

Frankfort Report

BY ETHAN ELLENBERG

I just returned from the international book fair in Frankfurt, Germany, and fresh with impressions from my experience, I thought it would be useful to write a short piece on foreign rights and their importance in the writer's life. Just for fun, while you're reading this keep the phrase "free money" in mind. A number of my clients refer to foreign rights income as "free money" and I think you'll appreciate the irony of this phrase as you read on.

Foreign rights almost always refers to the licensing of a book in markets outside of the U.S.: in England in the English language or in foreign countries as a translation into the home language. It is not commonly used to refer to export sales, which are actual book sales of the U.S. edition itself in other countries. Export sales are an important part of a writer's income as well. A general rule of thumb is that 10% of every first printing is exported to Canada and other foreign countries. Export sales are worth an article of their own to explore, but this piece will focus on foreign rights.

Before I launch into selling foreign rights, I realize the average author needs to understand a very significant thing—who controls the foreign rights?

As part of the initial contract negotiation with the U.S. publisher, the writer or the writer's agent will negotiate who controls foreign rights. This will

dictate a number of very important issues when rights are sold. In some cases, the publisher retains these rights. If the author has no agent and no way of selling these rights, this approach has a lot of appeal. Virtually all publishers are set up to sell foreign rights so the author has a chance of actually selling them. The downside is that all the income applies to the advance and the publisher keeps a cut—generally 20% or 25%.

If the author's agent controls foreign rights, the agent must be set up to sell them. Not all agents make a large effort in this department for a number of reasons, including the time and expense it takes to make these sales. Building a foreign rights business is a long and arduous process. The rewards, however, are significant. When the foreign rights are sold by the author's agency on an individual basis, the author builds direct, new income streams: the advance and royalties from British rights, French rights, German rights, Japanese rights, etc. The money can really add up, and it flows directly to the author through his or her agent.

The only other significant way that rights are sold is through foreign rights agents, who are agents who represent publishers and agents specifically to sell foreign rights. As they are specialists who only work on these sales, they have the expertise and contacts to make these sales. That said, it comes at a price. For one

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Dues Renewal Deadline January 15

Renew at ninc.com or mail renewal
to Central Coordinator.

Novelists, Inc.

FOUNDED IN 1989

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Address changes may be made on the website.
For members without Internet access, send
changes to the Central Coordinator.

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written permission.

In Memoriam

We announce with sadness the unexpected deaths of Ninc members **Martha (Marty) Sans** on November 22 and **Patricia Matthews** in December.

We extend our condolences to their families and friends.

Introducing

The following authors have applied for membership in Ninc and are now presented by the Membership Committee to the members. If no legitimate objections are lodged with the Membership Committee within 15 days of this NINK issue, these authors shall be accepted as members of Ninc. For further information or to recommend eligible writers, contact Membership Chair Holly Jacobs at P.O. Box 11102, Erie PA 16514-1102 or email holly@hollysbooks.com.

New Applicants:

Ellyn Bache, Souderton PA
Mary Buckham, Port Townsend WA
Joe Moore, Coral Springs FL
Charlene Teglia, Forks WA

New Members:

Karen Robards, Louisville KY

**Ninc has room to grow...recommend membership
to your colleagues. Prospective members
may apply online at ninc.com.**



**San Diego 2007
March 15-17
The US Grant Hotel**

Member Registration Fee \$325

The registration form is available online and within
your September 2006 issue of *NINK*.

The 4 Most Terrifying —and Thrilling— Words in Nincdom

I have an idea.

Yup, the words that make a Ninc member's heart race with fear or with excitement.

When we say them in a writing context, it's a thrill—launching a story in all its shiny, potential perfection. When someone else says them—especially just before adding “I want you to write”—they produce horror.

But let's put the four words in a Novelists, Inc. context.

In that case, the excitement comes when a Ninc member declares, “I have an idea.” And the fear arises when a Ninc member hears me say, “I have an idea.” Sure I've been threatened with scissors-to-the-heart a time or two, but we have brave souls in Ninc and they just say “I have an idea” right back.

Here's a sampling of what those ideas are creating:

NINK

- ▼ **The look:** With this New Year's *NINK* you immediately see one idea from editor Lorraine Heath. This paper and ink allow greater graphic opportunities. (My first presidential decision was to not have a photo accompany this column, because some ideas are just *bad*. But, otherwise, I know Lorraine will use graphics to entertain and educate us.)
- ▼ **Articles:** An expanded articles budget will let Lorraine explore new arenas for articles with a strong business orientation.
- ▼ **Columns:** *NINK* thanks the loyal and talented columnists who have recently left its pages for sharing their words and worlds. You will be missed. The new lineup Lorraine is building will bring a twist—some columns appearing quarterly, rather than monthly, allowing for a broad range of topics to be covered.
- ▼ **Genre-centric issues:** Scattered throughout the year, *NINK* will focus on individual genres, exploring that particular section of the publishing world.

WEBSITE

Talk about ideas! Ginger Chambers bubbles over with them.

- ▼ **Directories:** We recently added one of editors and another of members' publishers. Need an editor's mailing address? It's there. Got an offer and want to see other members with experience at that house? That'll be increasingly available as members update their profiles (hint, hint).
- ▼ **Updates:** New items in the Members Only section keep popping up, including “Wisdom of Ninlink,” top blogs, research resources, and golden oldies from *NINK*.
- ▼ **Expanding membership:** Ninlink contributed “Top Ten Reasons to Join.” Soon we'll have a brief online form you can fill out on prospective members so membership chair Holly Jacobs can contact them.
- ▼ **San Diego Conference Center:** It is a beauty. Come to register...stay to browse.

