# 8. Additional Process

## 8.1 Wrong Delivery

In the case of a wrong delivery, simply issue the return advice for the entire delivery. When the stock is returned, just proceed to receive and return to stock.

## 8.2 Return all Items

Returning of all items would exactly be the same as above, except for the checking the condition of the returns.

## 8.3 Generate Remainder Email

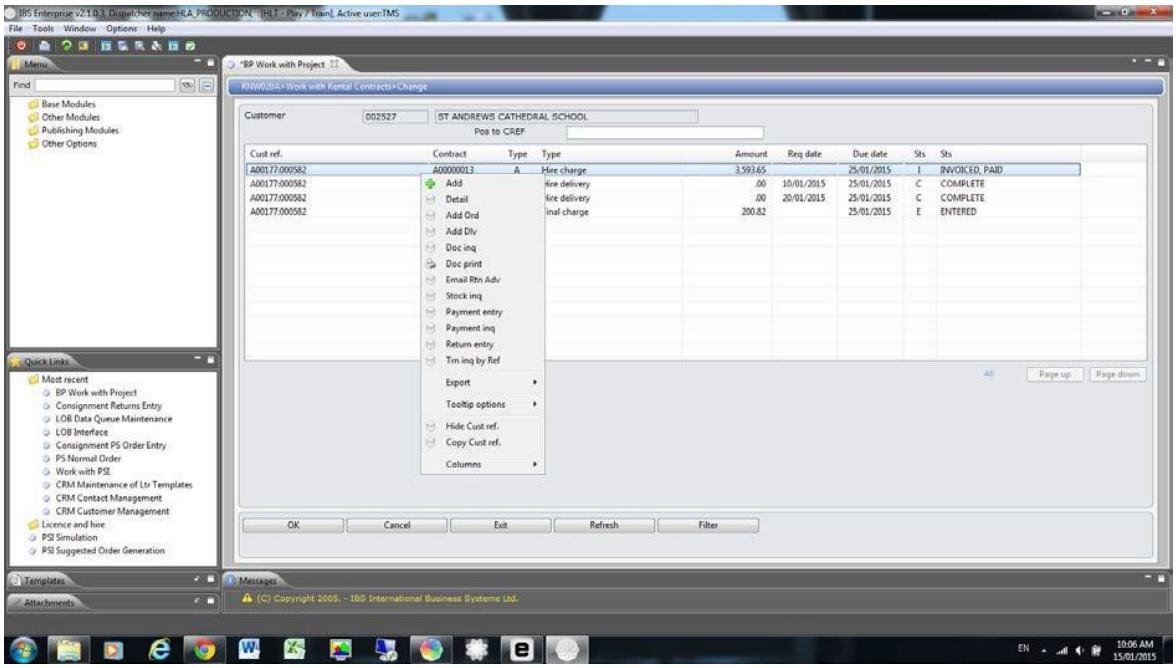
Refer to Section 3.8 where chase e-mails are documented. It has details of setup and the rules by which the logic works. It is also important for the trigger mechanism for the first instance of the chase and the follow up chase notifications.

Also the templates for the chase letters have to be developed in the CRM system and be available for use.

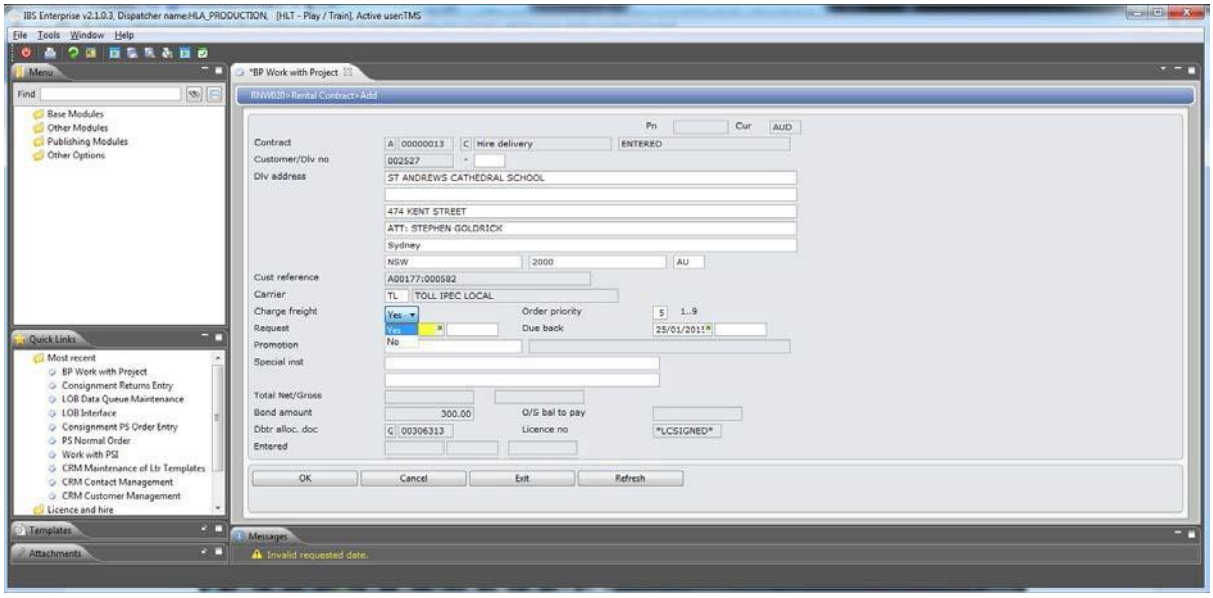
## 8.4 Additional Order Logic

2=add order

In the case of an additional order that is requested after the main order has submitted and process, the user would request this additional order via the rental contracts screen. There are 2 possible options as indicated below. When selecting against the rental contract you have the options Add Ord (Add order) and Add Dlv (Add delivery). The Add Order option would create a 'B' document indicating the additional Order. This is where the charge items are added for billing purposes.



If this additional order is due to a mis-pick delivery and you wish to mark the delivery not to not charge freight because of the mis-pick, you can flag the header to disregard freight as shown below.

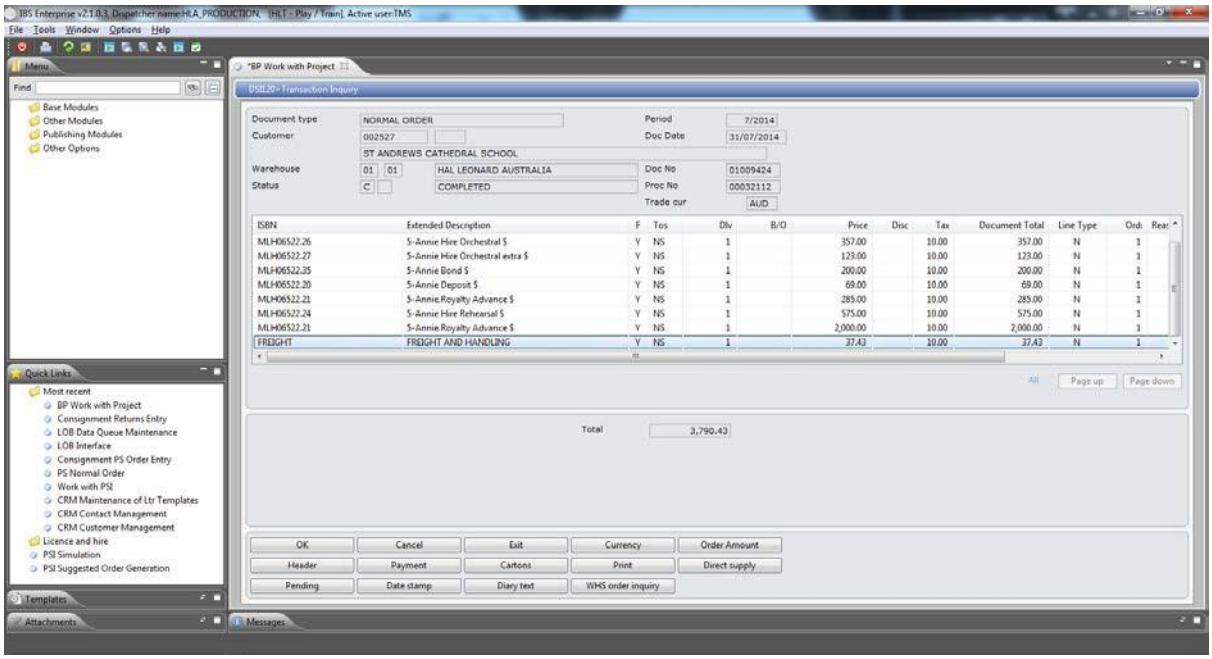



3= add delivery

In the case of additional deliveries, you take the Add Dlv (Add delivery) option and this would generate the additional ‘C’ documents. You could add as many ‘C’ documents and it would follow the same logic as previously in releasing and dispatching the goods. Additional advances have to be added to the royalty contract if required and processed.

## 8.5 Review Freight Entry and Calculation

It was agreed that freight would added to the ‘A’ document and charged. It is part of the calculation process to do this. Therefore it is preferred that the contents of the ‘C’ documents are maintained before the invoice is generated for the ‘A’ document. When viewing the document linked to the ‘A’ document you would see the Freight that is calculated automatically.




Automated

You can leave it and system would generate the freight amount automatically using the Freight routine.

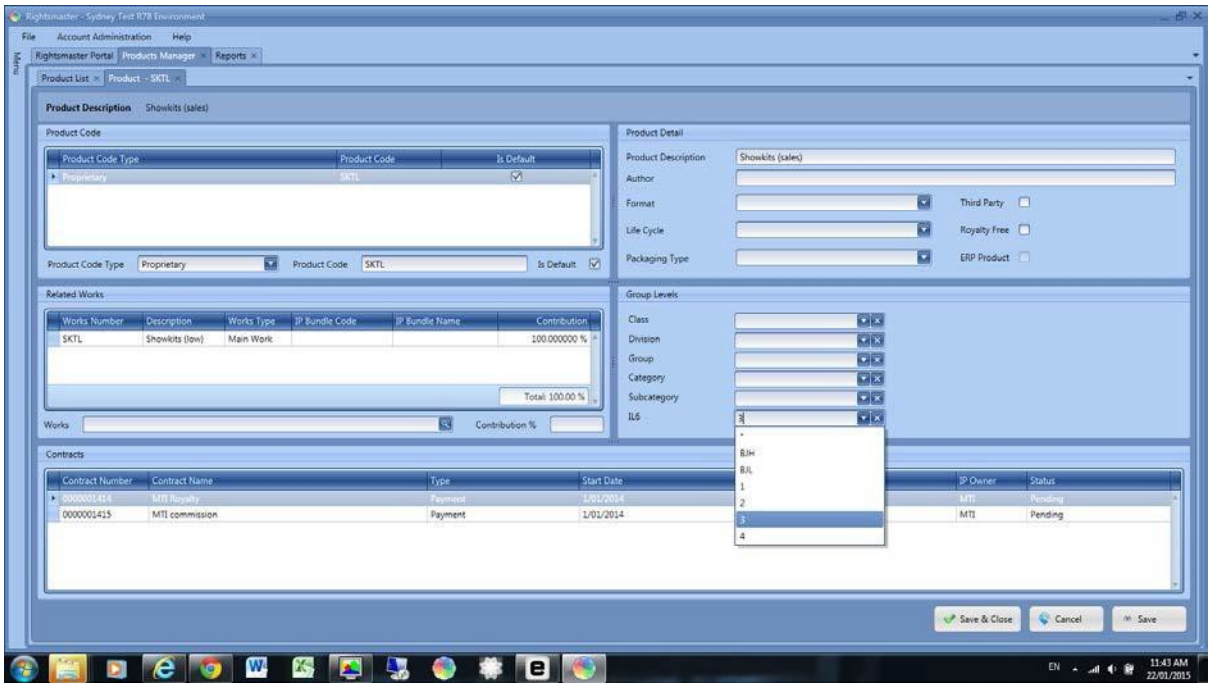
Manual options

However if you wish to specify a set amount for the freight, then you could simply override the amount and the automatic option would not be calculated.

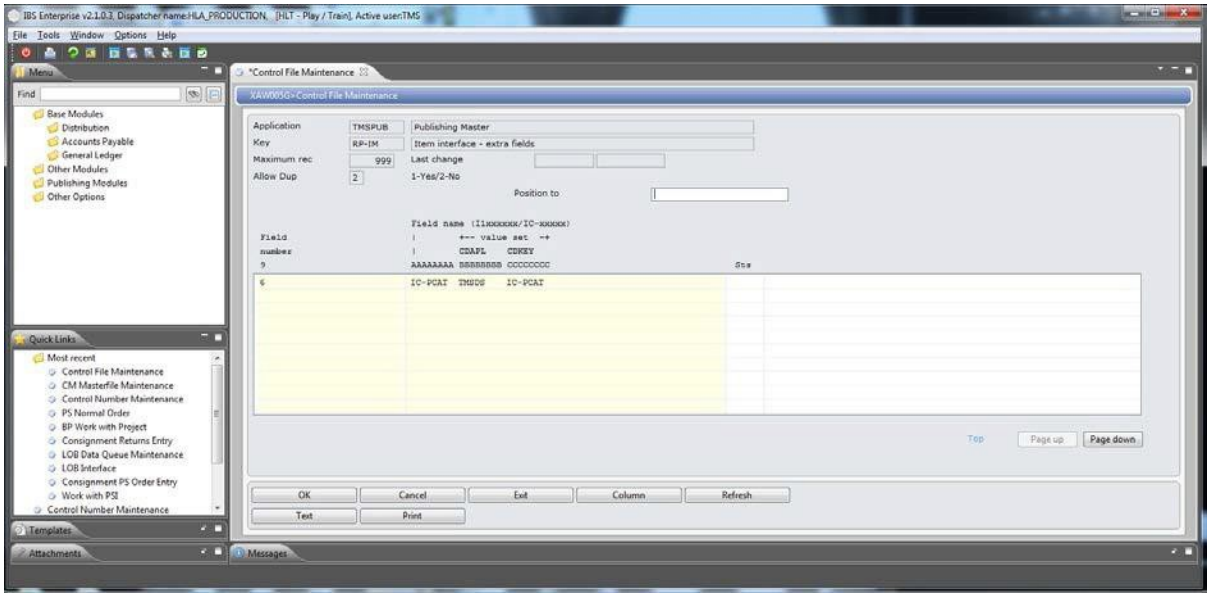
## 8.6 Music Theatre International (MTI) Reporting

There is a reporting process for MTI where proceeds for MTI are reported for the various shows for the reporting period by customer. Both royalty and commissions are reported by the appropriate contracts in the system. These contracts specify the appropriate rates and the pass thru' rate resulting in the MTI share. The following setups need to occur for the reporting to work.

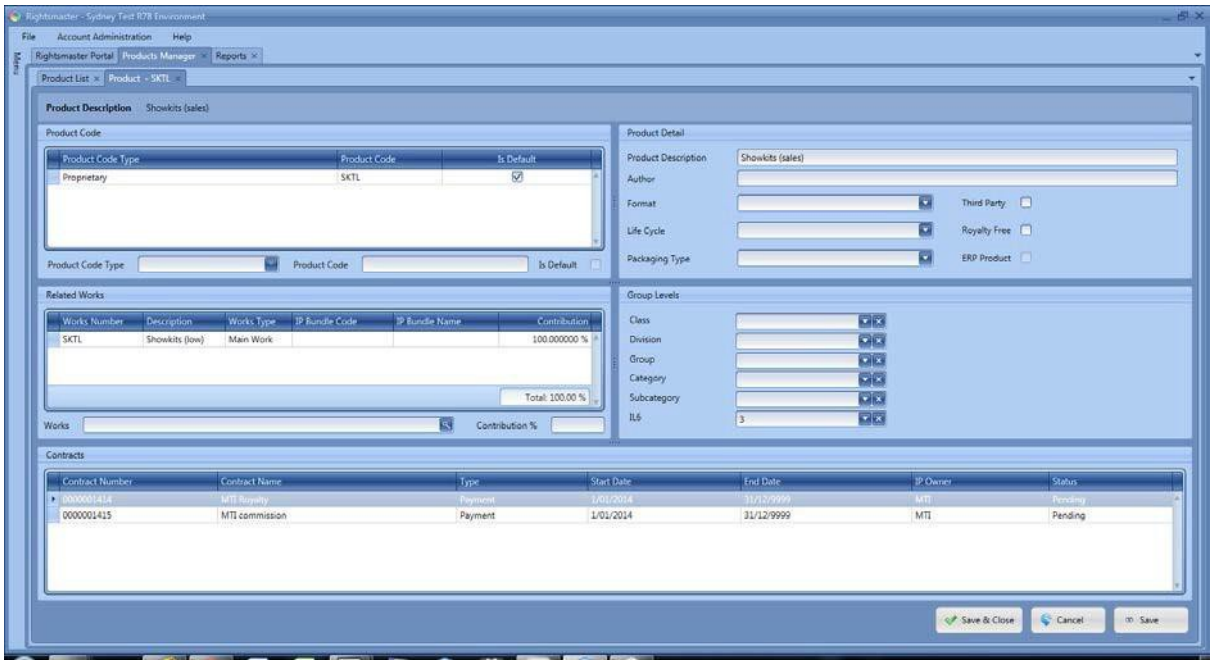
1. Reporting of the MTI products are by the grouping they are assigned. They are mapped to a classification group TMSPUB/RP-IM. This holds a grouping level described with IP1. It uses field 6 in the product level and this is part of a classification code in IP1.




