

ATL/BTL BUDGET BREAKDOWN GUIDE

A Practical Companion for Filmmakers Creating Professional Budgets

A film budget isn't just a spreadsheet — it's the story of how your movie comes to life. And the distinction between Above-the-Line (ATL) and Below-the-Line (BTL) costs is the backbone of that story.

These categories shape everything from financing and incentive eligibility to scheduling, payroll, and delivery. When you understand ATL vs. BTL the way professionals do, your budgeting becomes aligned with how investors, accountants, and bond companies evaluate film risk — and your project becomes infinitely more credible.

This guide breaks down what each category actually means, how industry budgets are structured, and how to interpret (and avoid) the most common mistakes filmmakers make.

1. What Above-the-Line Really Represents

Above-the-line refers to all creative and package-defining costs negotiated *before* physical production begins. These are the people and rights that form the identity of the project — the creative blueprint that exists before there's a shooting schedule, a crew list, or even full financing.

ATL costs are typically fixed, meaning they do not change based on shooting days, location moves, overtime, or daily production logistics. Writers, directors, principal cast, and key creative producers all fall into this category because their work happens in the development and packaging stage.

A clean ATL tells the story of the film's creative DNA:

Who originated the story? Who is directing it? Who brings market value? Who is essential to getting the film financed?

2. What Below-the-Line Actually Covers

Below-the-line captures the full execution of the film. This includes labor, equipment, logistics, physical production, and post-production. Unlike ATL, BTL costs fluctuate based on how the film is made: the length of the shoot, the complexity of scenes, the number of locations, union rules, and weather or scheduling changes.

BTL is the engine of production. These costs represent every department that must coordinate to bring the script to life — camera, grip, electric, art, wardrobe, hair and makeup, sound, production office, transportation, locations, editorial, VFX, and finishing. Payroll taxes, fringes, insurance, legal, accounting, and contingency also live here.

While ATL is the *idea*, BTL is the *making* of the idea.

3. Why the Distinction Matters in Real Budgets

Understanding ATL and BTL isn't academic — it's operational and financial.

Financiers look to ATL to understand the maturity and viability of the project. If ATL is bloated or miscategorized, they assume the team doesn't understand budgeting.

Incentive auditors differentiate ATL and BTL because most incentives heavily favor local BTL spend. Misclassifying ATL as BTL is one of the most common ways filmmakers lose 20–40% of their expected rebate.

Bond companies evaluate the balance between ATL and BTL to determine if the film can actually be made. ATL tells them who is attached; BTL tells them whether production can achieve the script.

Distributors examine BTL to determine whether the production was executed at a level consistent with the genre and market of the film.

Your ATL/BTL breakdown is more than accounting — it's a confidence test.

4. The Grey Zone Roles (Where Filmmakers Get Confused)

Some roles seem creative but are factually BTL. Some roles seem logistical but belong ATL. The distinction is linked to **deal timing** and **creative authority**, not job title prestige.

Here are the roles filmmakers misplace most often:

Editors: Almost always BTL unless attached during early packaging (rare).

Producers: Only ATL if part of creative packaging; otherwise BTL.

Executive Producers: If tied to financing or major creative leverage → ATL; if operational → BTL.

Composer: Typically BTL (post-production), unless attached early as part of package.

Casting Director: BTL (hired during prep).

Production Designer: Creative, yes — but hired in prep → BTL.

Post Supervisor: BTL (runs execution, not packaging).

Understanding these nuances prevents budgeting errors that undermine incentives, audits, and investor confidence.

5. The Real Chart of Accounts Used in Professional Budgets

Professional budgets follow a standard structure recognized across studios, accounting teams, insurance carriers, and U.S. audit jurisdictions.

Here is the actual high-level breakdown:

1000 – Above-the-Line

2000 – Production Staff

3000 – Art Department

4000 – Camera / Grip / Electric

5000 – Sound Department

6000 – Locations / Transportation / Travel

7000 – Picture Editorial

8000 – Post Sound

9000 – VFX / DI / Finishing

10000 – Insurance / Legal / Accounting / Payroll Taxes

11000 – Contingency / Miscellaneous

Your categories should follow this structure to be considered “professional-grade.”

6. Example Budget Summary (Illustrative Only)

(These numbers are placeholders but the structure is industry-accurate.)

1000 – Above-the-Line — \$450,000
2000 – Production Staff — \$220,000
3000 – Art Department — \$180,000
4000 – Camera / Grip / Electric — \$310,000
5000 – Sound Department — \$95,000
6000 – Locations / Travel / Transportation — \$150,000
7000 – Picture Editorial — \$130,000
8000 – Post Sound — \$80,000
9000 – VFX / DI / Finishing — \$120,000
10000 – Insurance / Legal / Accounting / Fringes — \$160,000
11000 – Contingency — \$150,000

Total Estimated Budget: \$2,045,000

This is the exact kind of summary that appears on top-level cost reports and financing submissions.

7. Quick ATL/BTL Cheat Sheet (Printable)

Typically ATL:

- Writer(s)
- Director
- Principal cast (leads/key supporting cast)
- Creative producers attached pre-financing
- Underlying rights (books, life rights, IP)
- Key financing/packaging EPs

Typically BTL:

- Line producer, UPM
- Production office & staff
- Camera / grip / electric
- All crew labor
- Casting director
- Production designer, art dept
- Wardrobe / HMU
- Transportation & locations
- All equipment rentals
- Editor, AE team
- VFX, sound post, finishing
- Insurance, legal, accounting
- Fringes & payroll taxes
- Contingency

This section is gold for filmmakers who keep mixing up categories.

8. Final Notes for Filmmakers

A budget's credibility comes from how accurately it reflects ATL vs. BTL distinctions. Misunderstanding these lines can sabotage incentives, inflate ATL at the expense of execution, and erode trust from investors and distributors.

A strong ATL/BTL balance isn't about "spending less" — it's about spending *correctly*.



Disclaimer: This checklist is provided for educational purposes only and does not constitute legal advice or establish an attorney–client relationship. Every production is unique, and delivery requirements can vary by distributor, territory, or platform. You should consult a qualified entertainment attorney to review your specific distribution agreements and ensure full compliance with applicable laws and contractual obligations.