SAN DIEGO CONFERENCE

Pat Roy is creating a conference as individual and special as San Diego itself is.

- ▼ **Speakers:** A federal agent who's investigated drugs, bombs, and illegal immigration; Authors Guild attorney Anita Fore on contracts; a promotion and presentation expert; applying acting techniques to characterization; exploring opportunities ahead.
- ▼ **Good Eats:** Breakfast was such a great idea in New Orleans that Pat brought it along to San Diego. Even better (at least to this Pat), we'll have a US Grant Afternoon Tea.
- ▼ **Extra events:** Eric Maisel will bring his brand of creative sanity to an all-day pre-conference session. Pat's compiled a “Travel Companion Package” of delights. And our conference wraps up on St. Patrick's Day, with a hotbed of Gaelic celebration right outside our door.

SO MUCH MORE

- ▼ **Used Book Committee:** Volunteers did a ▶

President's Voice

- ▶ survey this fall to produce hard numbers for specific books. (More on that later.) More ideas are brewing. Consider joining the committee or dropping an "I have an idea" email.
- ▼ **Member Services:** Previous boards did a phenomenal job streamlining the financial system, hiring a central coordinator, arranging to archive Ninc's materials, and allowing us to renew, register, and pay online. Great ideas all!
- ▼ **Logo:** NINC is working with a design firm to create a logo to help brand us. More coming on this in the future.

AND FINALLY ... drum roll ... THE NINC LEGAL FUND

Novelists, Inc. is in the process of establishing a system that will allow members access to limited legal advice regarding aspects of their writing careers (other than contract-negotiation). To be clear, this would *not* fund any member's major legal battle. Instead, members faced with a career-related legal situation will have an opportunity to talk to a lawyer proficient in the publishing world and obtain an assessment of the member's position. (Can you tell I've been talking to lawyers a lot lately?)

The idea is that when members get hit with a career-related legal situation that has us wondering where on earth to start—now we will have a place to start.

The previous board began the process of creating this new and valuable member benefit, and the current board is continuing it.

More details on the Legal Fund will be coming in the March issue of *NINK*—and believe me, there are lots more details to come. (Blame it on the lawyers.)

In the meantime, if you have an idea ... email Laura Resnick!

— **Pat McLaughlin**

Authors Coalition Survey

Complete the Authors Coalition Survey electronically at ninc.com; or complete the form that came with your dues renewal; or complete the .pdf form at ninc.com. Remember: By definition every Ninc member qualifies to check off the category that lists author or translator of fiction. Check every additional category that applies.

NINK Note

Newsletter Staff

Annette Carney
Katherine Garbera
Pamela Johnson

To contribute an article or offer a suggestion, contact the editor. Ninc pays for original articles.

Business Briefs

Survey Reveals Reader Spending Habits:

According to Speir New York's recent survey of 813 respondents, 68% still buy their books in bookstores. Of those preferring bookstores, 72% were men, 65% were women (who may or may not be more likely to be shopping in grocery stores and other outlets). Alternate locations were prominent with 43% buying in department or discount stores and 13% purchasing online. Readers between the ages of 18 and 34 had a 71% return of buying in bookstores, and the 35 to 44 age group was at 75%, compared to 62% with the 55 and older crowd. Of those buying online, 40% had incomes over \$100,000 and 13% had incomes below \$35,000. Hardbacks were the most popular at 41%; 45% of readers over age 55 preferred hardbacks. *Do those with higher incomes read more?* Of those who read 10 books or more annually, 43% had incomes over \$100,000 and 23% had incomes under \$35,000. *How are they with technology?* The 18 to 34 year old group was at 12% on downloads or podcasts with only 4% in the 55 and older group. The overall total from all surveyed was 8% for downloads or podcasts. This is the first of a series of surveys about book buying habits.

Quick Personnel Changes: Andrea Schulz moves up to editor-in-chief at Harcourt to helm adult hardcover acquisition. Christine Zika leaves Berkley and moves to Bookspan's Madison Park Press as executive editor to purchase and edit original book projects. Jennifer Barth moves from editor-in-chief at Holt to an executive editor position at HarperCollins under Jonathan Burnham.

"Briefs" Compiled by Sally Hawkes

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thing they receive at least a 10% commission for their work and added to the agent's commission and a co-agent's commission (local agent working in foreign country) the author pays a full 30% of sale instead of 20% which would be the total commission paid should his/her own agent sell foreign rights. Additionally, it means his/her own agent is not directly in touch with the foreign rights markets and is beholden to a middle person who may well have scores of clients to represent.

Authors need to think about this area very seriously, particularly as their careers begin to grow. The financial implications of who controls their foreign rights and who is selling their foreign rights are very, very significant.

So, foreign rights covers sales of the U.S. edition in English to publishers, usually based in England, who market their edition in the United Kingdom and what once was the British Commonwealth, as well as sales to a host of foreign countries in translation. Significant countries that are granted exclusivity in these UK licenses include the United Kingdom (England, Scotland, and Wales), and Australia, South Africa, India, etc. The reason for this arrangement is that many years ago American and British publishers divided up the English speaking world so that their editions would not compete with each other. So a successful book will have two important publishers in the English language—a U.S. based publisher publishing in English in the U.S., Canada, and the "Open Market" (countries that both publishers may ship into) and a British based publisher publishing its own edition in the United Kingdom, British Commonwealth, and Open Market. There are variations on this. I have one author who is a Canadian citizen and has her own Canadian publisher who publishes her solely in Canada.