2. The following control file has been added to the TMSPUB/RP-IM. This field allows for the management of the items with a new field to manage the product classification by MTI groupings where applicable.

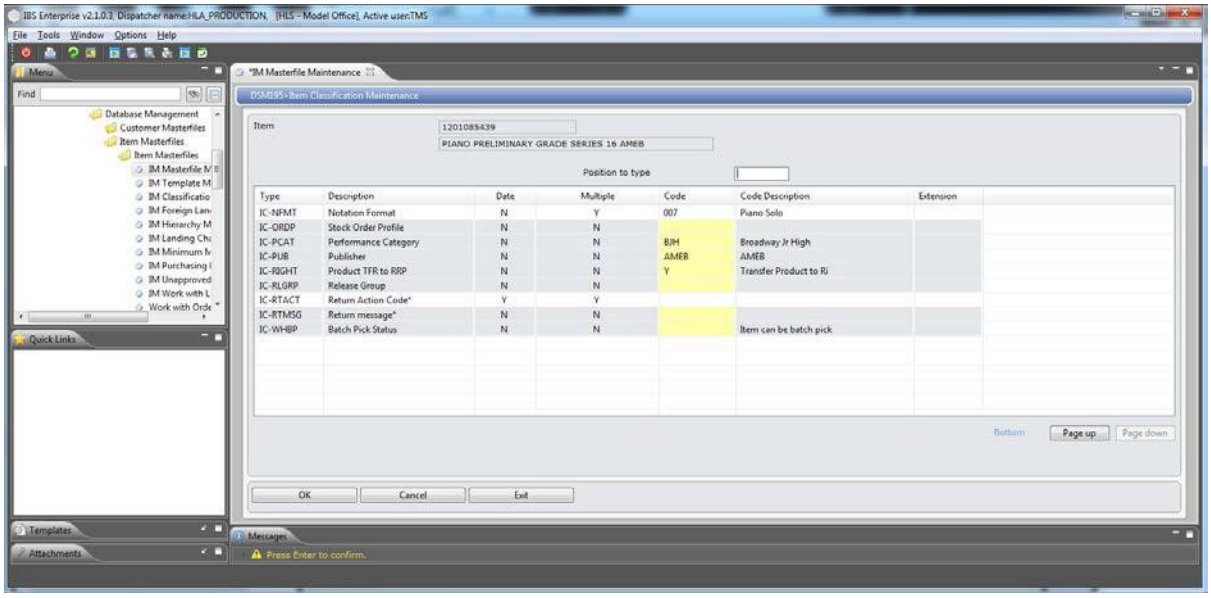



The contents of any product would appear in Rights Master as indicated below with an additional group level as shown below.

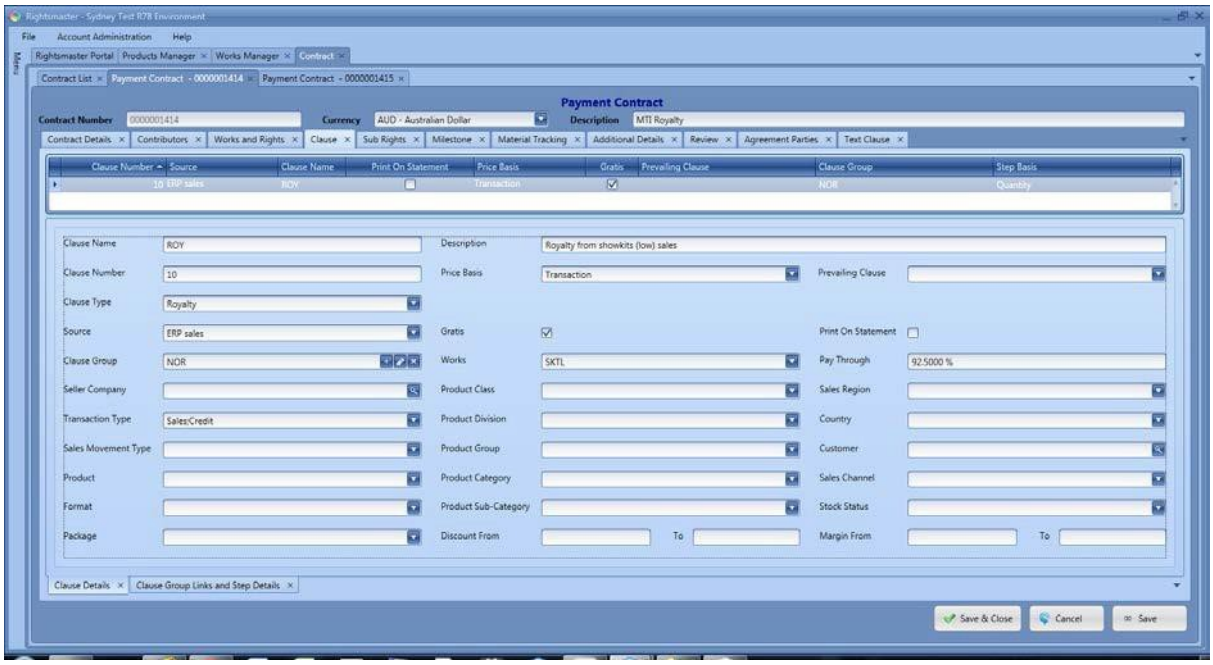



Next the contracts have to include the royalty clauses and the commission clauses. These would be used to extract the royalty and commissions due based on the transactions that are processed. This would be the basis of the report and the following need to be setup.

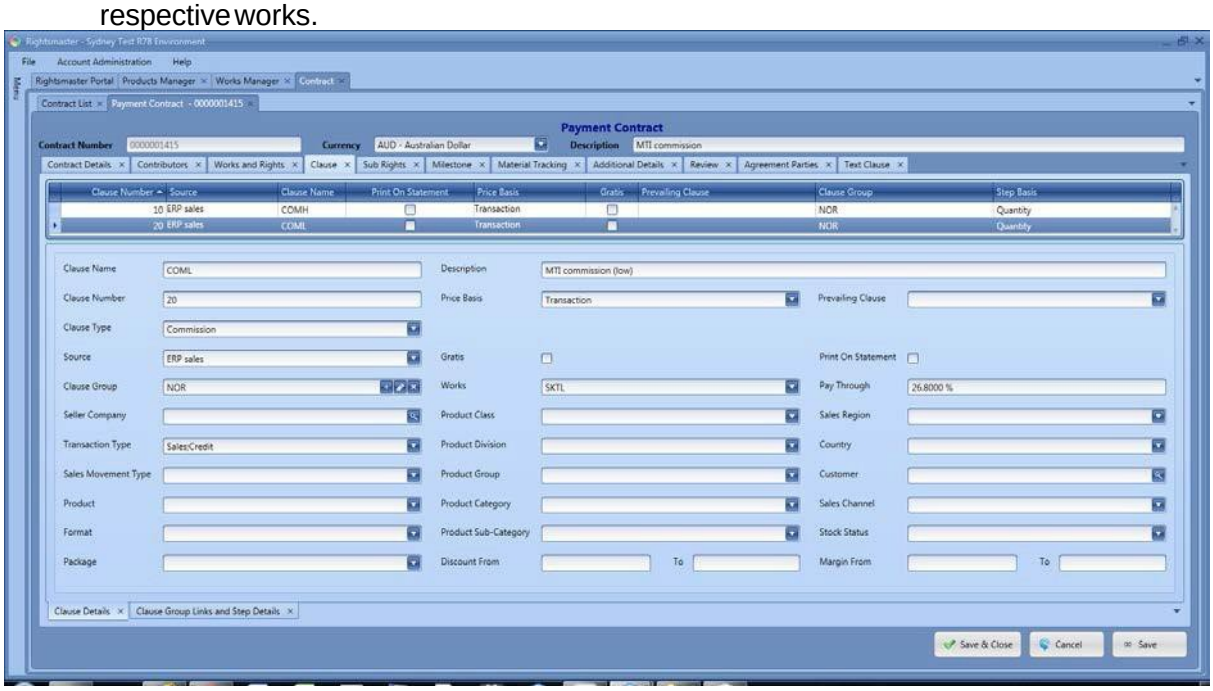
1. Products need to be categorized into the group of Broadway Jnr High, Low, Category 2, Category 3 etc. Thus the introduction of the new group level against the product and the classification in the product classification code in the ERP system as shown below.




2. The payment contract to handle retrieve the data has to be setup with the following clauses. A clause with clause type Royalties to accumulate all the royalties are due to be paid to the MTI Group. The clause would also have a work that is applicable and the MTI share (via the pay through %) and the royalty rate against each clause.

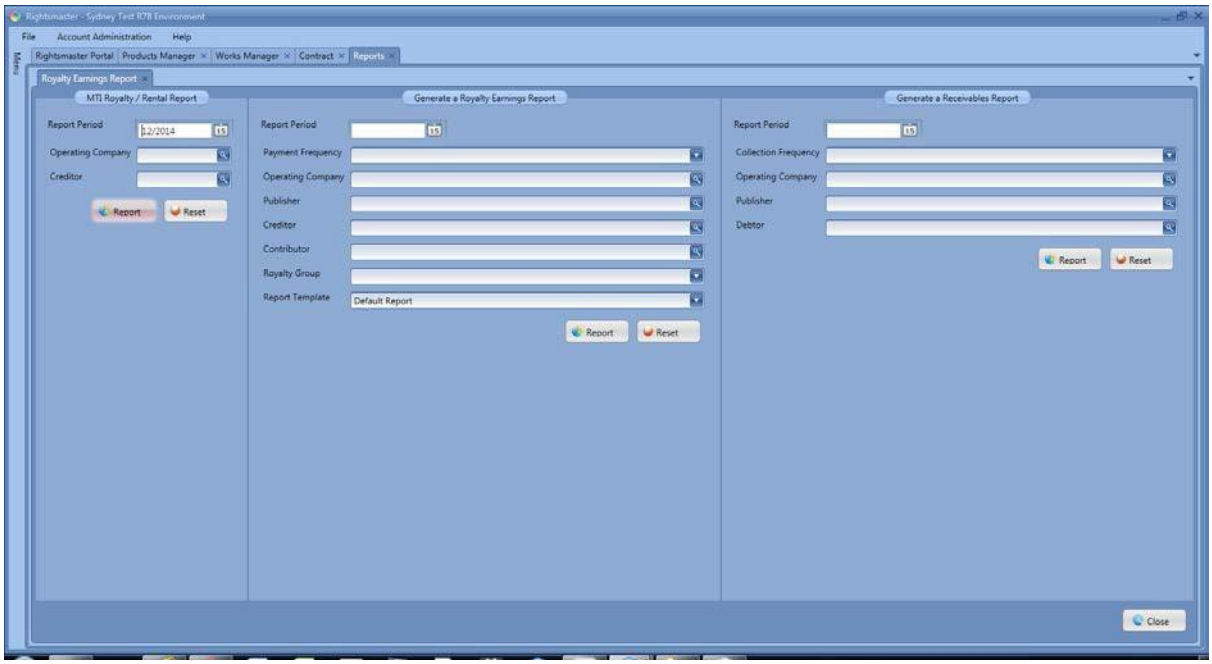


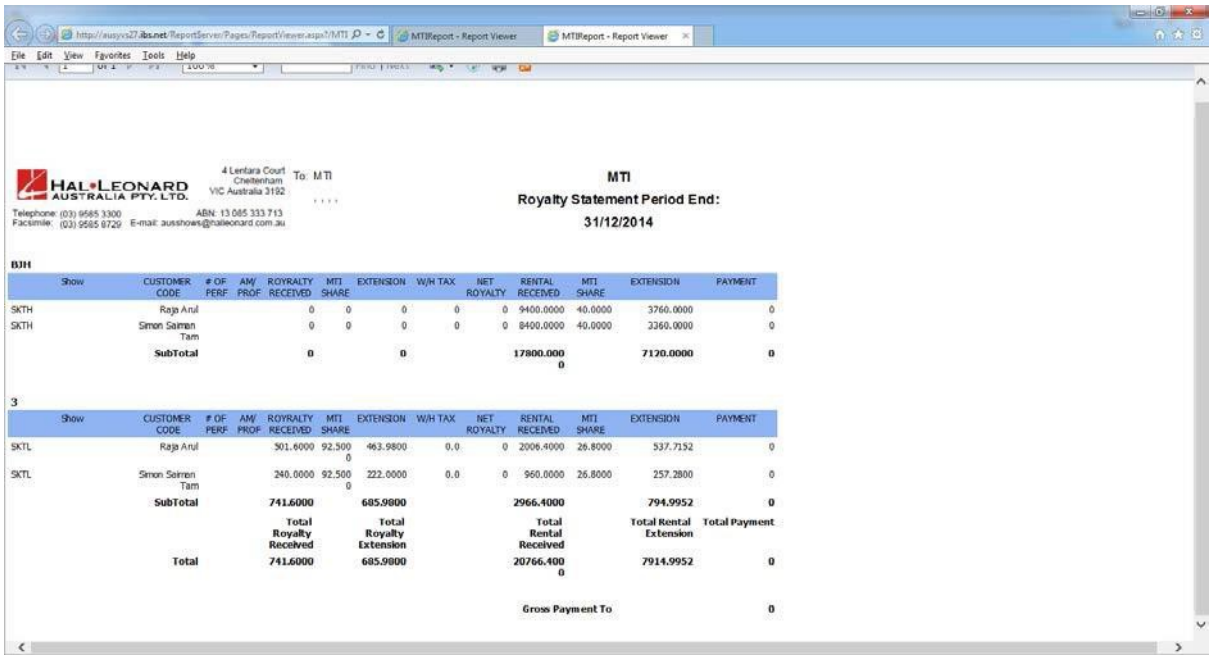

3. Now setup the clause for the commission information to be collected. This clause would have a clause type of commission, and would specify the the pay through rate for the work that is connected to the clause. Thus there could be the clauses for the respective works (either show kits high or show kits low) and have its appropriate commission rate allocated to the respective clauses. In the clauses shown below we have a commission rate of 100% against the high and 80% against the low and they are differentiated by the respective works.




4. The final setup involves the creation of the collections contract for the work that is being used to receive the takings for the shows. This would part of the setup of the contract in ERP system and would result in the contract being created.

When the sales transactions are processed in Rights Master and they are allocated to the respective contracts, the MTI report can be called. This report is available via the Rights Reporting option. The MTI Royalty requires the following criteria. The report period would be based on the contract start of year and the payment frequency. Thus if the payment frequency is half yearly and the start of year is Jan, then this report can be called for June and Dec of the respective years. The following is a sample of the report. The report is executed via the option on the left.



HAL•LEONARD AUSTRALIA PTY. LTD.

4 Lentara Court
Cheltenham
VIC Australia 3192

To: MTI

Telephone: (03) 9585 3300
Facsimile: (03) 9585 8729
ABN: 13 085 333 713
E-mail: ausshows@halleonard.com.au

**MTI**
**Royalty Statement Period End:**
**31/12/2014**

BJH

| Show | CUSTOMER CODE | # OF PERF | AM/ PROF | ROYRALTY RECEIVED | MTI SHARE | EXTENSION | W/H TAX | NET ROYALTY | RENTAL RECEIVED | MTI SHARE | EXTENSION | PAYMENT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SKTH | Raja Arul | | | 0 | 0 | 0 | 0 | 0 | 9400.0000 | 40.0000 | 3760.0000 | 0 |
| SKTH | Simon Saiman Tam | | | 0 | 0 | 0 | 0 | 0 | 8400.0000 | 40.0000 | 3360.0000 | 0 |
| | **SubTotal** | | | **0** | | **0** | | | **17800.0000** | | **7120.0000** | **0** |

3

| Show | CUSTOMER CODE | # OF PERF | AM/ PROF | ROYRALTY RECEIVED | MTI SHARE | EXTENSION | W/H TAX | NET ROYALTY | RENTAL RECEIVED | MTI SHARE | EXTENSION | PAYMENT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SKTL | Raja Arul | | | 501.6000 | 92.5000 | 463.9800 | 0.0 | 0 | 2006.4000 | 26.8000 | 537.7152 | 0 |
| SKTL | Simon Saiman Tam | | | 240.0000 | 92.5000 | 222.0000 | 0.0 | 0 | 960.0000 | 26.8000 | 257.2800 | 0 |
| | **SubTotal** | | | **741.6000** | | **685.9800** | | | **2966.4000** | | **794.9952** | **0** |
| | | | | **Total Royalty Received** | | **Total Royalty Extension** | | | **Total Rental Received** | | **Total Rental Extension** | **Total Payment** |
| | **Total** | | | **741.6000** | | **685.9800** | | | **20766.4000** | | **7914.9952** | **0** |
| | | | | | | | | | **Gross Payment To** | | | **0** |

On the left it is split by the show categories. The withholding tax and the payment amounts would be shown once the interface to A/P is complete. The creditor tax conditions are retrieved from the ERP system and thus would be retrieved and processed once the interface to A/P is complete.

