

## **You Got The Deal, Now What? Money Edition**

*First thing's first, I know asking questions can be hard, that you might not want to be perceived as a burden, but your agent is there to advance your collective careers, and if they ever make you feel like a burden, YOU HAVE A BAD AGENT AND NEED A NEW ONE. You are partners, and a good partner makes sure that the other partner is educated about their livelihood. Writing, even if it's not your "main gig" is one of your livelihoods now.*

- Do you understand the difference between gross versus net? How that impacts you? How that impacts how your agent gets paid since your agent takes their cut?
- Do you understand how your advance will be paid, what chunk of cash comes when? Words like "upon acceptance" and "upon publication" matter here. Each publisher defines "upon acceptance" a little differently, so make sure to ask your agent their experience with that particular publisher.
- You got a check. HOORAY! Set money aside for taxes, immediately. The size of your advance will dictate how much of that money you should put into an account you can't touch, but it's 30% MINIMUM and that's not been enough for some authors, so 35-40% is safer, particularly on higher pay-outs.
- Do you have an accountant? Because you will need one. Vet them before hiring them. Write-offs for writers are complicated to some degree, so doing your homework is good. If you can, ask authors in your area about their accountants so you know your accountant is versed in your profession. Lousy accountants exist and can screw you.
- Keep your receipts. For books. Gas/bus fare to the post office to mail things. Book travel and research. Dinners with author friends. Talk to your accountant about what you can and can't deduct, but also just keep all the receipts just in case. Some stuff you can deduct will surprise you!
- If you have access to a credit card and are in the financial position where reserving that card for book business is possible, many people suggest charging all your writing related expenses on one card so if you do lose receipts (or they wear out and get super faded and hard to read after a year tucked away) you have a clear record of what you've spent on your book business.
- If you did not have access to a credit card when you start out but want a card for your publishing expenses, you might be able to go to a credit union with a set amount of

money and start a line of credit and get a card with that set amount's limit on it. (More on banks later.)

- When you get said accountant, ask them what quarterly payments are, how to go about making them in the future, and why you (probably) need them, particularly as your career progresses and royalties become a thing.
- Do you understand royalties, for that matter? That they're paid on a schedule? What that schedule is? See: that net versus gross thing above, how every book sold isn't chipping away at your advance by list price, but by percentage of that price? Learn what "earning out" is, and how you get to that point. Royalties can't happen without earning out. Also: there are different ways of earning out: through book sales and also through subsidiary rights if the publisher has retained certain ones. Talking to your agent about what rights you want to sell and what rights you want to keep is a very important part of the submission process.
- Large advance? Consider hiring a financial advisor who works with creative people and their weird pay structures (and consider an IRA—or a retirement account—as that income is untaxable and protects your money in the long term.) Don't know what an IRA is? Ask the financial advisor. Most banks have them on staff, btw, so that's a good place to start.
- PS: A good financial advisor will probably suggest you pay off debt before anything. Adulthood is no fun sometimes.
- PSS: Success can be fleeting. While this initial big advance is great, publishing is mercurial. Don't cash checks you don't have, meaning don't assume all of your advances will look the same. Some books that have been bought huge did nothing at all, and some books that were bought for nothing went to the stars. It's all a gamble. Every book is different and many, many books do not earn out (this does not mean they are not making a profit for their publishers, however). Treating your advance like it's the only money that book will ever make might seem really depressing, but it also can be a very realistic view.
- See the writing on the wall: have honest conversations with your agent about marketing and promo. When are certain things like ARC's, Trade Reviews and Submission for Awards supposed to happen? What stuff to look for that indicates your publisher is making you a priority. What stuff to look for if you aren't a priority. Talk about what you want to do about that with your agent and also with other authors who have been in your similar situation. Is it a good idea to invest some of your advance into promo yourself? How would you like to do that, if you do? Before hiring an independent book publicist, talk to several authors who have done so about their experiences with independent publicists and if they feel like the cost vs the benefit works out. If you want to pay for promo like BookBub Features, always ask your publisher to split the cost.

- Choose your bank carefully. Crowd source, read YELP reviews, be sure your money is in the best place it can be. Maybe consider that you have banks and you have credit unions and they're not the same thing.
- Do you know what world rights are? Do you know if your agent sold world rights to your US publisher with the original offer? Ideally, you had the discussion about world vs North American rights during the sub process. If that didn't happen, get in on it quickly—world right sales can offer additional, substantial income. The typical publisher split on translation rights is 75% to the author, 25% to the publisher. The author split of any foreign rights advance that is sold via World Rights by your US publisher will be applied to your US advance until it (hopefully!) earns out. If you have sold a book for World Rights, there should be a section in your contract that details the various split of the rights the publisher has retained. Ask your agent if anything is unclear!
- If they didn't sell world rights to the initial offering house, ask who your agency uses for international sales rights—do they do it themselves? Do they work in conjunction with an agency who *only* does International Sales, and if so, who are they and what's the pay structure?
- What is the foreign rights plan for your book? Does your agency attend the Frankfurt Book Fair and sell books there? Is it good timing to have your book brought to the Fair? Does your agent plan on waiting until they have ARC's or at least bound galleys before they go out to foreign publishers? Or would they just prefer to wait until copy-edits so they know the book won't substantially change? Or even sooner, because there's been buzz? (Note: Some agents will do simultaneous submissions with US and foreign publishers).
- Understand agent fees—all of them. The more agencies involved in selling your material, the more of your money gets divvied up. It's fair for everyone to receive compensation, of course, but you should know how and where the cash flows.
- Talk to your agent when you go on sub about audio. Did your publisher pay for your audio rights? Or do you retain your audio rights? Ask if your agent has sold them or is trying to sell them.
- Same with film rights. What relationships does your agent or agency have in the film industry? Do they regularly work with film agents? Who? Are they pitching your book to these people? When will that happen, if it does? And who sells them? What's the payment breakdown once things are optioned, and, if you're lucky enough to get greenlit, how much of those contracted payments get divvied up among how many people.