Having two English language publishers is ideal for a number of reasons. You get separate advances and royalties from each publisher. The British based publisher will treat your book as one of its own, giving it its own launch, promotion budget, etc. in the British market. It will also typically pay a higher royalty. So one reason to attend the Frankfort book fair is to meet with British publishers who are your customers. I was delighted to find a client of mine had three entire pages in her British publisher's catalogue. Her books were prominently displayed in the pub-

lisher's booth. This confirmed my sense that this publisher was committed to my client and allowed me to monitor its performance and expectations for my client. In addition to Frankfort, which meets every fall, the second most important book fair is the London Book Fair which meets every spring.

So selling English language rights to a United Kingdom publisher is one part of the foreign rights scene. Though England is a much smaller country than the United States with a smaller book market, it is a significant license. Advances may well be considerably smaller but as they are piggy-backing on the prior U.S. sale, they remain an important and exciting source of additional income, "free money" in the parlance of some of my clients.

Beyond English language rights is the sale of translation rights and this is a much bigger arena of sales. As the book is being translated into a foreign language there is almost no market anywhere in the world that cannot be included in this endeavor. The most important markets are Germany, France, Japan, Spain, and South America. That said, Russia, China, Scandinavia, Italy, and Eastern Europe are all active buyers of American books. And the list goes on. We've sold rights in Indonesia, Turkey, and Greece this year.

Selling foreign rights takes a considerable amount of effort and is a year-round endeavor. The primary vehicle of sale for me is my co-agent, who is a locally based agent (usually a native of the country) whose business is selling rights from foreign publishers and agents into their home market. I must keep in touch with the co-agents, providing them with the information and material they need to make sales. I periodically present new books to them and try to interest them in the book. Galleys, electronic files, or finished books are shipped by my office so that they can read and evaluate the books. We send on-sales information, reviews, and anything we think will convince the agent, and then the foreign publisher, to consider a book. Four times a year I try to send out a package of tip sheets to make sure my co-agents have all the up-to-date information they need and to renew their interest in my books. I also bug them regularly to follow up on pending sales and to press them to sell individual titles that I think have the most potential.

It's very important to work with and manage the co-agent properly, and this is not a simple task. I have to compete for the co-agent's time and attention. Most foreign rights agents only represent foreign publishers into their home markets. This is not a huge business and a few co-agents are all there are even in fairly large markets. This means that the same co-agent I use may also have an account as big as HarperCollins. This same co-agent may have 60 or 80 or more clients. In

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► order to get the most from the co-agent I find I must limit my push to about ten properties per year. The tip sheets and sales material must be very well prepared, and I need a sense of what's going on in their markets and my own. For an independent agent like myself, the most significant work I do at Frankfort is meeting with my co-agents. I present my list and discuss its potential in person. I also get a report from them of the previous year's work and discuss what's going on and how we can help each other sell more rights.

Beyond the careful selection of candidates for foreign rights and the constant accumulation and communication of sales material, there is another important aspect of foreign rights sales and that's dealing with tax issues. Some foreign countries tax the translation license and in many instances this tax can be avoided completely or reduced dramatically by filing the right papers. This involves us in an ongoing paper chase where we obtain exemption certificates on behalf of the client or apply to have monies withheld released. It's very important because literally thousands of dollars are at stake.

So it's not free money. It involves maintaining a string of co-agents. It means communicating all the important publishing details about a host of books on a nearly weekly basis and constantly shipping books as well. It means dealing with tax

exemption certificates and bank wires and fees.

It's also immensely rewarding.

At Frankfort I sat down at the table with the agent who handles my rights in Holland and Scandinavia to be greeted with the words, "I have a 2500 Euro offer for you for Holland." We sold the original book for \$15,000, so another 20% or so sounded awfully fine to me. I recently received a 3000 Euro offer for a book I sold seven years ago and which is now out of print in the U.S. A German publisher just renewed a license (the original license only gave them the right to publish for five years) for 8500 Euros. By having direct involvement in selling foreign rights as I do, I can add substantial amounts of income to my clients and make sure they are having the fullest potential of their books exploited. I can also have a sense of trends on an international basis.

So the money can be good, but it is not free, except to the author, unless you want to count those years of apprenticeship and the months of pounding away at the word processor wondering if the damn book would ever get written.

Ethan Ellenberg opened his literary agency in late 1984 after holding jobs at both Bantam and Berkeley/Jove. He represents a wide range of book authors, though his specialty is commercial fiction. He also does some nonfiction and has a strong children's list including the Caldecott winner Eric Rohmann. He is open to new authors and maintains a website with information on how to make a submission. The website is ethanellenberg.com.

Business Briefs

Publisher Weekly's Best Books of 2006:

Two of the books recognized were written by Novelists, Inc. members—*Valley of Silence* by Nora Roberts and *A Gentleman by Any Other Name* by Kasey Michaels. The entire list can be found in the November 6, 2006 issue.

Comics to Prose: Seven Seas Entertainment, which previously produced only original manga, comics, and graphic novels, is launching a children's list, releasing 12 children's books and prose novels for "tweens" in June 2007. They are also republishing Rachel Robert's Avalon series and releasing the next two books. The series was allowed to go out of print with the previous publisher in order to print the entire series from the new publisher. ▲

Stay in Touch with Ninc online.

Visit the website at ninc.com.

Join the never-ending e-conversation—
for members only—by joining Ninlink.