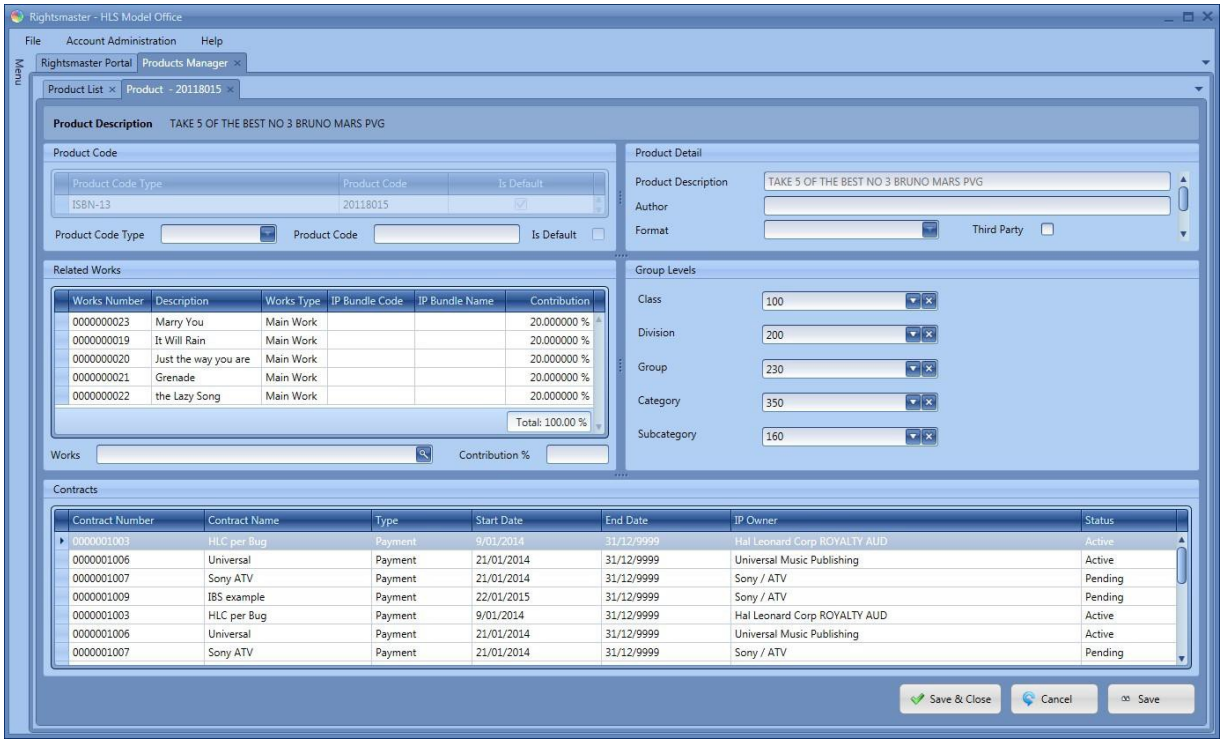
In conclusion, every time a new play is created, it will have its own work and products would be allocated for which ever category it belongs to. Contracts can be cloned from the templates to be used to pick up sales and work out the dues, based on appropriate commission and royalty rates. Thus this would allow the reporting of the statements on a quarterly or yearly basis.

## 8.7 Handling Songs and Albums

The following setup is necessary to handle the payment of royalties for albums sold. It also checks the songs linked to the album and assigns the split of revenue to the specific song and specific payee assigned to the song. The contract has the clauses defined to handle the royalty rate by the album.

Thus the following needs to be setup.

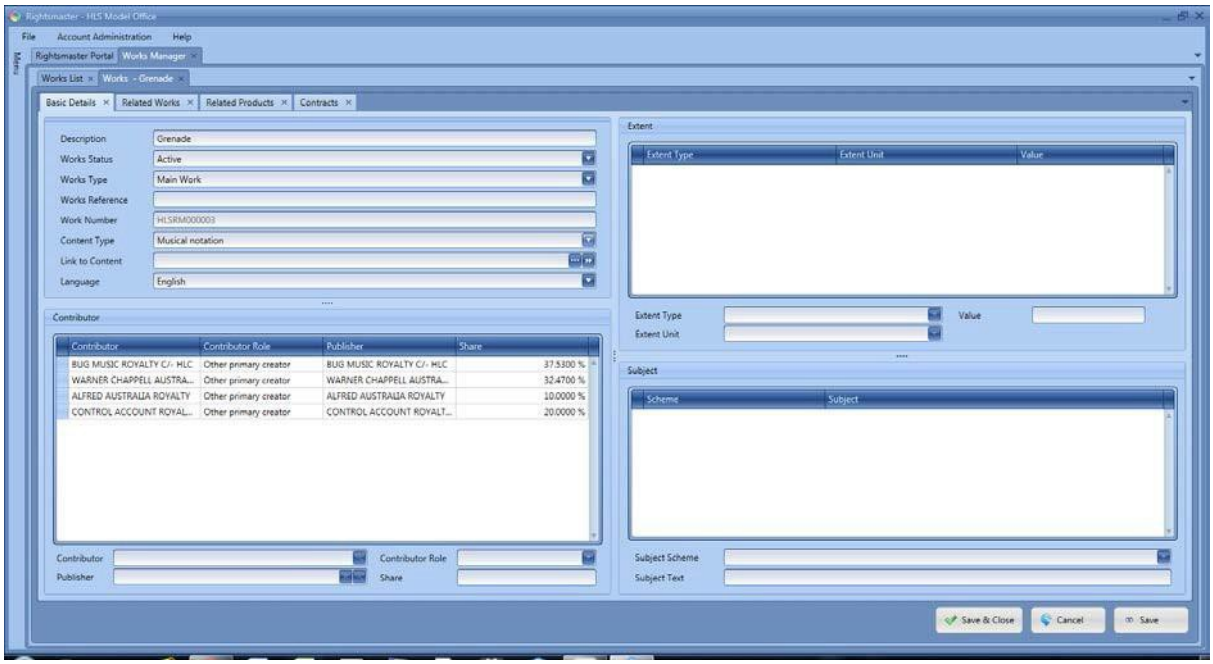
1. The link between the album and the songs that make up the album. This definition is held in the product definition. Thus firstly all the in songs (being the works) that make up the album are defined. Against the work you have the proportional share. Thus they would make up to a total of 100% in the share. The following is the makeup of the album Take 5 of the best 3 Bruno Mars PVG.



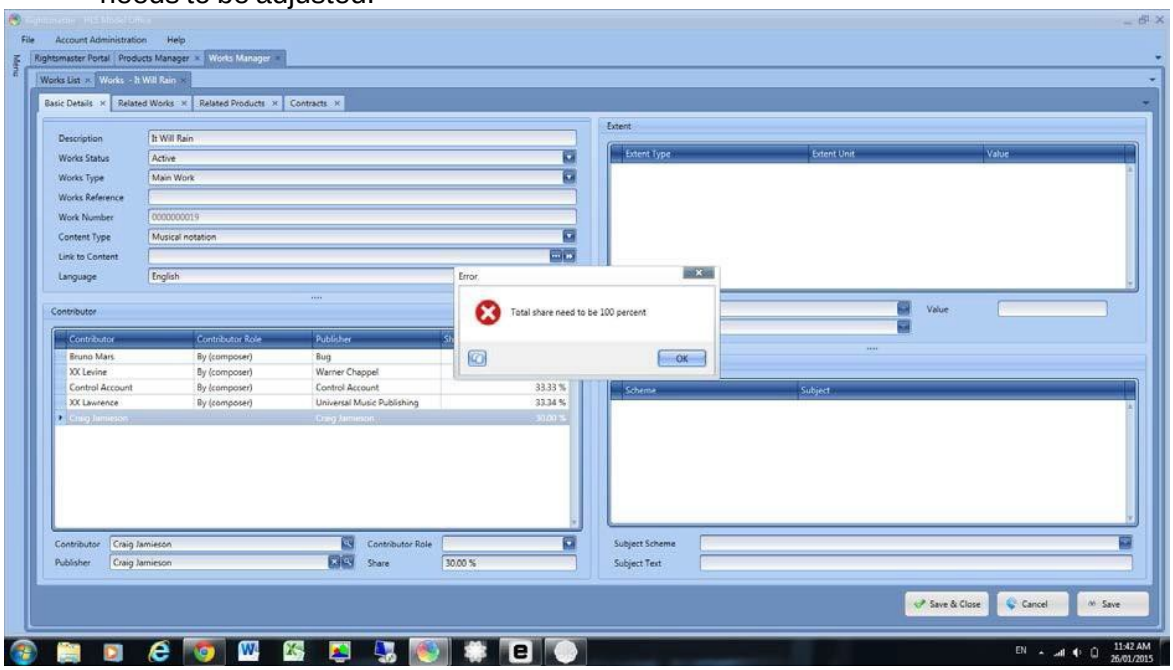

2. In the related works section, you need to right click and Link additional works to unlink it to remove the works. Once you have had the album allocated, you cannot un-link as the works have been assigned. The total has to account for 100% of the makeup.
3. Once you have added these details, the system would automatically show the the contracts that use these works. You would be able to enquire on the contracts and view the details of the contract.
4. The product has a flag detailing if it is a 3rd. party product, in which case all the details of the product can be updated via Rights Master, and if it was a ERP product then the updates would be forthcoming from the ERP system. Since the data are retrieved from the ERP system, the items are also flagged to ‘ERP’.

This is a list of the works (songs) that royalties are to be paid for. Thus the revenue that is receipted for the individual albums are to be split to the individual songs and paid to the appropriate owners of the IP or any agents the payment is to be made to.

1. The following work Grenade is setup to be allocated to the following contributors. These contributors would be allocated the appropriate publisher if the revenue is to be split and the appropriate share specified. Thus the following screen shows the split by contributor. The share % has been enhanced to 4 decimal places.



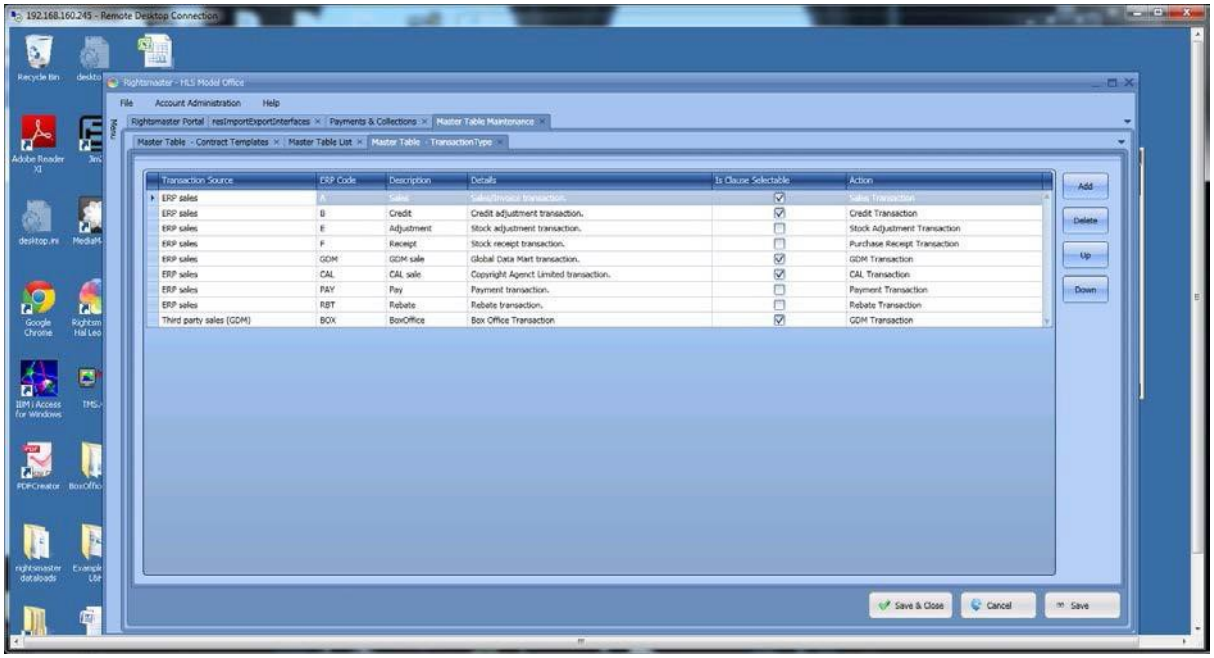

2. Therefore the revenue that is received would be split by the work, and then appropriated to the contributors by their share. If this contributor share is not specified, then it would keep the works share and use the payment contract split by payee. If the share you provide is above the 100% as the total, you would get a message indicating the split needs to be adjusted.



Now with the works (songs) created and linked to the albums, contracts can be established for the payment of the revenue collected for the albums to be disbursed to the appropriate contributors or publishers. Also the share has been changed to 4 decimal places to allow for greater accuracy in case the share is a smaller portion. It has been enhanced in the contributor share for the contract and the works share.

The other setup would involve the setup of the trading partners with the appropriate creditors applied to the trading partners for the data to be creditors to be assigned and interfaced to the ERP system.

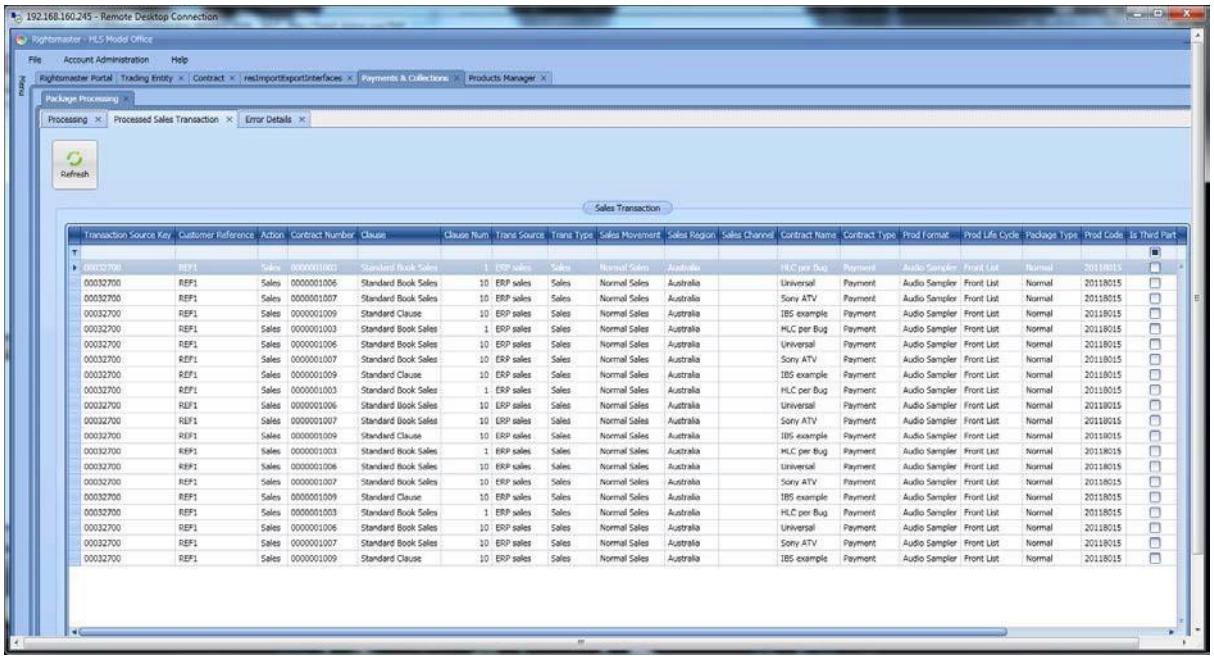
The following setups have to be completed..



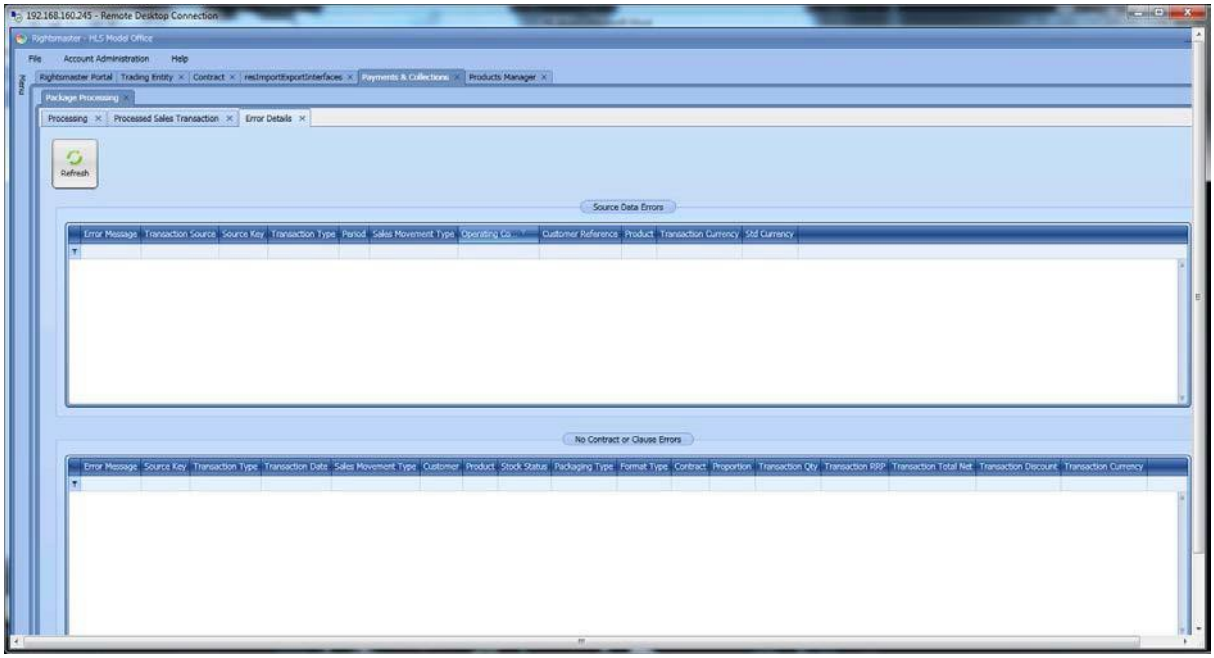

TheI,C,A,F codes have to changed to INV,CRD,ADJ,RCT respectively to correspond to the sales receipt transactions.

