

# Federation of Victorian Film Societies Inc

## INFORMATION SHEET 14 Version 4



### OTHER FAQ

This is a series of FAQ on a variety of issues, many of which have been published in ReelNews since issue number 75.

FAQ dealing with DVD and rights issues can be found in Information Sheet 13.

**Q1: What is a depreciation account and do I need one? (Added Mar 2007)**

A: A depreciation account is simply an account where you save a given amount per year to allow for equipment replacement. It may be a separate account or an earmarked amount in your normal account. Theoretically it should grow each year by the value of your equipment divided by its expected lifetime so that when it eventually has to be replaced your depreciation account can afford the cost of new equipment.

**Q2: Why can't I charge for single admission to a film society screening? (Mar 2007)**

A: A film society that screens in a public venue is operating in a non-theatrical environment. Film societies are defined as non-profitmaking organizations which screen to financial members of the film society. The appropriate screening rights in this case are the non-theatrical screening rights that either come with the hire of the film or DVD or have been negotiated separately. Single paid admission to a screening makes it a theatrical screening where rights payments are generally more expensive or determined as a percentage of the total door sales.

**Q3: Do I have to call my organization a film society? (Mar 2007)**

A: No. To be a member of the FVFS your organization needs to behave in accordance with rules laid down for film societies, but what you call yourself is irrelevant. In fact many groups prefer to call themselves film groups, film clubs, film festivals or something else much more "upmarket".

**Q4: What is a non-theatrical screening? (Nov 2006)**

A. A non-theatrical screening is where a film or DVD is screened to members of a club or film society for which the distributor generally agrees to a reasonable fixed price for the screening. In contrast, a commercial cinema which charges for admission generally pays the film distributor an amount based on a % of the sales.

**Q5: Can the FVFS please publicise my film society? (July 2006)**

A: The FVFS is pleased to promote each and every film society and their activities at any time through ReelNews. Just post your newsletter or notices to the secretary at PO Box 125 Mitcham Vic 3132 (Note change of address) or email to us.

Note that since Jan 2007 the FVFS has offered to place member film societies' annual programs (or a link to their website) on the FVFS website. Just email a Word or PDF version of the program to [admin@fvfs.org.au](mailto:admin@fvfs.org.au)

**Q6: Can I change my FVFS Public Liability insurance cover mid-year? (July 2006)**

A: The public liability policy arranged through the FVFS runs for 12 months from 1 July each year. You may make changes to your society's cover under this insurance policy without penalty at renewal time. Changes made mid term will be charged a pro-rata rate plus an additional amount to cover broker fees.

**Q7: Is my film society automatically covered for public liability insurance when I join the FVFS? (July 2006)**

A: No. Public liability and general insurance cover is an optional extra available to financial members of the FVFS. The society is however automatically covered by film loss and damage

insurance from the moment they become financial members, which covers the cost of replacing or repairing a film or DVD that is lost in transit or when with the film society. For more information email [admin@fvfs.org.au](mailto:admin@fvfs.org.au) or call 9874 5270.

**Q8: Is my film society covered by public liability insurance if the venue operator has insurance cover? (July 2006)**

A: Not necessarily. Any insurance cover carried by the venue operator will cover them for accidents or loss caused by anything for which they are responsible, such as carpets, fittings, chairs, lighting etc. This insurance is not likely to cover the hirer for liability in relation to accidents caused by members, crowd control, hot water, cables, equipment brought in etc. If in doubt check with your venue operator.

**Q9: What is incorporation and how does it relate to public liability insurance? (July 2006)**

A: Being incorporated means that should the society be sued for any reason, liability is limited to the society as an entity. The individual members and committee are protected. Public liability insurance protects the assets of the society in the event that they are sued and have to pay damages.

**Q10. Can I advertise the films to be screened at the society? (June 2007)**

A. Yes, but with some qualification.

Many film societies find it worthwhile notifying the local papers and radio stations of upcoming films at the film society but societies should ensure that any announcements should promote the society and clearly state that memberships are available at the screening and to ring for details about membership. You should not give the impression that tickets can be bought at the door for individual screenings.