If you have questions, email moderator

Brenda Hiatt Barber at

BrendaHB@aol.com

Controlling Your Listserve Preferences through Email:

Subscribe	NINCLINK-subscribe@yahoogroups.com
Unsubscribe	NINCLINK-unsubscribe@yahoogroups.com
Switch to Digest	NINCLINK-digest@yahoogroups.com
Switch to Individual Mail	NINCLINK-normal@yahoogroups.com
No-Mail	NINCLINK-nomail@yahoogroups.com



OFF the BEATEN PATH: Markets for Reprints

BY CINDI MYERS

This marks the first in a series of quarterly columns devoted to alternative or less-well-known markets for our work. This time I'm reporting on places to sell the rights for out-of-print books that have reverted to the author.

Several large print, ebook, and general publishers are interested in reprinting genre fiction. Ideally, a savvy author could sell separate rights to one book in all three areas.

THE GENERAL MARKET

Premium Press America

Premium Press America, a Nashville-based publisher with a 20-year history of success with nonfiction titles is branching out into romance and mystery fiction. Titles are already available in CVS and Eckerd Drug stores. The books are also available through Baker and Taylor and other wholesalers. PPA has carved out a market niche with nonfiction through specialty marketing agreements with stores such as Hallmark, CVS, and Eckerd drugs, as well as corporate sales. They also have a strong overseas marketing division. They hope to publish 40 mystery and romance titles per year, with five titles released every other month. Editor Lanier Brandau will consider previously published books if all rights have been returned to the author.

Authors should send a copy of the printed book along with an electronic copy of the book, with a synopsis. Ms. Brandau will accept up to three submissions at one time. She's interested in romance and mystery—particularly multi-cultural and/or sensual stories, but she will consider all types of romance and mystery. For more information and general guidelines, contact Ms. Brandau by email at ppawriters@premiumpressamerica.com.

iUniverse

Perhaps better known as a vanity publisher, iUniverse has partnered with The Authors Guild for a Back-in-Print service that is free to Authors Guild members. They will produce a high-quality trade paperback available through print-on-demand. Authors are required to submit an application and a copy of their Reversion of Rights Letter to the Authors Guild. Once the submission is approved, the author sends two copies of the printed book along with cover graphics of their choice. Authors have used photos and original artwork, or iUniverse will choose from their stock art. The books are available for order through most online booksellers or may be special-ordered at brick and mortar stores. Royalties of 20% of the cover price are paid four times a year. There's no limit on the types of books that may be reprinted this way—all types of genre fiction are welcome. Nancy McArthur and Lillian Stewart Carl have both worked with iUniverse for their Back-in-Print program and have been pleased with the quality of the books and the ease of the program.

LARGE PRINT

Thorndike Press

Thorndike Press publishes large-print hard-cover reprints for the United States library market. They have agreements with publishers such as Harlequin, Silhouette, HarperCollins, Simon and Schuster, and Time Warner to publish many of their titles in conjunction with or shortly after the regular print debut of the title. When I contacted publisher Jamie Knobloch for this column, he was not encouraging on the prospects for authors contacting Thorndike on their own about out-of-print titles. "Ninety-nine percent of our large print program consists of extremely current titles," Mr. Knobloch said. "We count on riding the ▶

OFF the BEATEN PATH

▶ coattails of the bigger publishers' marketing and promotions, as well as the currency of review coverage. I strongly discourage unsolicited submissions, as they will likely be discarded."

Editor Hazel Rumney does acquire a limited number of backlist titles, particularly if the author in question has popular current releases. Authors may contact—or have their agent contact—Ms. Rumney at Thorndike with a copy of the published book and any pertinent reviews. Thorndike Press, 295 Kennedy Memorial Drive, Waterville, ME 04901. (Also see the sidebar below.)

Ulverscroft

Ulverscroft Large Print Books Ltd is a UK publisher specializing in large print and audio books. Their website declares they are the "leading worldwide publisher of large print books." They produce 84 titles a month under a number of imprints. They publish reprints of Mills & Boon romances, as well as mysteries, Westerns, and other genre fiction. Publishing manager Diane Tennant says Ulverscroft receives submissions from editors, agents and authors, which are read by a panel. Tennant

THORNDIKE PRESS OPPORTUNITY

While publisher Jamie Knobloch was not encouraging about the prospects for selling long-out-of-print titles to Thorndike Press, he did offer to pass along a list of Novelists, Inc. members and the works they have available for sale to the editor for her consideration.

If those interested will contact me with the following information, I will compile a list and pass it on to Mr. Knobloch. Please send me the following information:

Your name

The name under which the book or books were written

Title of work, original publication date, original publisher

Title of any upcoming works, release date and publisher (the idea being that older titles might be reissued in conjunction with a newer book.)

Send your information to CindiMyers1@aol.com. Please put Thorndike in the subject line.

considers titles recommended by the panel and has final say. Authors or their agents may submit to her at Ulverscroft HQ, The Green, Bradgate Rd, Anstey, Leicester, LE7 7FU or via email at enquiries@ulverscroft.co.uk

Delphi Books

Delphi Books was established by Novelists, Inc. member Fran Baker. This small press is affiliated with the Author's Studio, a network of boutique publishers, all owned and operated by multi-published authors. Delphi publishes large print reprints of historical fiction and some nonfiction. Fran reports contemporary reprints have not done well for Delphi, so they're concentrating on historical romance and mystery. She would be willing to try a shorter (55,000 - 60,000 word) paranormal or vampire novel. Delphi pays an advance of \$100 - \$200 and royalties of 10% of the cover price. Books are produced in trade paper through Lightning Source/ Ingram and are available in both the US and the UK. Delphi asks for large print rights only for five years. Contact Fran at delphibks@yahoo.com

THE ELECTRONIC MARKET

Fictionwise

Fictionwise contracts for electronic rights of previously published works and sells them in ebook form. They require a minimum of ten titles per author, which may be a combination of novels previously published by established print publishers, short fiction works published in major magazines, or anthologies published by established, non-vanity print publishers. The author must own the electronic rights to the works and the work must be saved in .RTF format and submitted to Fictionwise electronically. Royalties are paid four times a year. For more information, visit fictionwise.com.