The following is the results of processing a single transactions for the album, which has the 5 works and 4 separate contracts which have details of processing it.

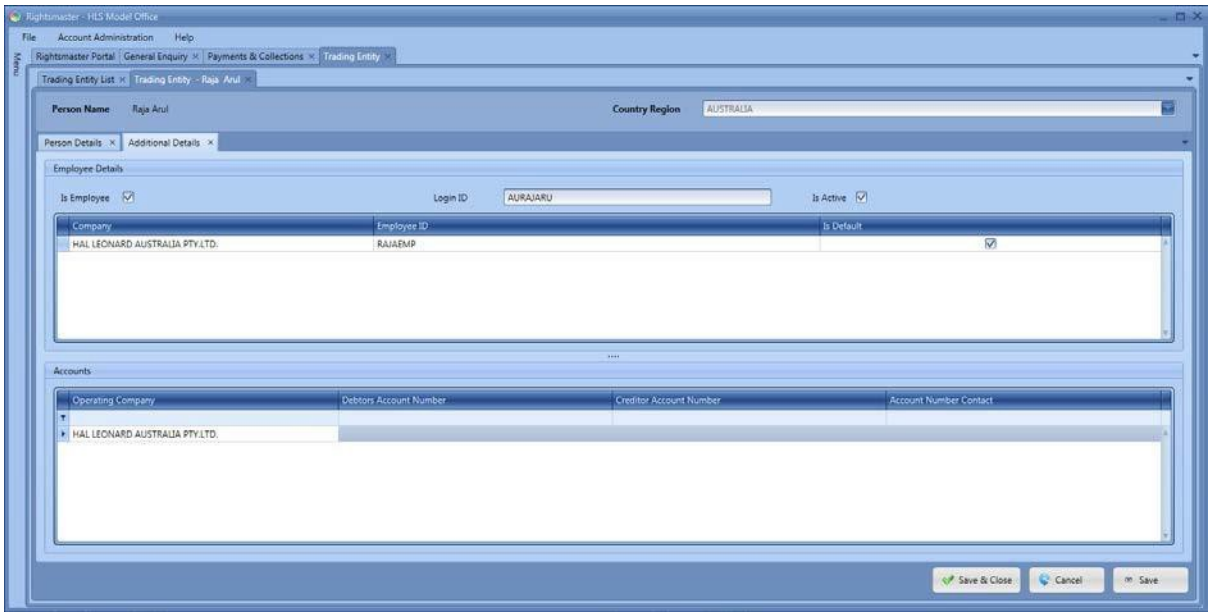
The results of the Processed Sales Transactions.

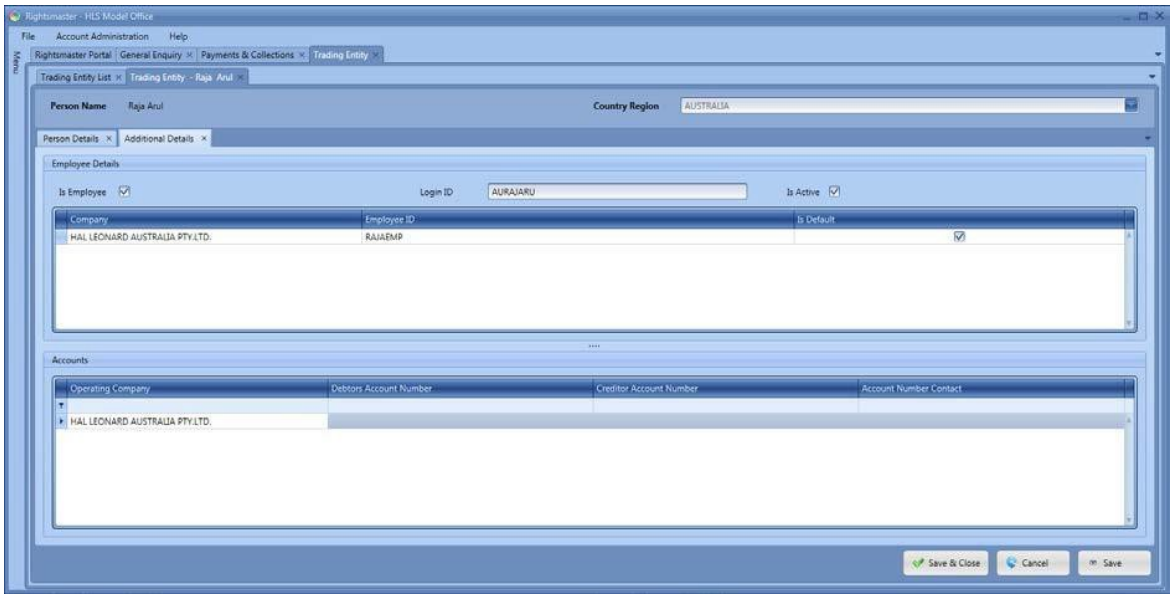


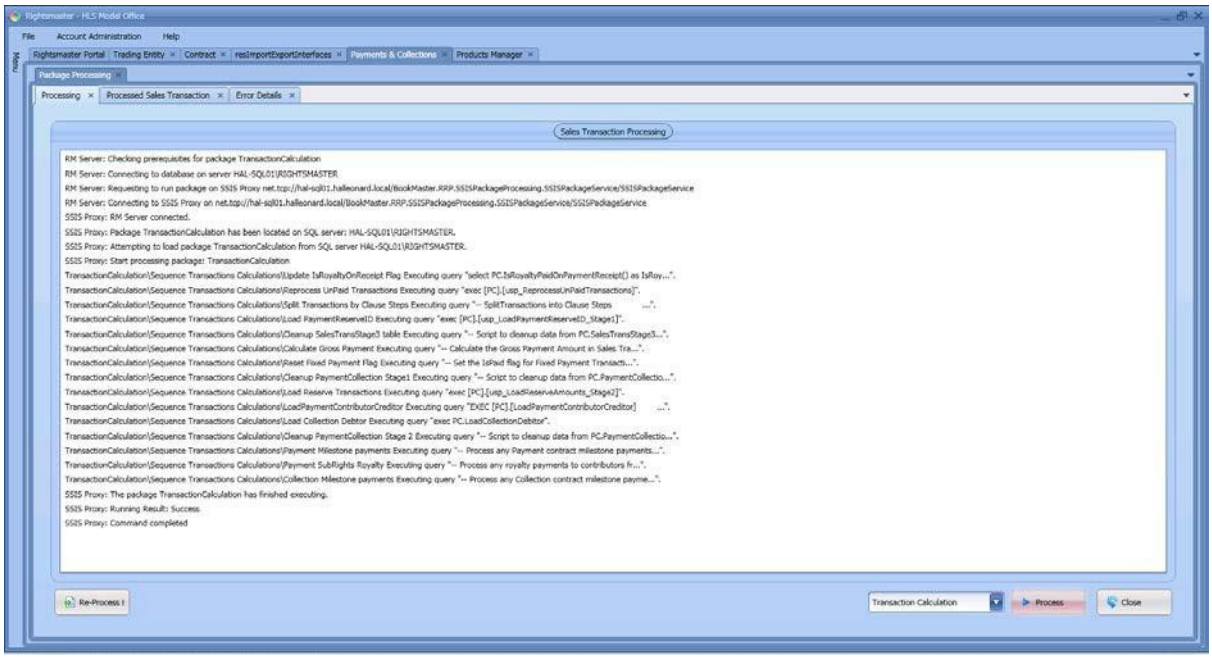

The Errored transactions are empty and shows a null set. If there were errors, there would be transactions here.



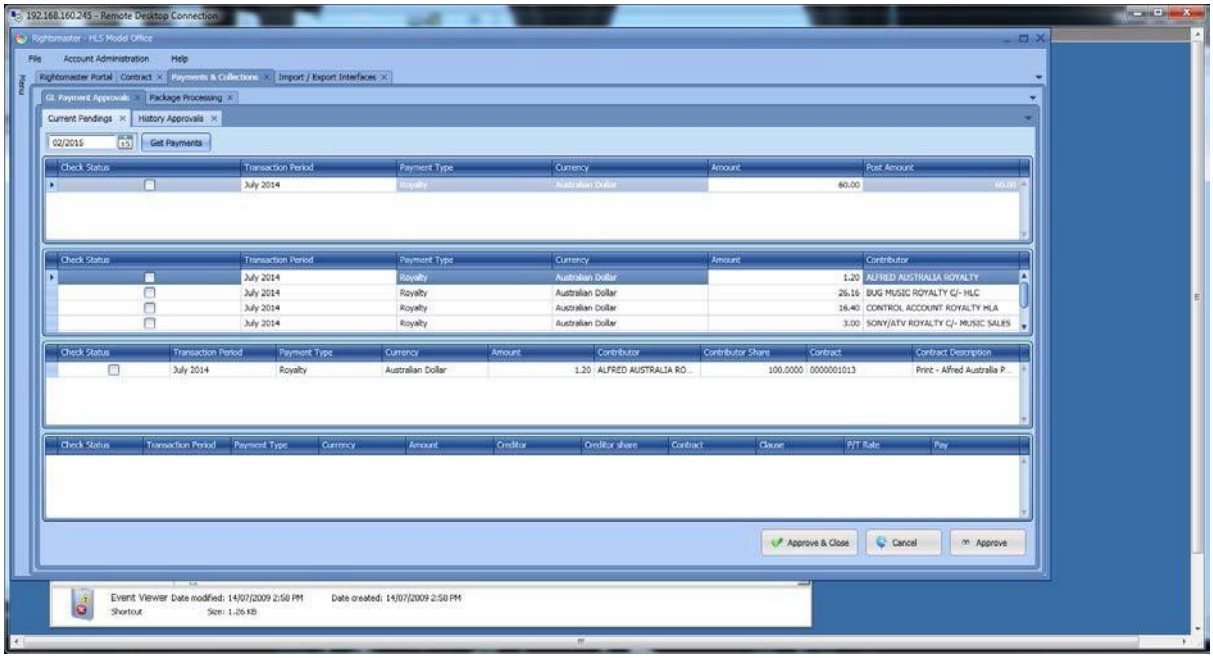

Next process the transactions..And to view the details, check the G/L transactions. The G/L data is not viewable because of the settings, and does not have the company setup to view the transactions.  The first bit to do with the company, and the employee ID has to be filled to result in financials inquiry.


Rightsmaster - HLS Model Office
File
Account Administration
Help
Menu
Rightsmaster Portal
General Enquiry
Payments & Collections
Trading Entity
Trading Entity List
Trading Entity - Raja Arul
Person Name
Raja Arul
Country Region
AUSTRALIA
Person Details
Additional Details
Employee Details
Is Employee
Login ID
AURAJARU
Is Active
Company
Employee ID
Is Default
HAL LEONARD AUSTRALIA PTY.LTD.
RAJAEMP
Accounts
Operating Company
Debtors Account Number
Creditor Account Number
Account Number Contact
HAL LEONARD AUSTRALIA PTY.LTD.
Save & Close
Cancel
Save


Rightsmaster - HLS Model Office
File
Account Administration
Help
Menu
Rightsmaster Portal
General Enquiry
Payments & Collections
Trading Entity
Trading Entity List
Trading Entity - Raja Arul
Person Name
Raja Arul
Country Region
AUSTRALIA
Person Details
Additional Details
Employee Details
Is Employee
Login ID
AURAJARU
Is Active
Company
Employee ID
Is Default
HAL LEONARD AUSTRALIA PTY.LTD.
RAJAEMP
Accounts
Operating Company
Debtors Account Number
Creditor Account Number
Account Number Contact
HAL LEONARD AUSTRALIA PTY.LTD.
Save & Close
Cancel
Save

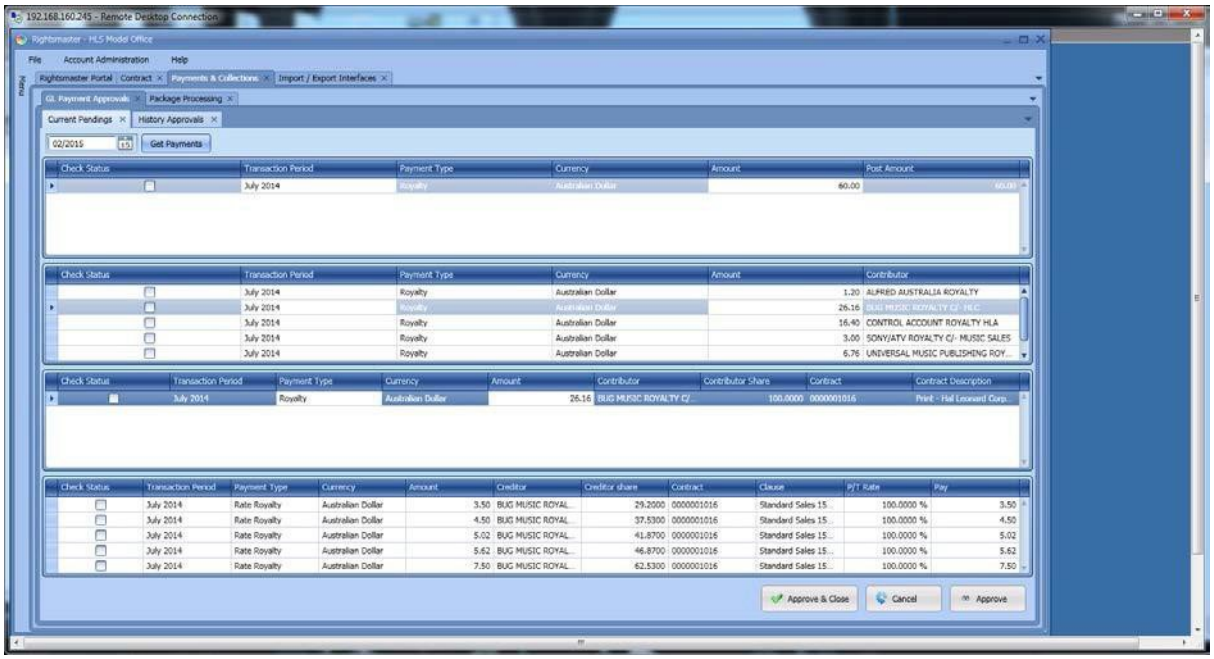



Thus using the initial transaction of  Product code 20118015, Transaction quantity of 20, Transaction RRP =20 and Transaction Total Net Price of 400 AUD we have processed the transactions. In the G/L Approvals we see the transactions for the respective contributors.




This inquiry shows an amount of 60.00 being posted for the period of July 2014. This amount is split for the respective Contributors. Examining the specifics, the amounts payable are split according to the contributors in the Agreement Parties.

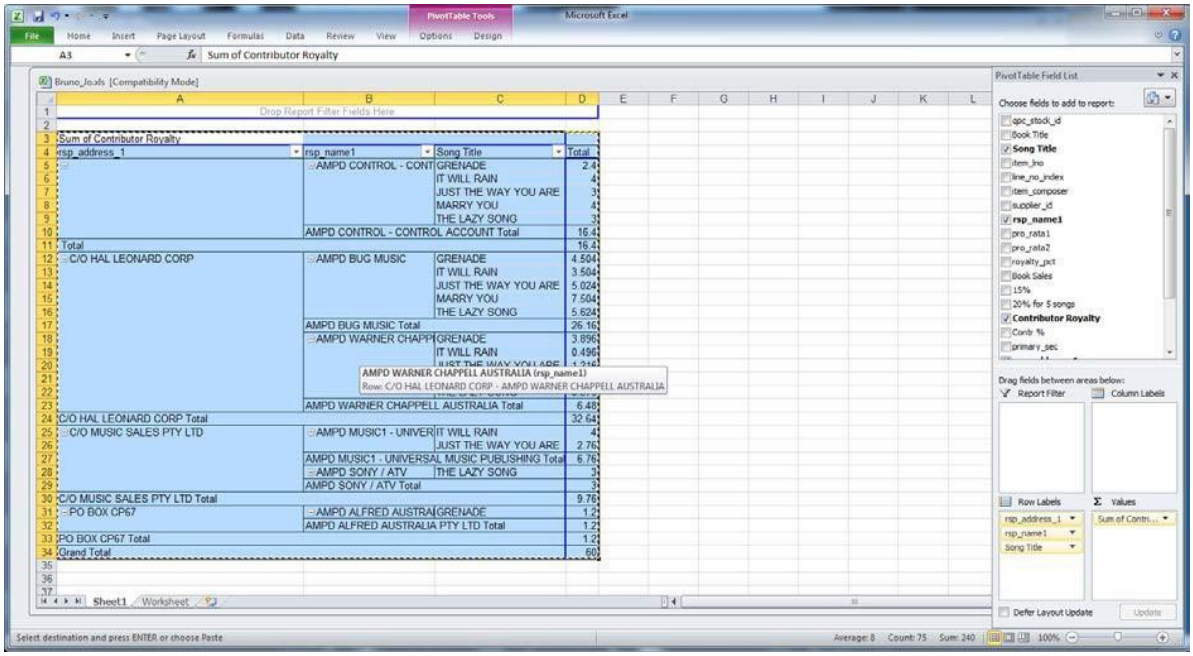
Looking at the product split the 5 works (songs) have applicable rates against Bugs Music. Hence you have the respective shares split indicating the split amounts.



