**‘Dos’ and ‘Don’ts’ for Post, Digital & Visual Effects Offset & Location Offset applicants**

**Do…**

**Before production starts:**

* If you can, hire an experienced production accountant and use industry-specific software to track your expenditure during production and/or post-production. Make sure you also keep a backup for your expenditure.
* Read and re-read the [Guidelines](https://www.arts.gov.au/funding-and-support/tax-rebates-film-and-television-producers) . Feel free to reach out to the Office for the Arts if you need anything clarified. You can contact the Screen Incentives Team on 02 6271 1543 or by email at [filmenquiries@arts.gov.au](mailto:filmenquiries@arts.gov.au).
* Seek out tax advice on the best company structure for your project – is a Special Purpose Vehicle (SPV) right for you?
* Have all contracts and agreements in place with the applicant company.
* Make sure the applicant company is incurring the costs that are potentially Qualifying Australian Production Expenditure.
* Accurately record all expenditure incurred and all transactions.

**During production:**

* Make sure that your general ledger has sufficient detail to speed up the review process. In particular, make sure you include the following:
  + Dates for hire/service periods.
  + Names and positions of individual.
  + Weekly rates (not just lump sum amounts).
  + Destinations and to-and-from dates for travel.
* Make sure that all above-the-line contracts match your actual expenditure and include dates and details of services provided. If there are any changes, make sure you have amendments in place.
* If your application includes interested party expenditure, make sure you include specific details in your general ledger and have all of the relevant contracting in place. You may be required to provide benchmarking and third-party quotes for interested-party expenditure.
* Make sure that all expenditure you intend to claim as QAPE (Qualifying Australian Production Expenditure) was incurred by the applicant company. The Office for the Arts needs to see evidence that there was a liability to pay for the applicant company.
  + If you need to change the applicant company during the QAPE period, make sure this happens before the final item of QAPE. You should also keep a record of the company transfer, including all of the transactions you wish to claim as QAPE being transferred to the new applicant company.

**When drafting your application:**

* Include the correct contact person on the application form. The Office for the Arts can only contact the people listed in the application form about matters related to the application. You can include up to two people in the application form – if you would like to include additional contacts, you can notify the Office for the Arts by email.
* For provisional applications, streamline the assessment process by providing only the budget that you want the Office for the Arts to look at. For example, if you are submitting a provisional application under the PDV Offset, only submit your PDV QAPE budget rather than the whole general ledger workbook.
  + Note: If you’ve used Screen Australia’s A-Z Budget template, make sure you’ve adjusted it for the relevant offset. In particular, if you’re claiming general business overheads, make sure you’ve used the correct rate in your calculations!
    - For the PDV and Location Offsets, applicants can claim genuinely incurred overheads at a rate of 2 per cent of the total production expenditure up to $500,000.
* Clearly title all documents – this includes budgets, invoices, contracts and any other relevant materials. The easier your application is to navigate, the
* Remember the Location and PDV Offsets are administered by the Department under Division 376 of the [Income Tax Assessment Act 1997](https://www.legislation.gov.au/Details/C2022C00055/Html/Volume_7#_Toc94868448), the [PDV Offset Rules 2018](https://www.legislation.gov.au/Details/F2018L00114) and the [Location Offset Rules 2018](https://www.legislation.gov.au/Details/F2018L00115)  (the Rules). The Office for the Arts has a legal obligation to ensure that applications meet the requirements of the legislation.
* Contact the Department on 02 6271 1543 or filmenquiries@arts.gov.au if there are any special circumstances that may inform your assessment.

**Don’t…**

* Don’t submit an incomplete application. If you’re unsure about something or need some guidance, the Department is happy to assist. You can contact the Screen Incentives Team on 02 6271 1543 or by email at [filmenquiries@arts.gov.au](mailto:filmenquiries@arts.gov.au).
* Don’t assume assessment timeframes are the same for every application. Depending on the complexity and completeness of each application, an external assessor may need extra time to review an application. We always endeavour to process your application as quickly as possible, but there are lots of factors that impact assessment timeframes.
* Don’t forget to check your QAPE dates! Don’t submit an application with mismatching dates or QAPE spreadsheets that don’t match cost reports. Check and recheck the application before you submit.
  + Note: For certain applications under the PDV Offset where there are only a few vendors, the first QAPE date is the date the VFX contract is executed (that is, the contract between the applicant company and the digital effects supplier).
  + If the first invoice is issued before the VFX agreement is executed, then the first QAPE date is the date the first invoice was issued. On a case-by-case basis, other documentation may be considered to demonstrate the date in which a legal liability to pay is in place.