THE BOTTOM LINE

Authors are unlikely to earn significant money from the resale of their out-of-print works. Advances range from \$1000 to \$100 to nothing. Authors with an established fan base who promote their reprinted titles on their websites and in their newsletters will likely see the most sales. For many authors, selling reprints gives them the chance to resurrect a beloved project and introduce the story to new readers—while earning a little extra cash.

Cindi Myers writes romance and women's fiction, magazine articles, and short stories. She also produces a free weekly market newsletter. Subscription info is available on her website CindiMyers.com

Annual Business Meeting

Our Bylaws require an annual business meeting be conducted at the conference. No vote is anticipated at this time, but your presence—in the form of a proxy or physical appearance—is required to ensure a quorum and a legal meeting. If you will not be attending the meeting, please make sure your proxy arrives by **February 1, 2007**.

Proxy A

Use to appoint current NINC Board of Directors as your agent.

Proxy solicited on behalf of the Board of Directors of Novelists, Inc. for the annual business meeting of members to be held on March 15, 2007.

The undersigned hereby appoints Pat McLaughlin, Laura Resnick, Linda Madl, Beverly Brandt, Patricia Rice and Lorraine Heath, each of them as his/her true and lawful agents and proxies full power of substitution to represent the undersigned on all matters coming before the meeting at the annual business meeting of members to be held at US Grant Hotel, 326 Broadway, San Diego, CA on Thursday, March 15 at 5 p.m.

This proxy when properly executed will be voted in the manner you directed. If no direction is given with respect to any particular item, this proxy will be voted in favor of the proposals put forth by the Board of Directors.

Member please sign here: _____

Please print name here: _____

Please mail this Ballot/Proxy to:

Patricia Knoll, 3821 W Red Wing St, Tucson AZ 85741-1327

Proxy must be received by February 1, 2007.

Annual Business Meeting

Our Bylaws require an annual business meeting be conducted at the conference. No vote is anticipated at this time, but your presence—in the form of a proxy or physical appearance—is required to ensure a quorum and a legal meeting. If you will not be attending the meeting, please make sure your proxy arrives by **February 1, 2007**.

Proxy B

Use to appoint a fellow NINC member as your agent.

Print the member's name in the appropriate space below.

Proxy for the annual business meeting of Novelists, Inc. to be held March 15, 2007.

The undersigned hereby appoints _____ as his/her true and lawful agent and proxy with full power of substitution to represent the undersigned on all matters coming before the meeting at the annual business meeting of members to be held at US Grant Hotel, 326 Broadway, San Diego, CA on Thursday, March 15 at 5 p.m.

This proxy when properly executed will be voted in the manner you directed. If no direction is given with respect to any particular item, this proxy will be voted in favor of the proposals put forth by the Board of Directors.

Member please sign here: _____

Please print name here: _____

Please mail this Ballot/Proxy to:

Election Committee, c/o Patricia Knoll, 3821 W Red Wing St, Tucson AZ 85741-1327

Proxy must be received by February 1, 2007.

Your proxy will be distributed at the annual business meeting to the Ninc member you have designated.



WRITING is TAXING

Retirement Plans for Writers

Writers never grow old. Our participles just begin to dangle.

As a CPA/tax attorney, I'm often approached by writers with tax questions. Recently, a writer came to me and said, "I earned a bazillion dollars this year from my book sales. Can I set up a retirement plan for my writing business?"

My response? *Carpe diem!* Why save for tomorrow when there might not even be a tomorrow? If the I-Ching is right, the world will implode in the year 2012. But, for those naysayers who refuse to accept that doomsday is right around the corner, the answer is yes. You can set up a retirement plan for your writing business, and it's easy, fun, and fashionable!

How, you ask? Simple. Internal Revenue Service Form 5305-SEP is used to establish a special type of retirement plan known as a SEP-IRA, short for Simplified Employee Pension Individual Retirement Account. Try saying that three times fast! A sole proprietor is treated as his or her own employer for this purpose. Although the account is technically an IRA, the account will not be subject to the contribution limits that apply to traditional IRAs. With a SEP-IRA, you can contribute up to the lesser of: (a) 25% of your annual "net earnings" or (b) an annual maximum dollar amount (\$44,000.00 for the 2006 tax year).

"Net earnings" is defined as your gross income from your writing, less allowable business deductions including deductions for one-half of your self-employment tax and contributions to your own SEP-IRA. Although the 25% limit remains the same each year, the annual maximum dollar amount is "indexed," which means it is adjusted each year based on changes in the cost of living. IRS Publication 560 "Retirement Plans for Small Business" contains a worksheet for computing your annual contribution limit. Consult the IRS website at

IRS.gov or a tax pro for each year's maximum dollar contribution limit.