Thus here we have share split in the following % for the respective songs. Thus the following resulted from..

| Quantity | RRP | Share | Rate | Share | Royalty |
|---|---|---|---|---|---|
| 20 | 20 | 20% | 15% | 29% | 3.504 |
| 20 | 20 | 20% | 15% | 41.87% | 5.0244 |
| 20 | 20 | 20% | 15% | 37.53% | 4.5036 |
| 20 | 20 | 20% | 15% | 46.87% | 5.6244 |
| 20 | 20 | 20% | 15% | 62.53% | 7.5036 |

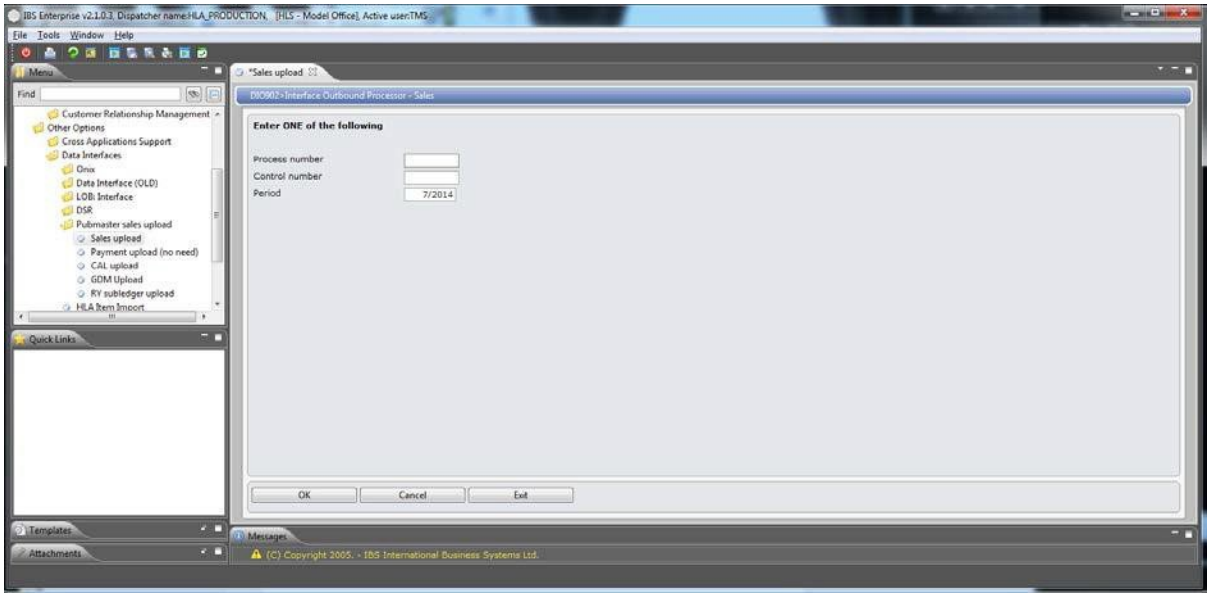
Which matches the transaction build in the last box.



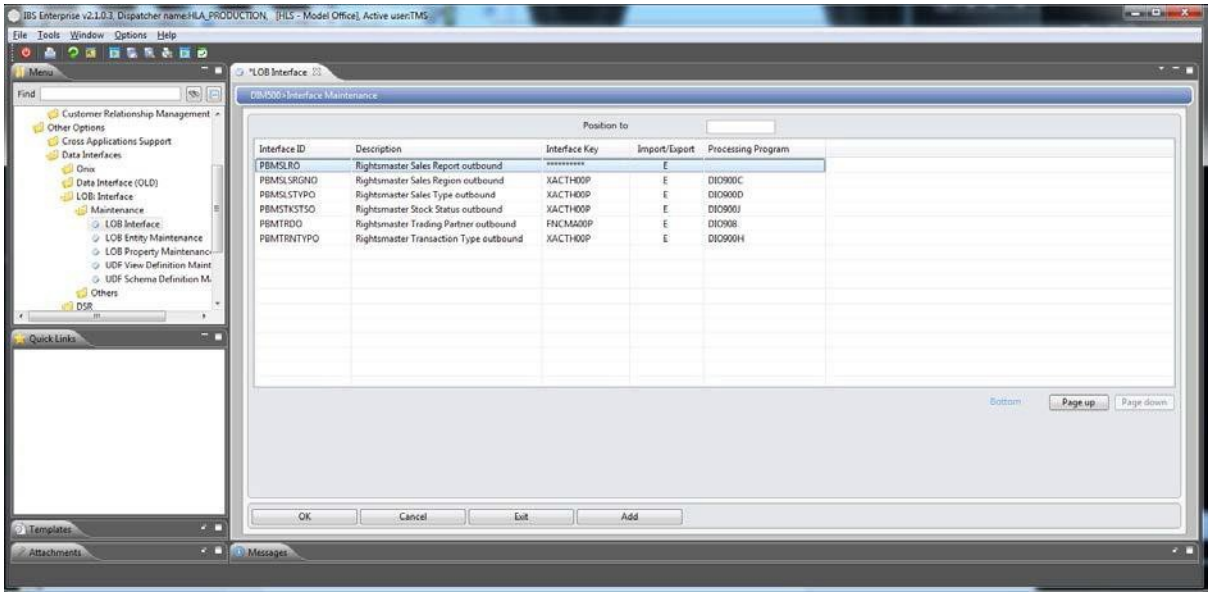
The above are calculations based on an excel, and it matches the G/L Payments and Collections screen output.

## 8.8 Importing Distribution Transactions

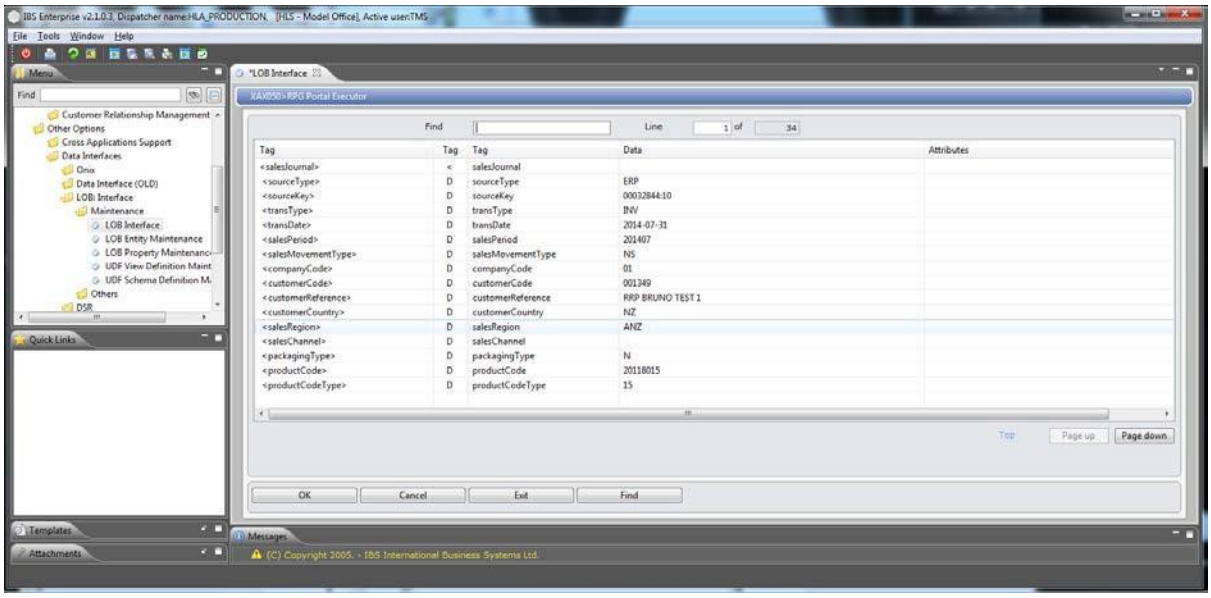
Transactions could be imported from the distribution system on a monthly basis. The following option would allow for the import. Thus you could import for a specific control number, or for a specific process number or for the entire month. You could after the EOM process import the entire set for the month.



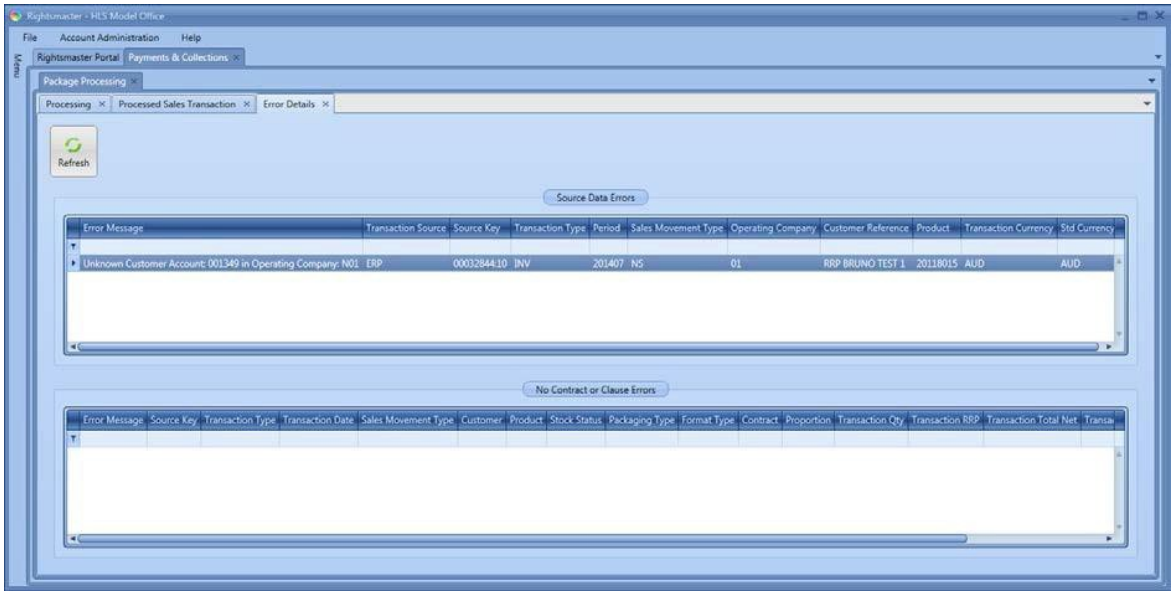

Once the data is imported, you check the log to ensure that all the transactions imported fine or with errors on it.




The log detail shows the transaction set and errors if any. This particular transaction processed without any errors.

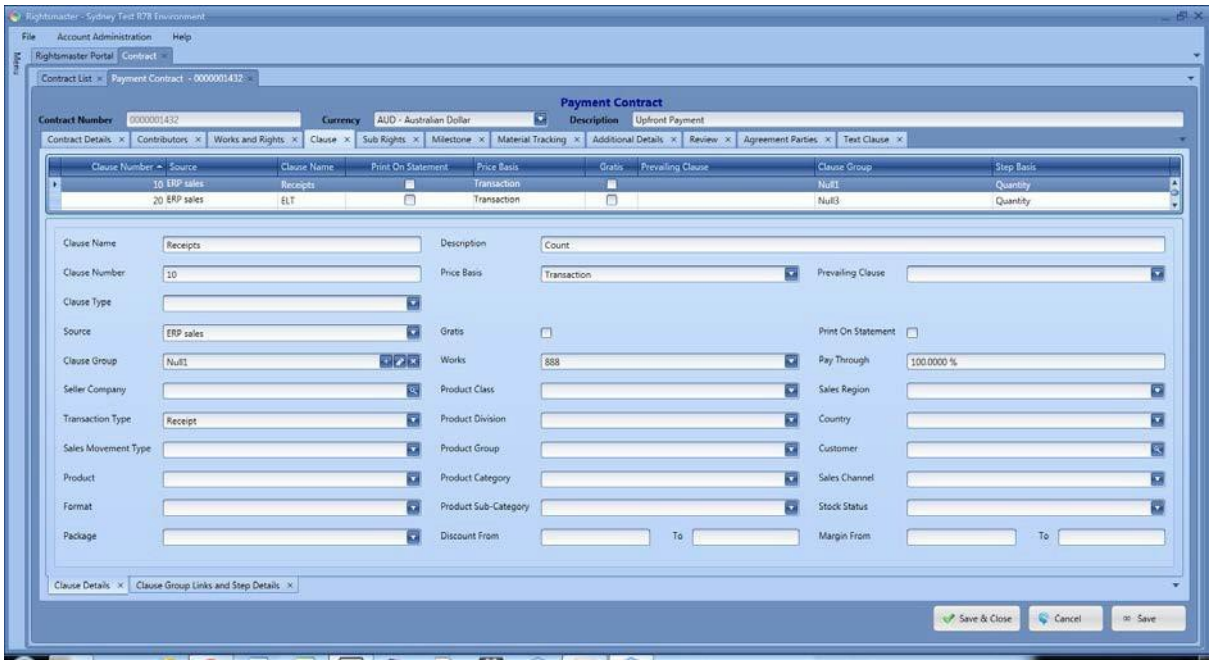



When this data was processed within Rights Master, the following error was picked up and required fixes. In this case it was a case of the creditor missing from the trading partners list.

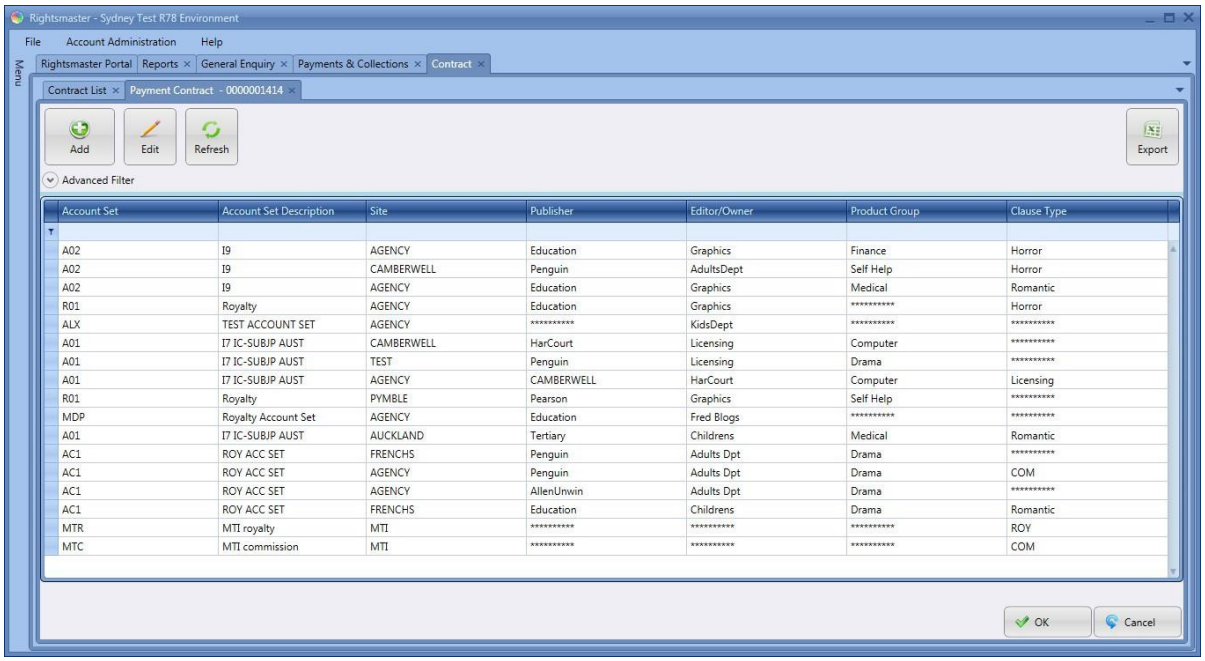


## 8.9 Withholding Taxes

The following explains the processing of withholding taxes and the setup necessary to ba able to switch the tax rules by clauses within the contract. Additional changes have been made to handle the pay through field to ensure that the final payment that is made to the contributor can be specified clearly, rather than the factor be encompassed in the royalty rate figure. Thus this field is added to the clause as shown below. This is found in both the collections and payment contracts.

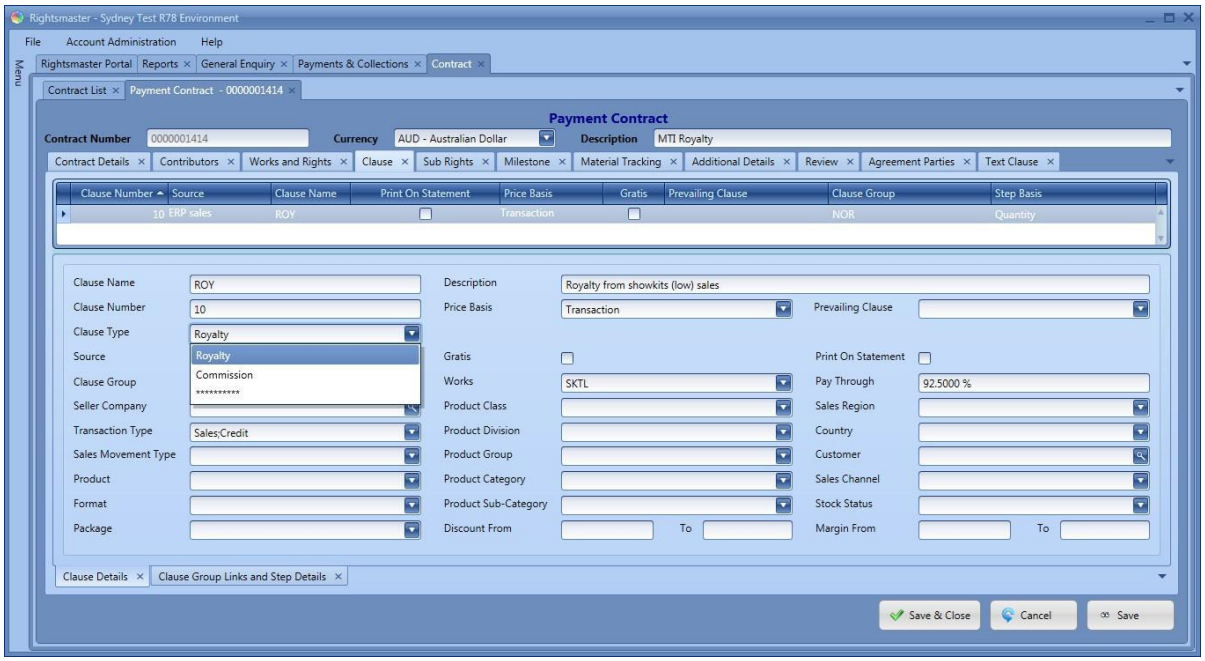



The second enhancement involves the setting up of the **account set** to be triggered by the clause level. Thus as a default, the group levels are setup at the Additionals details tab of the contract. This choice links to the account set based on the 5 levels that has been chosen.



