FREE PLAYBOOK FOR LABEL MANAGERS

Built from 25 conversations with labels and managers

THE STATEMENT SEASON PLAYBOOK



Run your half-year statements faster, with fewer artist questions.

Qlero

FREE PLAYBOOK FOR LABEL MANAGERS

Make statement season the easy part of the year.

Twice a year, most label managers lose a month to statements: the run itself, then a week of artist questions, then invoices and payouts. This playbook shows how to spread the work out, send statements artists can read, and get paid out without chasing anyone.

What's inside

01 **The royalty run in plain language**
The eight steps of every run, and the terms that matter.

02 **The statement season timeline**
What to do every month, six weeks out and the week after.

03 **Statements artists can read**
What to include, with a cover email that heads off questions.

04 **Payouts without chasing**
Invoices, tax details and batch payments.

05 **Switching systems between runs**
When to move, and how to do it safely.

06 **What your royalty run really costs**
A simple calculation with a worked example.

> Each section ends with one thing to do before your next run. Pick one now and put it in your calendar.

SECTION

01

The royalty run in plain language

Every royalty run, in any system, follows the same eight steps.

1. **Catalog.** Every track and release you account for, with ISRC and UPC.
2. **Contracts.** Who gets paid on each track, at what rate, and on what basis.
3. **Sales import.** Load the sales files from your distributors, direct deals and licences for the period.
4. **Costs.** Add recoupable costs and advances to the right contract, track or release.
5. **Calculate.** Apply each contract to the sales and costs to produce every payee's earnings.
6. **Review.** Check the results before anything goes out.
7. **Publish.** Send statements to artists and payees.
8. **Pay.** Collect invoices or self-bill, then pay what is due.

A few terms come up in every run

TERM	WHAT IT MEANS
PPD	The published price to dealer. Many artist deals pay a percentage of PPD rather than of what the label actually received.
Net receipts	What the label actually received after distribution fees. Profit-share deals usually split net receipts.
Recoupment	Recovering advances and costs from an artist's royalties before paying out.
Cross-collateralisation	Using earnings from one release or contract to recoup costs on another. Only allowed if the contract says so.
Reserves	A share of royalties held back against returns, then released later. Mostly relevant for physical sales.
Escalation	A higher royalty rate once a release passes an agreed sales threshold.

BEFORE YOUR NEXT RUN

Write down which of the eight steps took the longest last time. That is where to start improving.

SECTION

02

The statement season timeline

The last week before statements only becomes a scramble when everything is left until then. Spread the work across the period instead. Count backwards from the date your statements are due.

Every month, during the period

- [ ] Import each month's sales files as they arrive, instead of six at once.
- [ ] Link new releases to their contracts the week they come out.
- [ ] Log costs and advances as they are paid, with receipts.

Six weeks before statements are due

- [ ] Check for tracks without a contract and contracts without tracks.
- [ ] Confirm any rate changes, escalations or new side deals.
- [ ] List every income source for the period and note which files are still missing.

Four weeks before

- [ ] Chase missing sales files from distributors, licensees and direct deals.
- [ ] Reconcile each file's total against what was actually paid into your bank.

Two weeks before

- [ ] Run the calculation in draft.
- [ ] Compare every payee's earnings against last period and investigate big swings.
- [ ] Review negative balances, unrecouped accounts and any unmatched sales lines.

One week before

- [ ] Lock costs and advances for the period.
- [ ] Generate statements and spot-check a sample of them against the contracts.
- [ ] Prepare the cover email and your answers to the usual questions.

Statement day and the week after

- [ ] Publish statements and send the cover email.
- [ ] Answer questions from a shared list of standard replies.
- [ ] Note every question that came in. Each one is a gap in your statement or cover email to fix next time.

BEFORE YOUR NEXT RUN

Put the six-week, four-week and two-week dates in your calendar now.

SECTION

03

Statements artists can read

Most artist questions are not complaints. They are the artist trying to fill a gap the statement left open. A statement that answers the obvious questions up front cuts the week of emails that follows every run.

A one-page summary, at the top

- Opening balance from the last statement
- Royalties earned this period
- Costs and advances charged, each with a short description
- Payments made
- Closing balance, and whether it is payable now
- Recoupment status in one sentence, such as "This release has recouped" or "€1,240 left to recoup"

A breakdown, behind it

- Earnings by platform, so an artist with millions of TikTok views can see why that earned less than their Spotify streams
- Earnings by territory
- Earnings by track and release
- Units and streams, not only money

SECTION 03, CONTINUED

Send it with a cover email that answers the usual questions

EMAIL TEMPLATE

Subject: Your royalty statement for [period]

Hi **[Name]**,

Your statement for **[period]** is attached. In short: you earned **[amount]** this period and your balance is now **[amount]**.