Although you may make a contribution for each year in which you have net earnings, you are not required to make contributions in each of these years. Contributions can be made for a given tax year up to the due date of the return for that year, which for most self-employed people is April 15th of the following calendar year. However, if you make a contribution after the end of the calendar year, be sure to make it absolutely clear to your financial institution that the contribution is intended to apply to the previous tax year. Unfortunately, I've had several clients who made contributions for a given tax year after year-end (but before April 15th) and whose financial institution incorrectly applied the contribution to the year in which the payment was received. Trying to get the issue straightened out can create problems, because the uptight accountants in the financial institutions generally don't want to "undo" things. Unfortunately, if the issue is not straightened out and the contributions are applied to the wrong tax year, you may end up with a hefty excess contribution penalty unless and until the funds are withdrawn. Ouch!

The good news for those with another job in addition to writing is that you can set up a SEP-IRA even if you participate in another employer's retirement plan and even if you write only on a part-time basis.

How to set up a SEP-IRA:

Step One: Complete form 5305-SEP, which is available on the IRS website. You do not have to file this form with the IRS, but you must provide a copy to each employee (yourself) and keep a copy in your records in case the IRS asks to see it.

Step Two: Prepare a document that you provide to your employees (again, yourself) that includes the following statements:

A. *Traditional IRAs other than the traditional IRAs into which employee SEP contributions will be made may provide different rates of return and different terms concerning,* **Continued on page 13, col. 2** ▶

NINK asked Amanda Maciel, editor at HarperCollins Children's Books, what she finds exciting about the young adult market.

You might be surprised by how confused people are about what I do at work every day. Or maybe you wouldn't—perhaps you've already encountered the blank stares and moments of befuddled silence that can greet an admission of working in the children's book industry, especially in the teen market. When I first started as an editorial assistant in teen novels, my dad seemed particularly puzzled. He wanted to know when they were going to promote me to working on adult novels.

Never, I hope. Sure, we live in a youth-obsessed culture, and that can sometimes be a bad (or at least annoying) thing. But for someone who still feels, essentially, like a fourteen-year-old, I'm only too happy to read and advocate for teen novels all day, every day. And if that comes with answering some odd questions, well, I'm getting used to coming up with answers. I'm even willing to sacrifice some time each day to reading *Seventeen* and watching MTV. Like they say, it's tough work, but somebody who's still fourteen on the inside has to do it.

Once in a while someone will ask what I like about my job, and of course that's something I love to talk about. What isn't there to be excited about in the teen book industry, especially these days? Girls' fiction has been exploding for the past few years, not to mention the Harry Potter effect on younger science fiction and fantasy, which has taken off with a blast no one could have predicted (not to mention making serious changes to what's an acceptable page count for a children's book). Some stores are creating separate areas for teen books, rather than sending everyone under the age of eighteen into a catch-all "children's" part of the store. It's truly a buyer's market, and even if I weren't helping provide the product I'd be thrilled that it is.

I remember so well being in junior high and high school, wanting nothing more than to be treated as an equal, interesting, contributing member of society. And teens should be treated that way. More than a third of teenagers have

part-time jobs, and they comprise a \$195 billion market. Why not provide them with the most comprehensive, entertaining, tailor-made selection of books possible? Those years between elementary school and college are long and incredibly unique—I mean, why not give teenagers a whole third of the bookstore?

Of course there's a lot of talk about—and reality to—the competition for the dollars kids are spending. Music, computer and video game software, movies, clothes, cell phones—really, if anyone at any age is bored or doesn't know where to spend his/her next available \$20, he/she just isn't paying attention. But I think reports of the demise of books and reading have been greatly exaggerated.

Every teenager is consumed with the task of developing his/her own personal, private life. Everything is about discovering the individual—what makes me unique, special; what do I offer; what do I want? And no experience is more private and personal than reading.

And at the same time, is there any teenager whose life doesn't revolve around his/her friends? What's the point of reading a book (or listening to a new song on iTunes, or finding a new video on YouTube) if you can't share it with absolutely everyone you know? And the "everyone" that teens know these days can be a truly vast number. The effect of the Internet on everyone's lives has been tremendous, but can you imagine if you'd had it when you were fifteen? You could have made thousands of friends on MySpace, posted your personal thoughts on a blog, sent videos of you and your friends lip-syncing to the latest pop song halfway around the world. You could review books! You could *write* books! You could truly do what teenagers everywhere crave to be doing—have an impact. Be heard.

That's why one of the things I'm most excited about in teen fiction isn't about books at all; it's about the community of teen readers. The HarperTeen FanLit contest (harperteenfanlit.com) we launched in October is a perfect example. Open

only to participants aged thirteen to twenty-one (and an author panel), this six-week contest allows teens to write and submit a series of chapters, vote on their favorites, and eventually complete—as a writing community—a six-chapter ebook. Our impressive team of HarperTeen authors is contributing writing tips and daily blog entries on topics like getting past writer's block, trying to get published, and improving your writing skills. And the teens are able to discuss at great length, in forums and comment spaces, all aspects of writing and reading—the challenges, the solutions, the books they love.

I'm so happy that teens are able to reach out to each other, across the miles and differences and traditional boundaries of schools and cliques, to find a community of readers and writers. I think it can only make the literature written for and about them—and *by* them—more interesting, more respected, and more fun than ever. If we can be youth-obsessed in the way that keeps us constantly thinking about what's new and what's next, we can continue to use technology to bring readers and writers closer together.