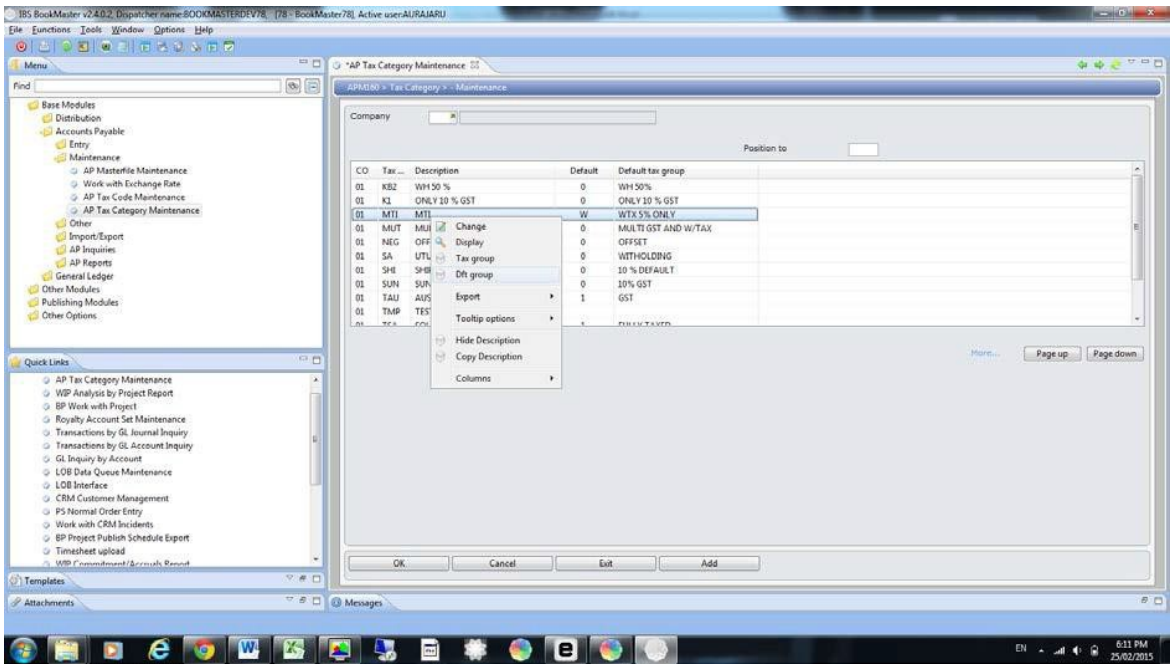

In addition the clause stores the **5th level.** Hence the new field clause type holds the 5th level. In this case its the ROY (royalty) or COM (commission) or ********** (blank). This 5th level

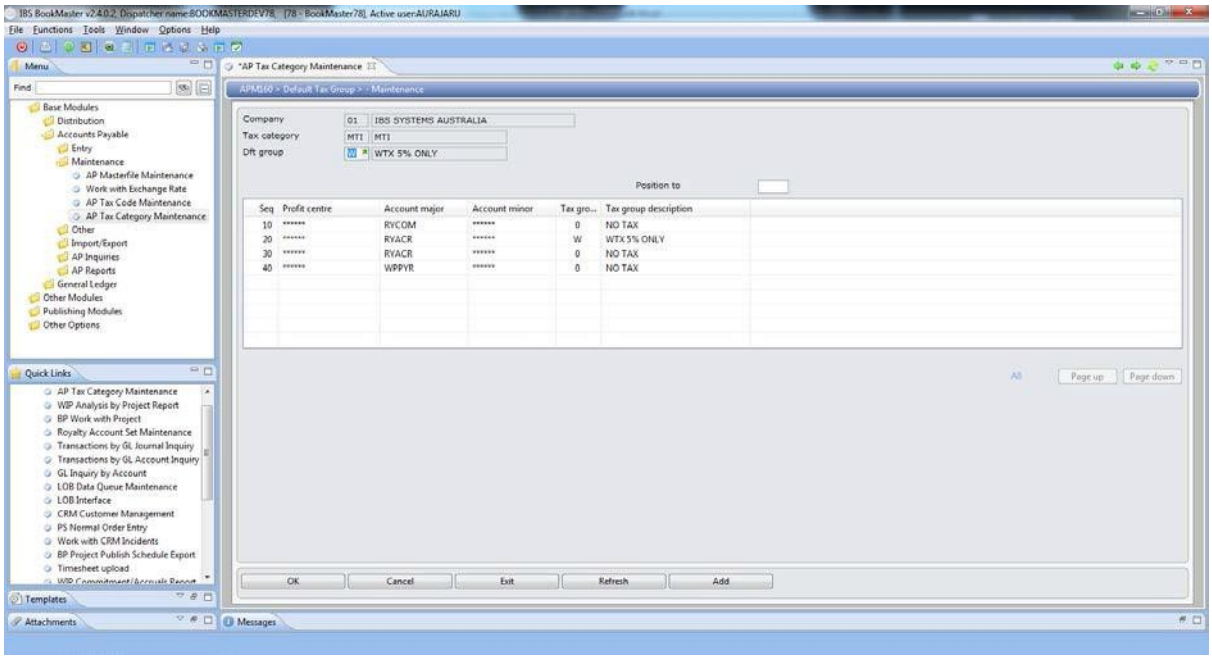
would be based on the clause. A new field has been added to the clause (clause type) which would be used to determine the 5the level. The following depicts the clause type.




Once this is selected, this would be used to determine the Account Set to be used. The account set would determine the various accrual accounts. Thus its possible to switch account sets by clauses by changing the clause type.

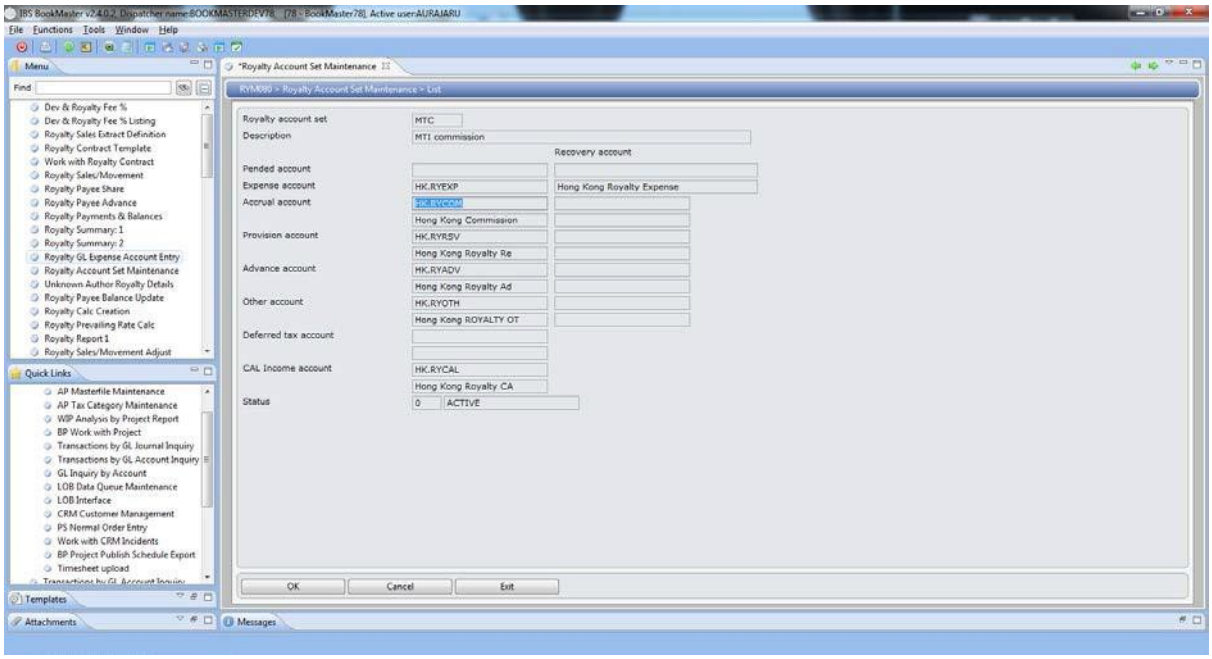
The next enhancement was the ability to switch the tax categories by creditor based on the account set. The default group has been added to the tax category of the MTI code.



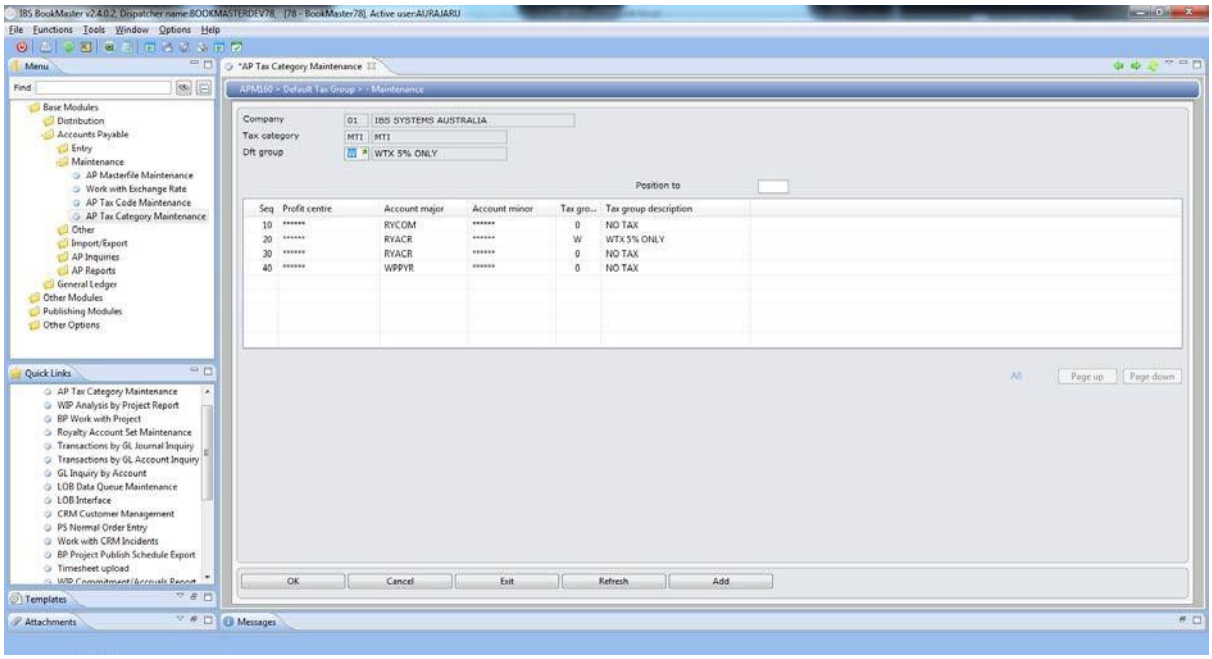



Thus the creditor to whom the payment is to be made, can have the application of the tax switched based on the clause and the appropriate account set and its accrual account. Using the account code linked to the accrual account the **tax group** is determined. The following Royalty account set and the commissions account cause the switching of the withholding tax values.

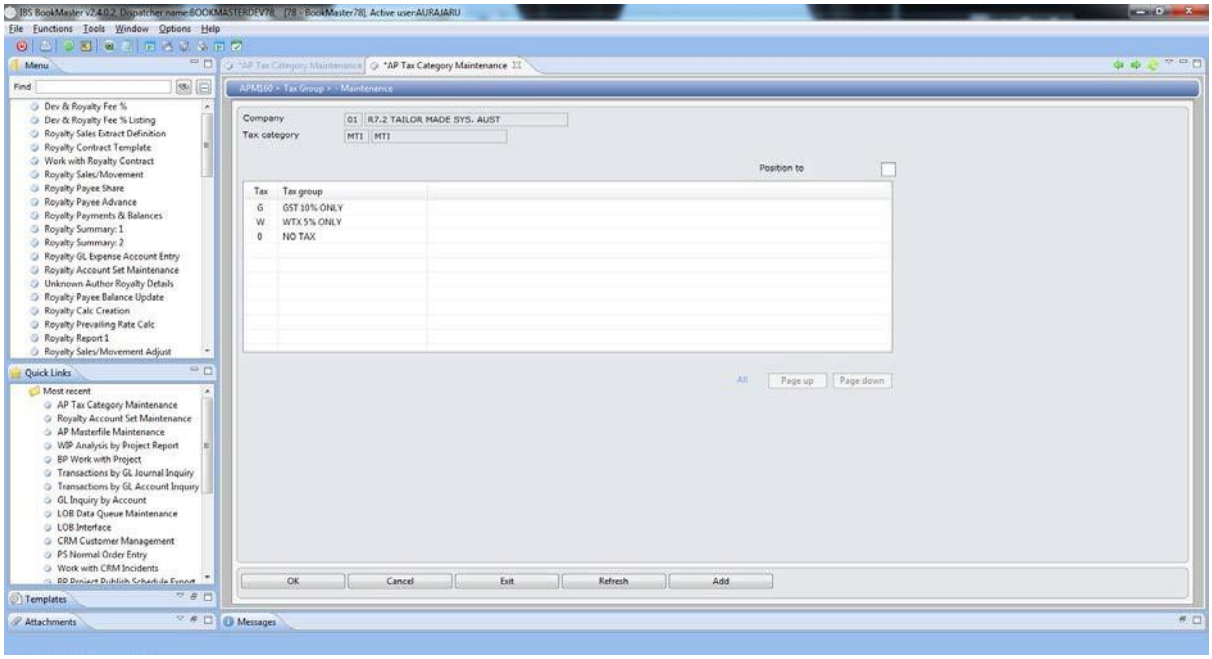
The creditor MTI pints to tax category of MTI. When the clause from the contract points to clause with COM or ROY, it will point to the following Account sets.




Thus the Accrual account from the above will be used to determine the tax code to be used from the rule set described below.




These codes would then point to the appropriate category of tax.

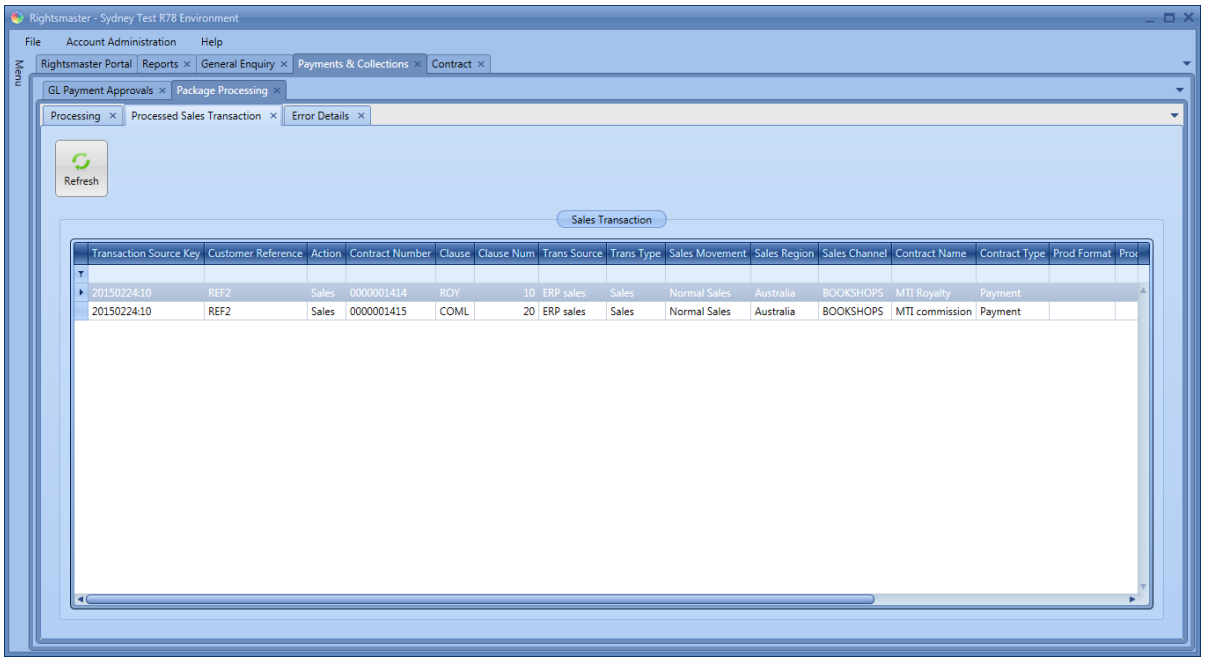



Thus in summary, the rule set is as follows.