A few things that often come up:

- Streams are paid at different rates per platform, so a big number on one platform can mean less money than a smaller number on another.
- Income usually reaches us two to three months after the streams happen, so this statement covers streams from **[months]**.
- **[Recoupment status in one sentence.]**

To get paid, **[how to request a payout or send an invoice]**. If anything is unclear, reply to this email.

Thanks,
[Your name]

BEFORE YOUR NEXT RUN

Collect the ten questions you were asked most last time and answer each one in the cover email or the statement itself.

SECTION

04

Payouts without chasing

After the statements comes the second job: invoices and payments. Wrong amounts, wrong VAT numbers and missing invoices can drag on for weeks. Most of it can be prevented before the run starts.

- [ ] **Collect payee details before the run.** Legal name, address, bank details, VAT number if registered, and any tax forms needed for cross-border payments, such as withholding tax or residency forms. Note when each form expires.
- [ ] **Set a payout threshold.** For example, only pay balances above €50 and roll smaller amounts into the next period. It cuts the number of tiny payments without delaying anyone meaningfully.
- [ ] **Consider self-billing.** Instead of waiting for artists to invoice you, you issue the invoice on their behalf, matched to the statement. It needs a written agreement with each payee, and the rules differ by country, so agree the setup with your accountant first.
- [ ] **Pay in one batch.** Approve all payouts for the period together and send them as one payment run, rather than one bank transfer at a time.
- [ ] **Close the loop on the next statement.** Every payment should appear on the payee's next statement, so their balance always matches what they have received.

BEFORE YOUR NEXT RUN

List every payee with a missing or expired VAT number or tax form, and request them now rather than on payout day.

SECTION

05

Switching royalty systems between runs

Many labels stay on a system they have outgrown because switching feels risky. It is manageable if you time it right and test before you go live.

Time it right

The best moment is straight after a run has closed and payouts are done. You then have a full period to migrate and test. Avoid starting in the last six weeks before a run.

Tell artists once, clearly

Explain what changes (a new portal, a new statement layout) and what stays the same (their balance, their deal). Send it before the first statement from the new system.

Export everything before you start

- [ ] Catalog: tracks and releases with ISRC and UPC
- [ ] Contracts and deal terms, including escalations, reserves and cross-collateralisation
- [ ] Payees with their details and tax information
- [ ] Closing balances per payee and per contract
- [ ] Unrecouped costs and advances
- [ ] Statement history, so artists can still see past periods
- [ ] Notice period and end date of your current software contract

> **Run both systems side by side once.** Rerun your last completed period in the new system and compare it to the statements you actually sent. When balances match payee by payee, you know the contracts were moved correctly. This is often called a shadow run.

BEFORE YOUR NEXT RUN

Find out when your current software contract can be ended, and work backwards from that date.

SECTION

06

What your royalty run really costs

The software licence is usually the smallest part of a royalty run's cost. Most of it is people's time, and the week of questions afterwards is rarely counted at all. Add up the real number once, so you know what improving it is worth.

Cost per run = software for the period + (hours spent × hourly cost) + external help

Cost per statement = cost per run ÷ statements sent

Here is a worked example for a label sending 300 statements every six months, with staff time at €45 per hour. The figures are illustrative, so replace them with your own.

COST ITEM	HOW IT'S CALCULATED	COST PER RUN
Royalty software	€400 per month × 6 months	€2,400
Preparing and running statements	60 hours × €45	€2,700
Answering artist questions	40 hours × €45	€1,800
Invoices and payouts	20 hours × €45	€900
External help	Freelance royalty accountant, fixed fee	€1,000
Total per run	**About €29 per statement**	**€8,800**

In this example, the time spent on questions and payouts costs more than the software itself.

BEFORE YOUR NEXT RUN

Track the hours your team spends on each line above during the run, then fill in this table with your own numbers.

MAKE THE NEXT RUN THE EASY ONE

Take the week of questions out of statement season

Everything in this playbook works in any system. Qlero is built to make each step faster.

- **Fast imports.** Templates for the major distributors are ready to use, and the mapping preview flags errors while the file imports, not after.
- **Check before you publish.** Run the period in calculate-only mode and review the numbers before any statements are generated.
- **Statements artists can read.** Units, platforms, territories and a clear balance on every statement, with your logo, plus a portal for each artist.
- **Payouts in one flow.** Artists request their payout in the portal, you approve, and the self-billing invoice is created automatically.
- **A safe switch.** A phased migration plan and a shadow run that mirrors your previous periods before you go live.
- **Pricing on data, not contracts.** You pay for the sales data you process, not for every contract in your back catalog.

See your next run in Qlero

Book a 30-minute walkthrough and we'll show you how your statements would look.

Book a walkthrough

qlero.cal.com/victor/qlero

Qlero

Built by the team behind Nova Sounds, a record label and distribution company, after years of running statements on the same tools as everyone else.