The reason for these rules is that the condition of hiring 16mm films and payment of DVD screening rights is conditional on non-theatrical screenings. ie to members of a film society.

You may admit visitors, because you need to allow potential members to “come and try it” but they should not be charged individual admission and should be limited to three visits in any one year.

Where a film society wishes to charge single admission, for example as a fund-raiser or as part of a film festival, they should first contact the distributor or rights holder for permission and/or for a revised charge for a theatrical screening.

**Q11. Can I promote my film society? (June 2007)**

A. Yes, most certainly. Not only may you promote your film society but in most cases you must promote yourselves to survive.

The FVFS has held several promotion workshops over the years and there are several messages that emerge from them all.

When you promote the society emphasise the membership, fellowship, quality films and the social aspect of the film society.

You may mention film titles and use them in your promotion to attract interest but at all times focus on membership with the society.

Your best promotion is word-of-mouth, so prepare an attractive annual calendar of films and a leaflet highlighting the advantages of joining, and make plenty of copies available to members to pass on to friends, as well as supplying copious quantities to local libraries, shops etc.

**Q12. As a “Not-for-profit” organization I find it very difficult to survive if I can’t make a profit to protect against future expenses. (Mar 2008)**

A. A “Not-for-profit” organization, as all FVFS members are defined, are not prohibited from making a reasonable profit. It is what you do with any profit (or surplus) that is important. Basically, any profits must be used to further the aims of the organization. You are not permitted to pass it on to members or “shareholders” in the form of distribution or payment (except to cover legitimate expenses).

Any business – even a not-for profit organization – should budget for a small profit each year. It is good practice to build up reserves or put aside an “equipment” fund for future expansion or unforeseen expenses (a depreciation account). The exception is where the business has enough already in reserve. The choice of what is an adequate reserve depends on the business and future plans.

**Q13. What do I do if I have a dispute with a DVD or film supplier? (July 2009)**

A. Check out FEDCAT (Film Exhibition and Distribution Code Administration Committee) who have a website at [www.filmcode.info](http://www.filmcode.info). This website explains your rights and procedures to follow if you have a dispute.

“The rules allow an independent person from the secretariat or, where appropriate, the Code Conciliator to take up the complaint in the initial stages with no cost to the Code signatory making the complaint.”

See their information sheet on [www.filmcode.info/IB\\_1\\_01.doc](http://www.filmcode.info/IB_1_01.doc)

**Q13 What computer financial package does FVFS recommend to manage the affairs of the film society? I am not very computer literate but feel we should have a good computer financial package to manage our finances.**

A. The FVFS places no constraints on you as how you conduct your accounts, although you will need to satisfy your auditor and/or members that they are accurate.

It is not worth while using a specialized accounting package because a/ they can be far too complex for your needs and b/ they constrain future treasurers to use the same.

The FVFS treasurer uses a combination of the old-fashioned paper account book for day-to-day entries and a monthly summary in Excel. The book is a Collins A24 series analysis book, 12 money columns, costing only a few dollars and a new one is started each year. The first two columns are cheque/bank and cash but the entry is repeated in a second column depending on category of expenditure/income. Income and Expenditure are on separate pages.

A petty cash book is used for tracking petty cash. It is just a small (A6 size) notebook ruled into columns for Date, Item, receipt (Y/N), In amount, Out amount and Running total.

All computer files should be backed up every so often – not just account files. The advantage of the paper files is they don't need backup.

Don't forget that when you are dealing with cash expenditure you must keep bills and receipts – even if the bill is simply from a committee member for expenses incurred.

The monthly Excel sheet can show all income and expenses for the month, and the current account balances. At the end of the year these can easily be combined into a single spreadsheet splitting income and expenditure into separate categories and showing sub-totals and totals. It is then easy to prepare the annual report using these totals.

For further information, or to lodge a question of your own [admin@fvfs.org.au](mailto:admin@fvfs.org.au)