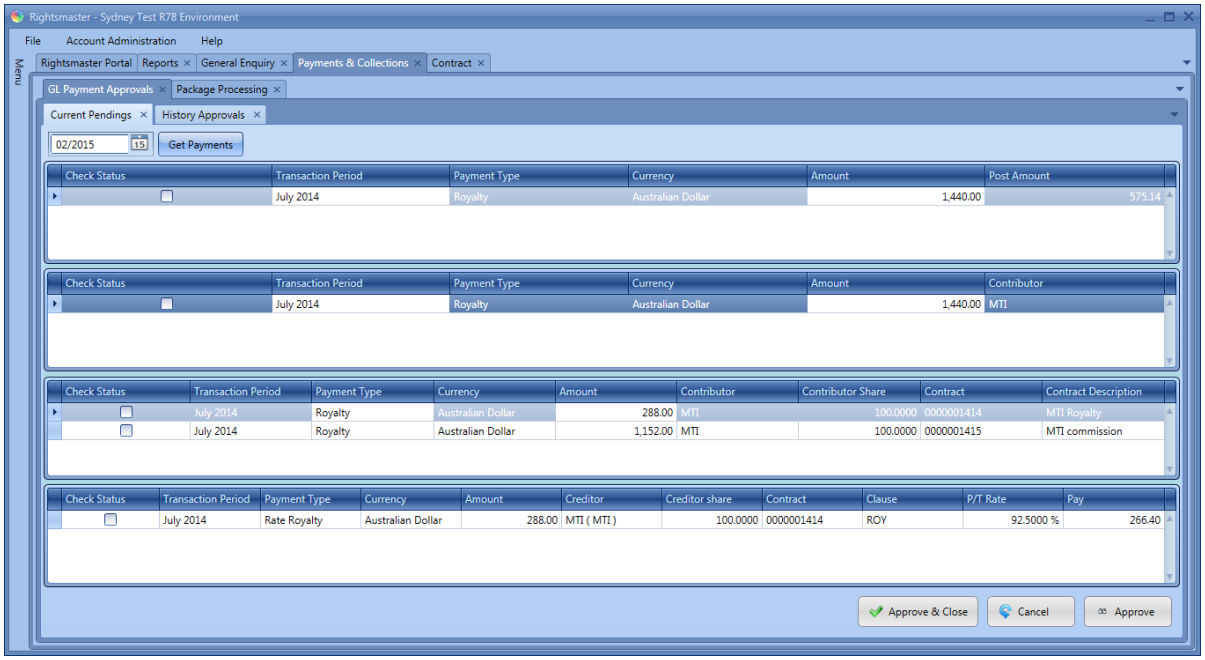
| Fuction | ClsType | AccSet | AccAcc | MajAcc | TaxGrp |
|---|---|---|---|---|---|
| Comission | COM | MTC | HK.RYCOM | RYCOM | 0- NO TAX |
| Royalty | ROY | MTR | HK.RYACR | RYACR | W-5% WTX |

A sale of and ISBN triggered 2 contracts. One for commission and the other for royalty. The contracts had different pay thru' The result being the calculated amounts posted to the G/L and later to A/P.

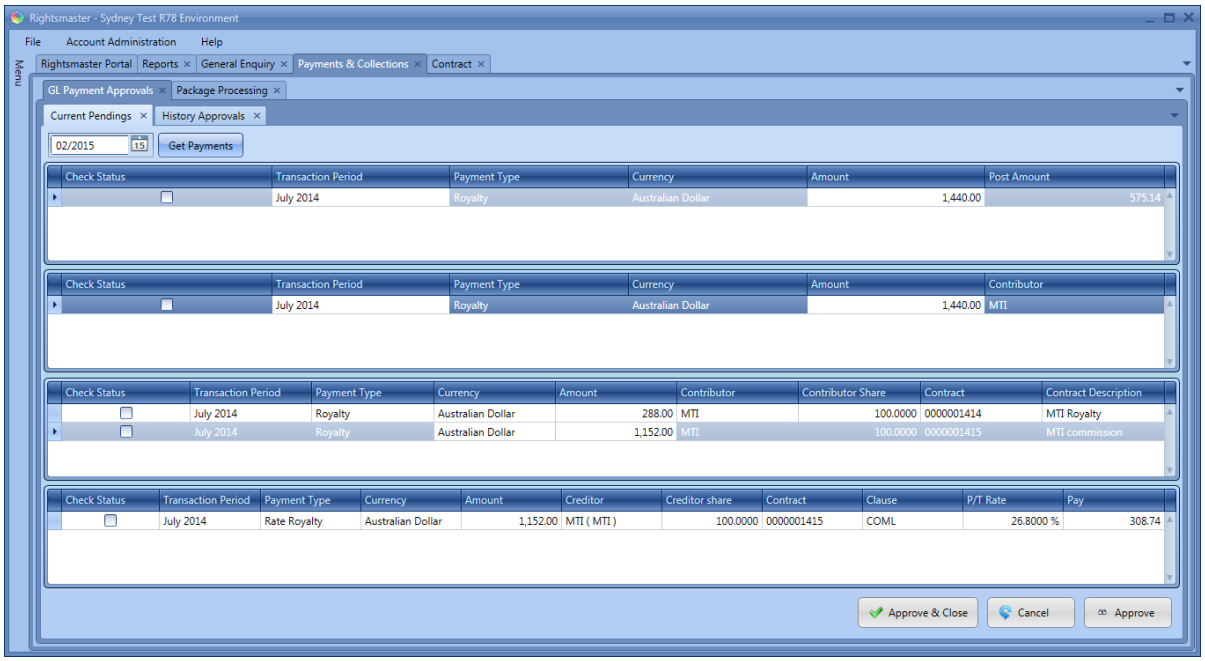
Transactions process..



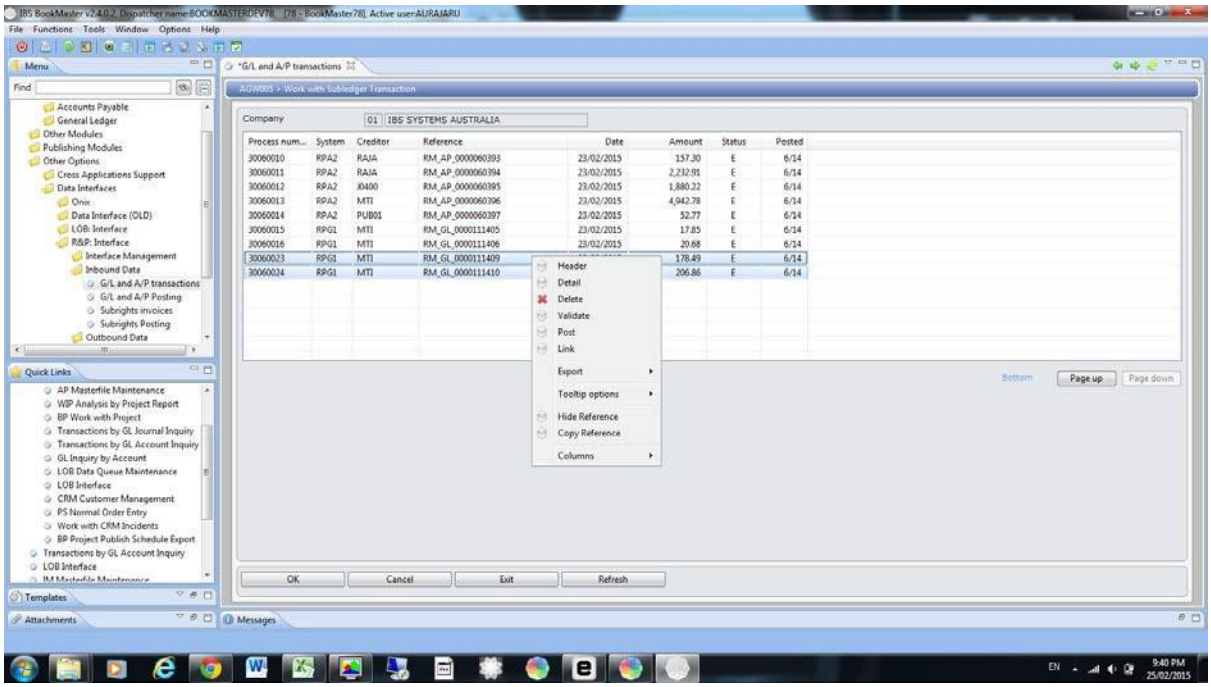

G/L payments and to be posted amounts based on the pay thru %



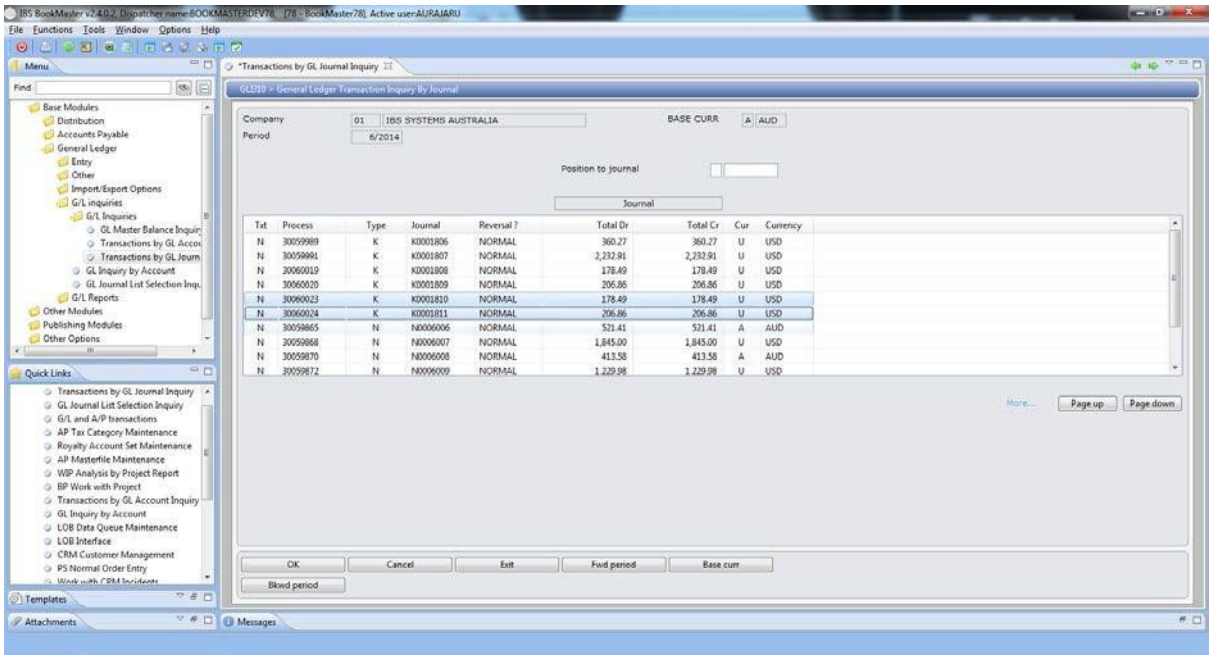

and the second line being..



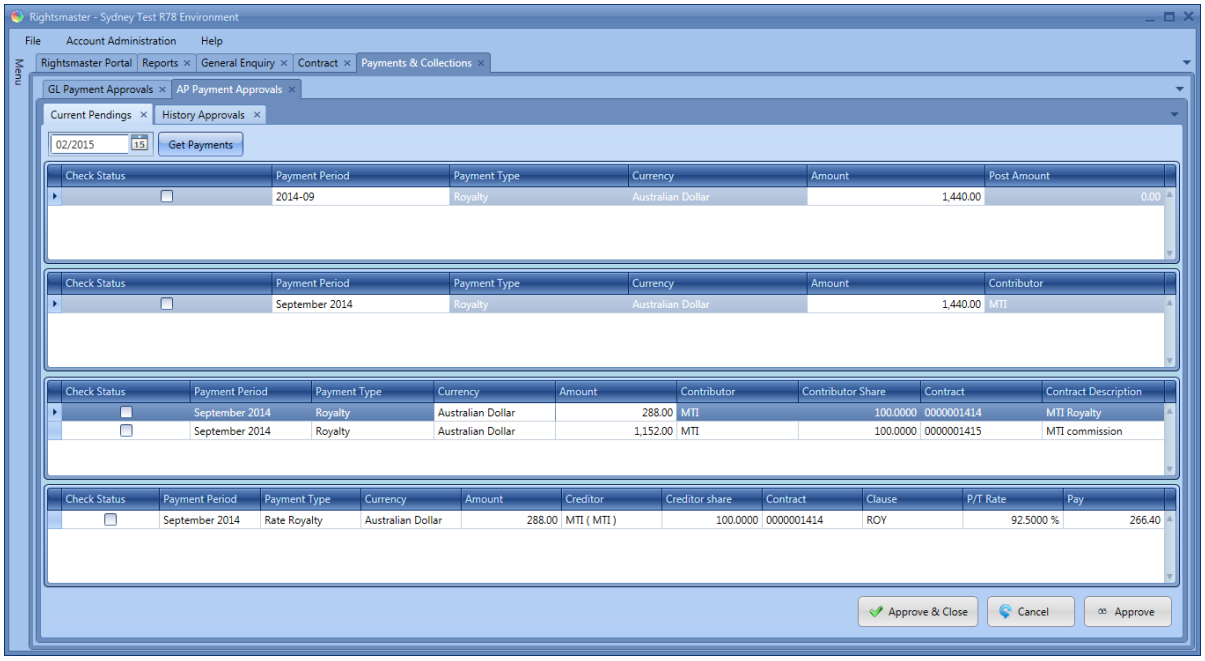

Thus the posting amount would be 308.74 + 266.40 = 575.14 AUD. The following are the two transactions that have been posted to the G/L interface. It requires to be posted.



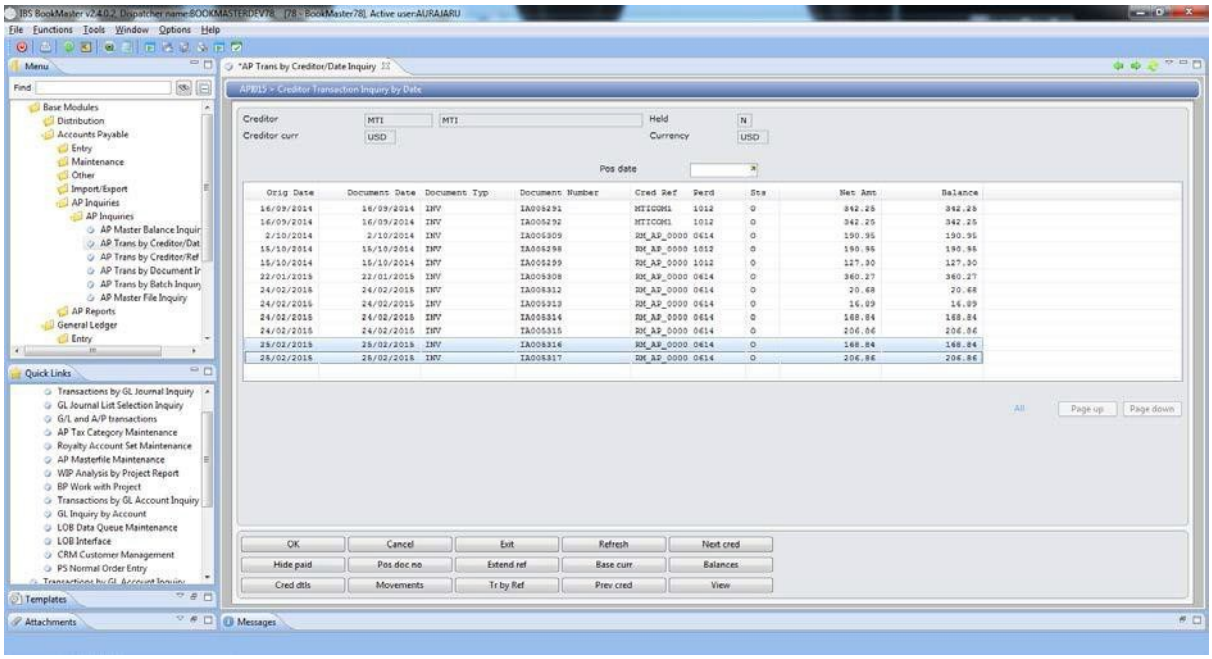

In the G/L inquiry you see the following journals. Need to ensure that you are looking at the Currency of the contract.



