrect information, fake citations, contradictory statements or incorporate plagiarized materials