

## Understanding Florida Entertainment Contract Law: Advances

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Advances in the entertainment industry are a normal occurrence in the many contracts you will encounter throughout your entertainment career. If you have ever read a contract and scratched your head regarding re-payment of advances, you are not alone. Unfortunately, many individuals sign contracts without ever understanding what an advance is and what receiving one means for your success and financial future.

When entering in to an entertainment contract, always remember that these contracts may control your chances of success and your financial future. An advance in music contracts, entertainment law, and other areas of the entertainment industry are much like loans. It is an advance of funds to cover the costs associated with recording an album, writing a book, touring, and other things that your contract may mention.

Since an advance is much like a loan or investment in your success, you will be required to pay that amount back to the amount back to the record label, publishing company, manager, etc. You will often be required to pay the advances back directly from the royalties you are due when your goods are bought by the public. For example, if you a musician signing with a record label, the record label will pay for your recording studio costs, marketing, etc. Once your CDs begin to sell the royalties you would be getting paid for will be instead paying off your advance to the record label. It is not uncommon to see musicians having to wait to be paid royalties for months or even years after their CDs are released.

Please do not misunderstand; advances are not a bad thing. Advances are often the only way that entertainers can fund the many projects they need to succeed in this business, but they could come back to haunt the individual who was not aware of what they are and their obligations to repay them.

In contracts between talent and managers or agents, it is important to determine if managers or agents will be receiving their commission from advances. Although some in the industry may consider it "gross income" in the sense that the term is used in the contract, it may be excluded in the contract and therefore the manager would not receive a commission from what is essentially a loan.

Can you now see why it is important to hire an entertainment attorney when you don't understand the languages used in your contracts- you could be in serious trouble regarding advances and other important parts of contracts?