And at the end of the day, we can all sit down with a really great book. What could be more exciting than that? ▲

Business Briefs

Microsoft Takes on Google: The book search world has a new competitor with MS beta testing Live Search Books. In addition, Microsoft is working with Yahoo on the Open Content Alliance. Microsoft is promising to index copyright materials only with the permission of the owners, something Google isn't actively doing. Both companies are using public domain materials. Insiders feel Google is hurting relationships with publishers by going ahead without permission. A lawsuit has been filed by the Association of American Publishers, representing five members, and the Authors Guild Inc. Three AG members have filed similar suits against Google for copyright infringement. Microsoft partner libraries include the University of California, the University of Toronto, the British Library, and Cornell University. They scan books in public domain or those whose copyright is owned by the libraries. New agreements have been signed with the New York Public Library and the American Museum of Veterinary Medicine. Discussions with publishers may add copyright material as early as the first quarter of 2007. ▲

Continued from page 11 ▶

among other things, transfers and withdrawals of funds from the IRAs.

B. In addition to the information provided to an employee at the time the employee becomes eligible to participate, the administrator of the SEP must furnish each participant within 30 days of the effective date of any amendment to the SEP, a copy of the amendment and a written explanation of its effects.

C. The Administrator will give written notification to each participant of any employee contributions made under the SEP to that participant's IRA by the later of January 31 of the year following the year for which a contribution is made or 30 days after the contribution is made.

Make sure you comply with the requirements contained in these statements, even though they require you to provide written confirmation to yourself of information you obviously already know. If you fail to comply, the IRS can disqualify your plan and deny you a deduction for your contributions. In addition, you could face additional taxes, interest, and penalties.

As with the Form 5305-SEP, you do not need to file this statement with the IRS, although you do need to keep a copy for your records.

Step Three: Choose a financial institution to serve as the custodian for your SEP-IRA and deposit some of your earnings to get the account started. Most financial institutions will assist you in establishing the account. The institution may request a copy of your Form 5305-SEP, so take one with you.

Want more info? Check out IRS Publication 560—*Retirement Plans for Small Business* and Publication 590—*Individual Retirement Arrangements* for more details. Forms and publications are available on the IRS website, IRS.gov.

Now for the fine print (you knew this was coming!): This information applies to writers who are subject to U.S. income tax laws. The information was current as of the date of submission of this article, but you know how Congress and the IRS like to keep us on our toes—they could change the rules on us tomorrow. To make sure you are following current rules and limitations, check with the IRS or a tax professional.

Got a tax issue? Email your question to Author@BlarneyBabe.com. It might appear in a future issue!

Diane O'Brien Kelly is a Certified Public Accountant, tax attorney, and humor writer from Texas. Visit her at BlarneyBabe.com.



The Care and Feeding of the Girls in the Basement . . .

BY BARBARA SAMUEL

**Writing
as a
through
line and a
rudder
and a
dance.**

**Writing
as some-
thing you
can
count on,
writing
as a pas-
sion and
a way of
dealing
with the
world and
a cave to
which
you can
retreat
and a
healing
touch.
Writing
as a
friend.**

Au Revoir

This is my last column for *NINK*. As I looked back over what I've written here, trying to figure out a way to sum it up, what struck me is how much has gone on in my life over the past three years. I was nursing my grandmother through an illness that led eventually to her death. I helped one son make the transition from a tiny town in Missouri to a big university in a major city environment. I fell in love, moved to a new city, quit smoking, and started running. (I just ran the whole of a 5K race without taking any walking breaks—hooray!) I've traveled a lot, to many new places, and found my old best friend who now hikes mountains with me and connected with another old friend I never thought I'd see again, healing an old sore spot in the process. I learned to teach in my own style.

And through it all, I was writing. I wrote a lot. More than three dozen columns here, a bunch for RWR, some for my website, and now my blog. I wrote letters and journals and emails. I wrote something like seven or eight books, which surprises even me.

I wrote. And that, my friends, is what I want to celebrate in this last column. Writing as a through line and a rudder and a dance. Writing as something you can count on, writing as a passion and a way of dealing with the world and a cave to which you can retreat and

a healing touch. Writing as a friend.

Yes, I know. It sounds like something I'd say. From the beginning, I understood that a lot of writers in this organization would think that my message was too airy-fairy for the business-minded and sensible sorts. But I also know that whether you wish to acknowledge it or not, you are an artist. The most commercially-minded, most businesslike, most organized writer on the planet is still an artist. Even you.

So even if you're tempted to roll your eyes and reiterate to yourself or your breakfast partner that you are a business person, bear with me for a few minutes. Perhaps there will be some gentle flower you can take with you.

You are a *writer*. What a gift that is!

Today I'm writing not only as a career novelist, but as a woman at a midlife transition. It was hard to write that, honestly, "midlife." I'd rather be "creeping up on it" or thinking midlife was just around the corner, ever existing in some slightly distant future.

But you know, I'm divorced after a long marriage. I've buried a lot of elderly relatives in the past few years and some friends who were too young to go. There is no mistaking those are crow's feet around my eyes and as much as I'd love to deny it, I've become one of those women who wants to open the windows all the

time. My children are in college. I'm enjoying the tales of my friends who are mothers-of-the-bride-and-groom, and a little dazzled by those who are having grandchildren. I'm all of what leads to a definite diagnosis of middle age, even if I was very young when I bore my darling sons. Funny how much more vigorous it looks to me from this perspective than it did when it loomed on the horizon....oh, so far away!

I'm old enough to have realized that nothing stays the same. Families shift, change, move away. Friends drift off. Interests head in new directions. I am quite different from the girl I was, the young woman, the young mother, the wife.

