# Supporting Material 12d: Some suggested initial fees and ongoing royalties.

*This list is potentially endless provided items are legitimate and fairly attributable to the franchisee at commencement or during the term.*

## Initial franchise package typical items

1. **Initial franchise fee**
2. This could include any number of items that are included in the initial set-up cost but my preference is to show any costs over say $2000 listed separately to help indicate the value and substantiate the investment.
3. Lesser items to be included and listed
4. Stationery
5. Uniforms
6. Signage if minimal
7. Software subscriptions
8. **Franchise legals for site procurement – lease agent, legals, etc**
9. **Lease bond – payable to the lessor who can be franchisor**
10. **Plant & equipment including computers**
11. **Shopfitting**
12. **Vehicle or trailer – could be purchase or lease**
13. **Vehicle fit-out e.g. shelving if not included above**
14. **Stock**
15. **Telephones and other communications equipment or fees**
16. **Insurance package**
17. **Initial Training**
18. **Training – ongoing scheduled during the term**
19. **Signage – to vehicle, premises etc**
20. **Annual Conference sinking fund – topping up to equal value for other franchisees**
21. **Launch cost – opening day function and promotion. Can include a Local Area Marketing promotion package which could also be shown separately**

**PTO…**

## Ongoing Royalties

1. **Monthly/ periodic fee - % turnover or fixed figure**
	1. Annual conference contribution
	2. Accounts and bookkeeping support including platform e.g. Xero, FranchiseSimplySYSTEM
	3. Lease fees
	4. Payments for other support items e.g. phones, tech equipment hire, etc
	5. Other monthly subscriptions or fixed costs
2. **Marketing Fund – to trust account**
	1. Regional and National advertising
	2. Local area marketing done by the franchisor
	3. Maintenance of website or social media
	4. Periodic upgrade of the brand, website or social media
	5. Research and design for the brand and marketing
3. **Marketing Fund sinking fund – topping up to equal value for other franchisees**