



SUPPORTING  
INFORMATION:

LIVE TELEVISION VIDEOTAPE  
SUPPLEMENTAL MARKETS FUND (LTVF)  
RESIDUAL CALCULATION FORM

*Step-by-Step Guide for Terms and Calculations used in the Live Television Videotape  
Supplemental Markets Fund (LTVF) Residual Calculation Form*

Please follow the instructions below. If you need any assistance or further clarification on any of the terms, applicable rates or deductions, please reference the AFM Television Videotape Agreement at [https://www.fmsmf.org/PDFs/TV\\_Videotape\\_Agreement-2013-2016-revision-11\\_6\\_13.pdf](https://www.fmsmf.org/PDFs/TV_Videotape_Agreement-2013-2016-revision-11_6_13.pdf). You can also call us at 818-755-7777 Ext. 804 or email at [jcope@fmsmf.org](mailto:jcope@fmsmf.org) for assistance.

Columns A through E3 on the Residuals Calculation Summary table correspond to the residuals payments to be sent to the Live Television Videotape Supplemental Markets Fund (LTVF) for programs/series produced under the AFM's Television Videotape Agreement, such as variety shows, talk shows, game shows, etc.

For each market column on the Residuals Form Summary Sheet, there is a tab for a corresponding market worksheet that will automatically populate the Summary Sheet. When filling out the various market tab worksheets, please be sure to include the production number, episode title, episode number (if applicable), and the requested information in Columns I and II. The calculations in Column III will update automatically.

### **Section A:** **Supplemental Markets Defined**

**Definition of Supplemental Markets:** Under the AFM's Television Videotape Agreement, the term "Supplemental Markets," means the exhibition of a television program on a secondary market:

1. **Home Video** - Such as DVD/Blu-Ray or Cassettes
2. **Basic Cable Television** – Such as TBS, TNT, SyFy or similar channels
3. **Pay Television** – Such as HBO, Showtime, Starz
4. **In-flight** – Programs shown on commercial carriers such as airplanes, trains, buses
5. **New Media** – Includes subscription streaming services, paid downloads, ringtone, and in some cases, free to consumer ad-supported streaming.

### **Section B:** **What are Distributor's Gross Receipts?**

**Distributor's Gross Receipts** – means the absolute gross income received by all Distributors from licensing the program(s) in supplemental markets. It does not include the income received at the retail level by the "purchaser" or the "licensee" from consumers or advertisers. The term "Distributor" can mean the Producer if the producer also acts as a distributor for Supplemental Market exhibition. If the Producer itself acts as both Distributor and Retailer, a reasonable allocation of the retail gross receipts is made as between the Producer as Distributor and the Producer as Retailer, and only receipts received by the Producer in its role as a Distributor are considered Distributor's Gross Receipts.

- Distributor's gross receipts do not include:
  - A. Sums realized or held by way of deposit as security, until and unless earned, other than such sums as are non-refundable;
  - B. Rebates, credits or repayments for cassettes returned (and in this connection the Producer shall have the right to set up a reasonable reserve for returns);
  - C. Sums required to be paid or withheld as taxes, in the nature of turnover taxes, sales taxes or similar taxes based on the actual receipts of such program or on any moneys to be remitted to or by the

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Producer or such other Distributor. But there is no exclusion from Distributor's gross receipts for any net income tax, franchise tax or excess profit tax or similar tax payable by the Producer or such Distributor on its net income or for the privilege of doing business;

- D. Frozen foreign currency until the Producer has either the right to freely use such foreign currency, or Producer or Distributor has the right to transmit to the United States to Producer or Distributor such foreign currency from the country or territory where it is frozen. If such currency may be utilized or transmitted as described, it is considered to have been converted to United States dollars at the rate of exchange at which such currency was actually transmitted to the United States, or if not actually transmitted, then at the prevailing free market rate of exchange at the time such right to use or to transmit occurs.
- E. Frozen foreign currency is considered unblocked on the basis of "first in, first out," unless otherwise allocated by local foreign fiscal authorities. Allocation of such unblocked funds as between revenue which serves as the basis of determining payments hereunder and other revenue, shall be on a proportional basis, subject to different earmarking by local foreign fiscal authorities.
- F. Receipts attributable to distribution for educational use.