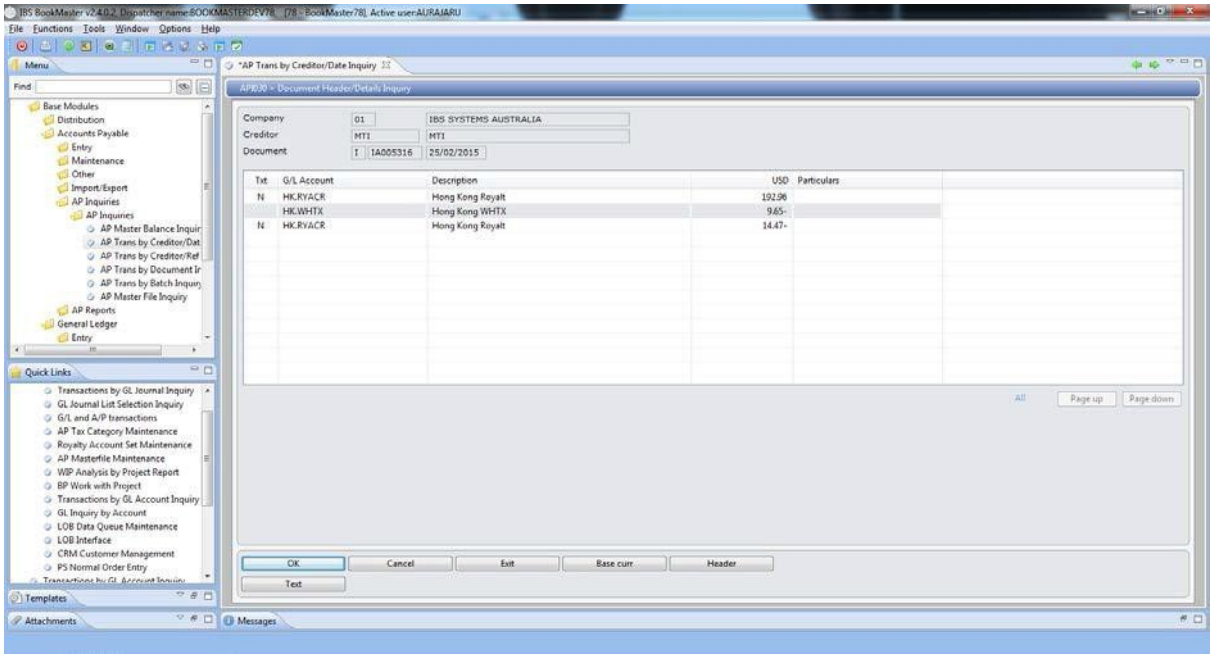

Next approve the A/P invoices that are awaiting approval. They will be available for the period the payment is due. In this case it would be Sept (quarter) period.



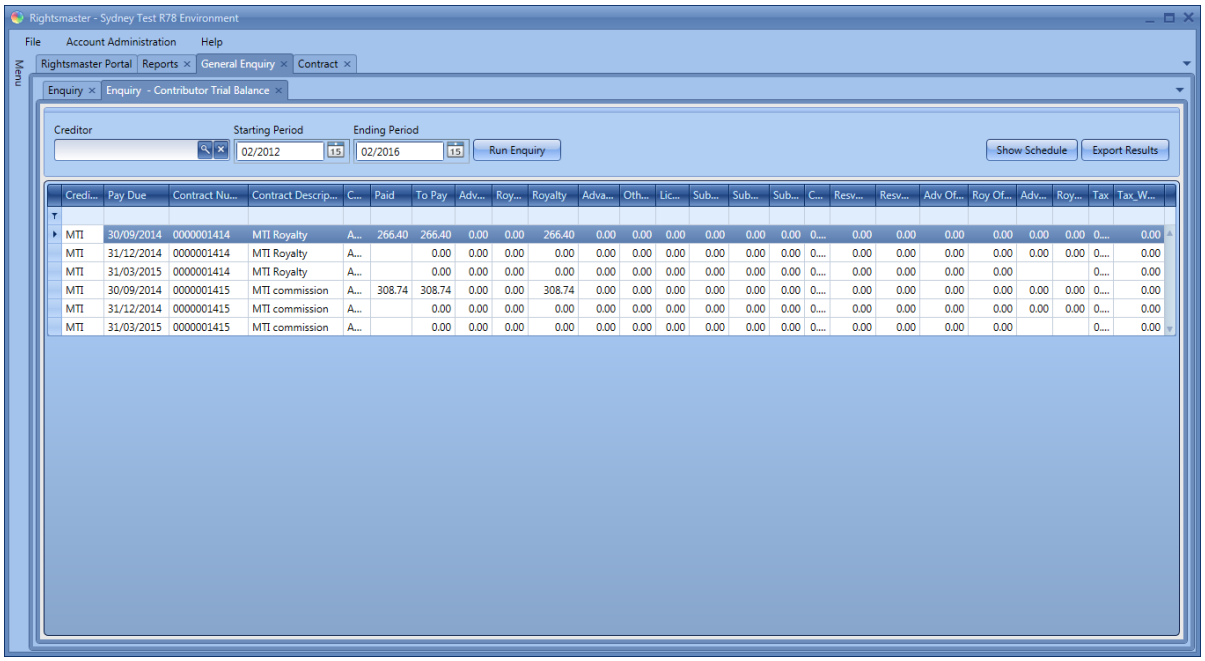

These amounts when approved would hit the A/P system and the applicable taxes would be calculated. Therefore when releasing the A/P transaction they will appear in the distribution system. The last 2 transactions are the ones for the above transactions. One would have no W/Tax and the other 5% W/Tax. The transaction for 206.86 appears as is and the 178 transaction appears as 168.84



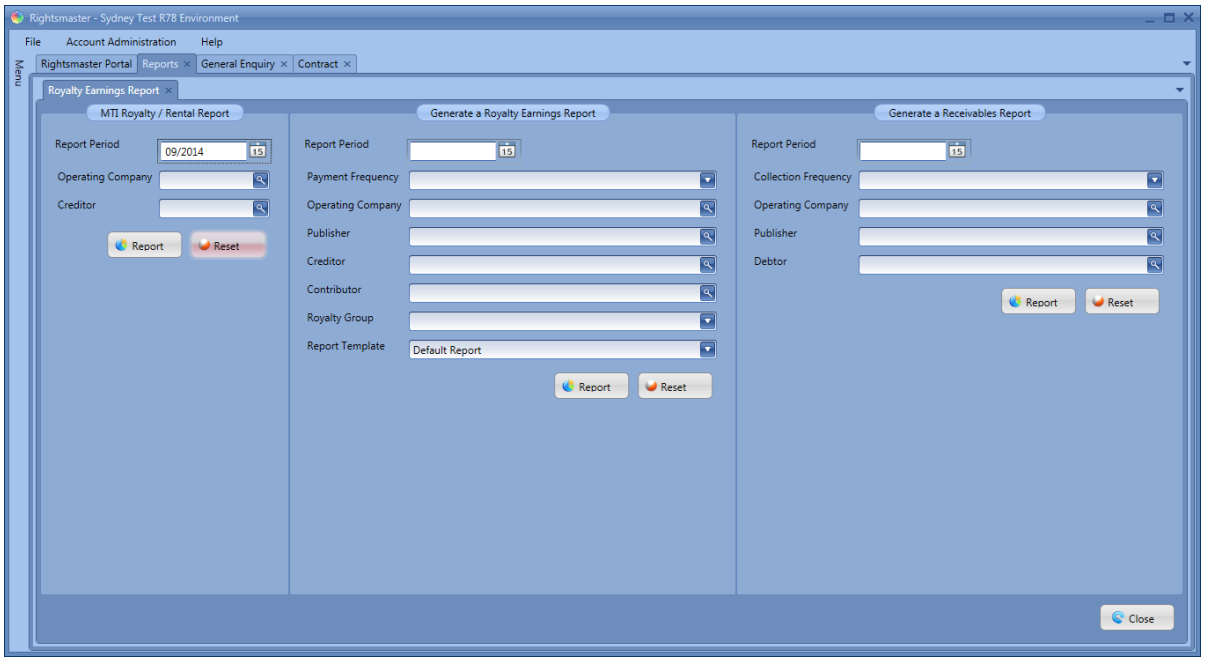

With the 168.84 transaction with the W/Tax component in it. Thus the 14.47- is the remainder of the pay through.



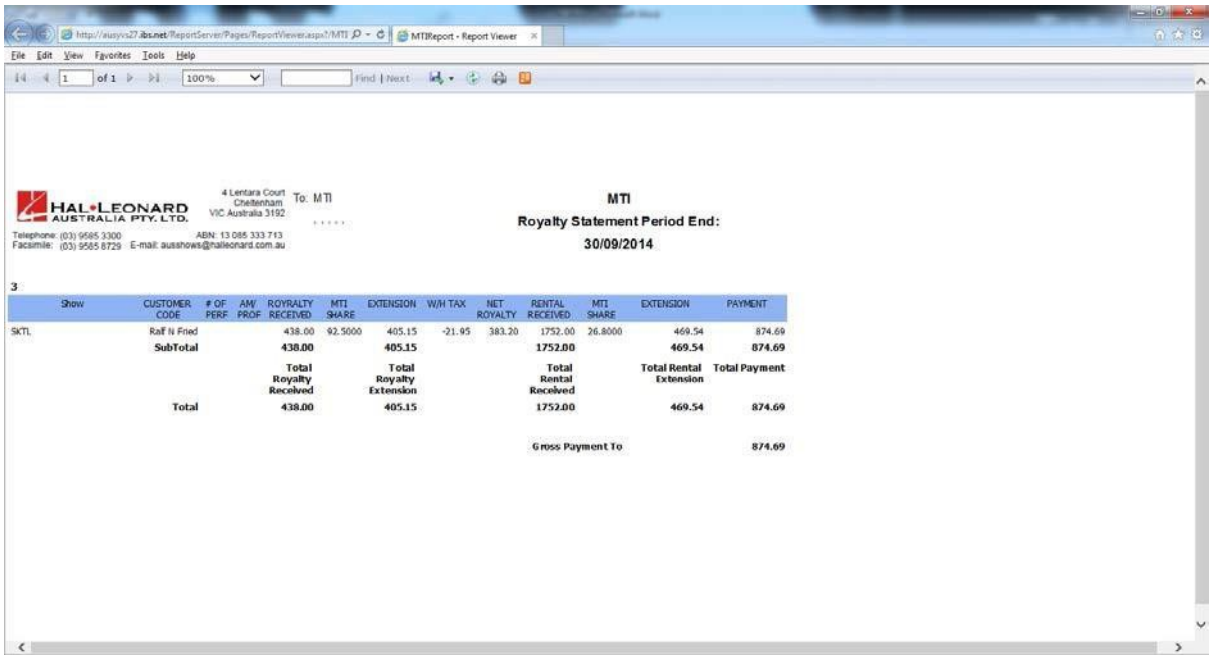

The following report also indicates the amounts calculated to be paid, and when the A/P is posted, it would show in the paid column.




The MTI report would show the amount that is payable to MTI. Calling the MTI report for the reporting period of 09/2014 as follows..




Results in the following..



HAL•LEONARD AUSTRALIA PTY. LTD.
4 Lentara Court
Cheltenham
VIC Australia 3192
Telephone: (03) 9585 3300
Facsimile: (03) 9585 8729
ABN: 13 085 333 713
E-mail: ausshows@halleonard.com.au

To: MTI

**MTI**
**Royalty Statement Period End:**
**30/09/2014**

3

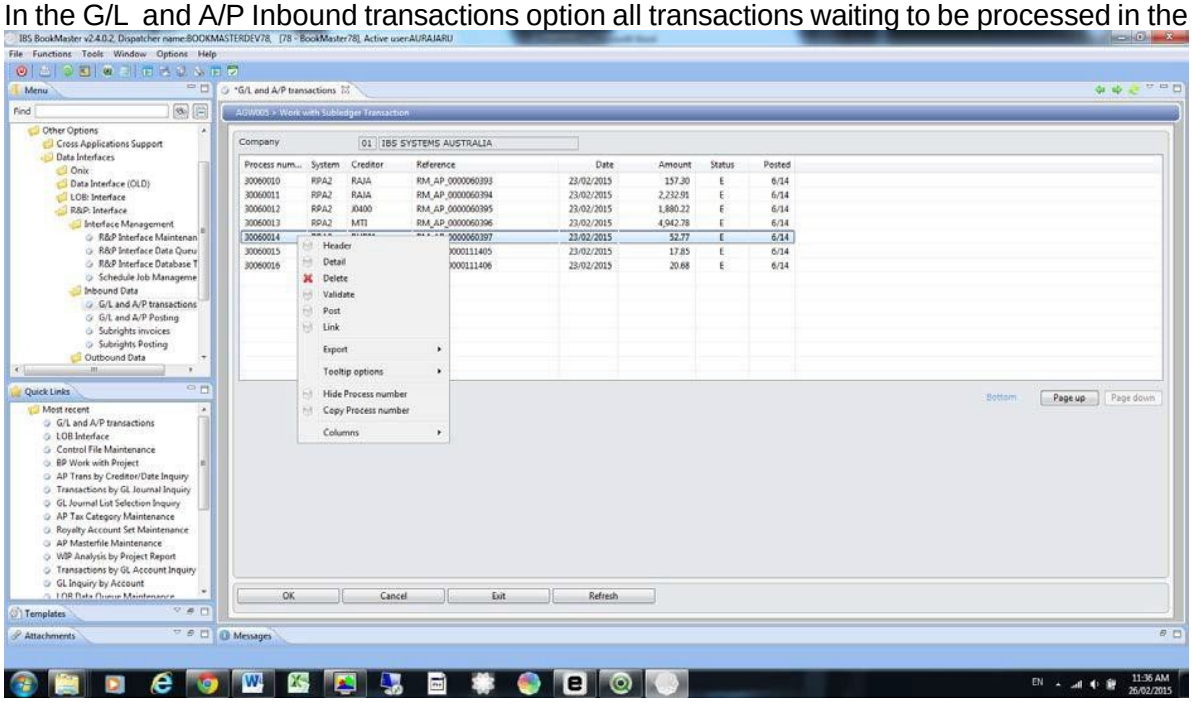
| Show | CUSTOMER CODE | # OF PERF | AM/ PROF | ROYRALTY RECEIVED | MTI SHARE | EXTENSION | W/H TAX | NET ROYALTY | RENTAL RECEIVED | MTI SHARE | EXTENSION | PAYMENT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SKTL | Raif N Fried | | | 438.00 | 92.5000 | 405.15 | -21.95 | 383.20 | 1752.00 | 26.8000 | 469.54 | 874.69 |
| | **SubTotal** | | | **438.00** | | **405.15** | | | **1752.00** | | **469.54** | **874.69** |
| | | | | **Total Royalty Received** | | **Total Royalty Extension** | | | **Total Rental Received** | | **Total Rental Extension** | **Total Payment** |
| | **Total** | | | **438.00** | | **405.15** | | | **1752.00** | | **469.54** | **874.69** |
| | | | | | | | | | **Gross Payment To** | | | **874.69** |

The withholding tax is visible in this report and its picked up from the A/P transactions that have been processed from the ERP system.

## 8.10 A/P and G/L Processing

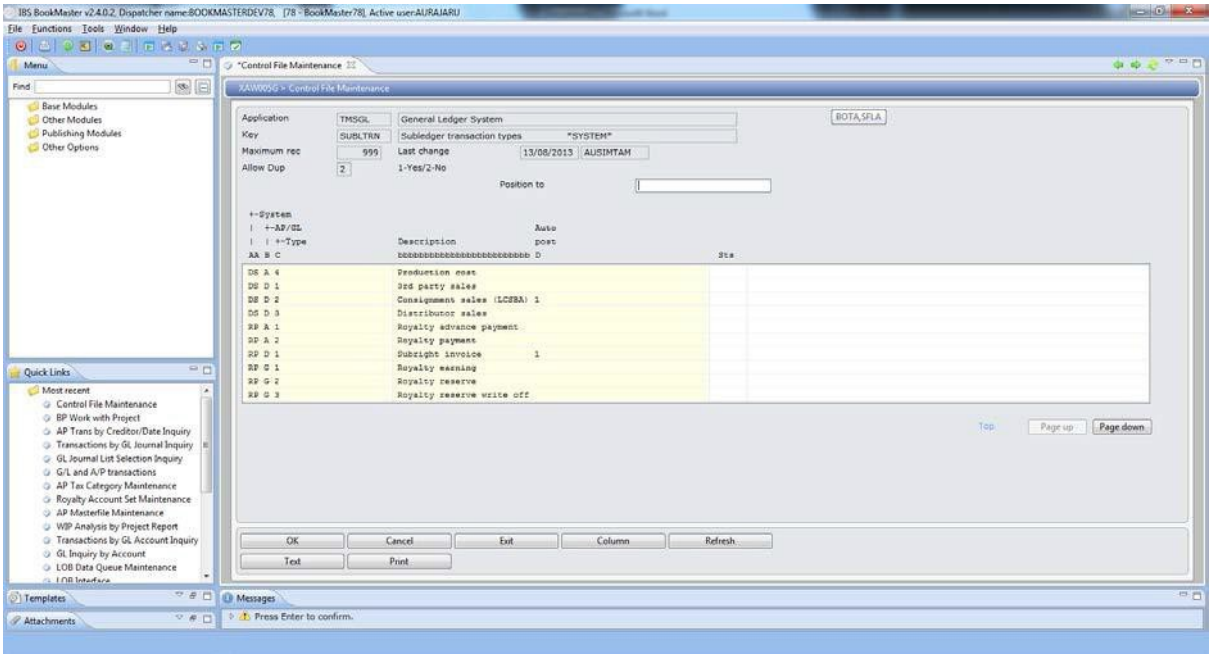
When G/L and A/P transactions are processed in RightsMaster, they would be held in the interface files for the transactions to be verified and approved. This is to ensure that one is happy with the details of the transactions being processed.

In the G/L and A/P Inbound transactions option all transactions waiting to be processed in the



IP1 will wait for the **post** option so that it can be processed by the ERP system.

Once the users are confident and do not require this interim process of verification, the following control file TMSGL/SUBLTRN can be updated to reflect the auto update option. Thus go thru the list of A/P and G/L based transactions and tick then to be auto update.




Once the following are updated, the transactions that are approved in RightsMaster, would pass straight into A/P and G/L for processing. The lines that have to be reviewed are the ones with the AP/GL flag set to 'G' for G/L and 'A' for A/P and have the autopost flag on.