Writing is the through line, my most constant relationship. I started keeping a journal in the fourth grade, and started writing short stories not long after. My first taste of power came through a short story I wrote in the fifth grade about a man who died on his birthday, a story I knew even at twelve was manipulative. I was much prouder of a quieter story about a day my elderly grandfather came to visit and it was awkward and terrible in which I used a detail about flies too hot and lazy to move, buzzing on a ledge. I wrote through high school, then paid my way through college with it, writing columns and articles as a journalism student, short stories and poems as a literature student.

Writing has often been my lifeline, a place to pour out my joy over my eldest son's birth and my surprise and delight over being a mother, and five years later, a place to work through my utter devastation over his brother's near-death from chicken pox. It was my cave when I was divorcing, a sounding board when I began to date again.

Writing is a rudder—pushing me out of my comfortable places and into college and out into the world. It pushes me now to think bigger, wide, challenges me to focus on the horizon and keep sailing.

Writing is a joy and a challenge. It is unmasterable. It is the only thing that has never bored me. There is always something new to write, some new story or character or idea tugging my sleeve, some new structure to play with, words I've never really grasped the meaning of. There are so many ways to write—stories and poems and novellas and novels and articles and nonfiction and columns and plays. I'll never be able to tackle them all, never fully master even one, but it's a joy to try.

Writing is a magic present. Here is an amazement: *not everyone can do this!* Most people, in fact, could no more create entire worlds out of their heads than levitate. It's quite an odd little group of qualities and vices that makes a writer who then creates the tales that each society desperately needs. There is a reason bards were held in highest esteem among the ancient Irish. Without stories, a society has no mirrors, no way to organize itself or map its moral code. In our modern world, it seems that writers are not valued the way they once were, as the flashy fronts for our

work—video games and movies and actors—take all the credit, but it's still the writer's job to make it all happen. No movies, no video games, not even a reality show is possible without a writer. Without us. Our magical, amazing gift.

And it's not only a magic gift to the world. It's a magic gift to each one of us. The world is a much less boring place for us than it is for most, I can tell you that. In a bus station or a waiting room, your writerly imagination can entertain you. Everything is intriguing and interesting and a possible detail for later inclusion in a Regency ballroom or a detective tale or a romantic romp.

Writing is a comfort. There in my journal, in my columns, in my poems, my novels, is my life, the clearest observations I can find about life. Or the muddled mess of thoughts that tangle up even the best of intentions. There it is, a full and honest account of this one writer's times and journeys. When loved ones die and friends move on and relationships fall apart, there is still the clean and waiting page, constant, unwavering, always reliably there. Alone, lonely, fearful in a hotel room in a strange place, or in a café in a city where I cannot speak the language, there is the page. My constant companion. My friend in all things and all situations and all times and all ages.

Writing is a pleasure and a joy and a gift. It's been given to you, each one of you, and to me for our delight. We are a rare and important lot, but the writing belongs to each of us first, to entertain and instruct, to engage and provide hope, to give continuity and direction, to give joy. First to our own beings, then to the world.

You are unique in all the world and all of time. I look forward to reading your work, and I leave you with a Buddhist blessing:

May you be happy
May you be well
May you be filled with lovingkindness

Love,
Barbara

Barbara Samuel won two RITAs and fell in love with a great guy and traveled to five countries while writing this column, so thinks it was a lucky thing and is quite grateful for the opportunity to rhapsodize monthly for fellow writers. Find her writing on the web at awritera-foot.com.

Editor's Note: The Girls in the Basement debuted in September 2003. On behalf of the editors who have worked with Barbara, I'd like to thank her for being the consummate professional. It was a pleasure to work with her, and we wish her the very best as she pursues new avenues.

— LH



Come to San Diego and Get Your Thoughts Provoked by *The Long Tail* Author Chris Anderson

Curious about where the future of publishing might be headed? Want to delve into the possibilities and potentials of shifting markets?

Then get yourself to San Diego for the annual conference, because Ninc is honored to have, as a special guest, **Chris Anderson**, author of *The Long Tail, Why the Future of Business is Selling Less of More*.

This concept has captured imaginations across the globe and in just about every type of business. In a Google sampling covering just a month, Anderson and *The Long Tail* were cited by a host of outlets, including the *Sunday Times of London*, the *Hollywood Reporter*, the *National Business Review of New Zealand*, *Hindu India*, *Ad Age*, *The Australian*, and *Women's Wear Daily*.

Starting from a 2004 article in *Wired* (a magazine which he edits) and then with the book that was on both the *New York Times* hardcover nonfiction bestseller list and the *Wall Street Journal's* bestseller list, Anderson has popularized the concept of "The Long Tail." The Internet has revolutionized the supply/demand relationship and will continue to do so, according to Anderson.

As the subtitle of his book indicates, he contends there has been a shift from mass market to a "mass of niches." The result is, he says, that "hits" will no longer monopolize popular culture.

At wired.com, the article that started *The Long*

Tail tale, includes the sub-headline: "Forget squeezing millions from a few megahits at the top of the charts. The future of entertainment is in the millions of niche markets at the shallow end of the bitstream."

This isn't necessarily good news to those of us who have built careers on mass market, but—at the very least—it's important information. It could also open exciting possibilities. With Chris Anderson joining us in San Diego, we have an amazing opportunity to explore how this new market model might bring authors benefits we have never imagined.

Your Conference Committee

San Diego 2007
March 15-17
The US Grant
Hotel

See page 2 for
registration
information.

**"The Long Tail is one of this
season's most thought-
provoking books."
– BusinessWeek,
naming it one of the top
business books of 2006.**

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