



Guidelines and Application

The Eastlink TV Independent Production Fund Program



Nova Scotia Business Inc.

Attention: Selection Committee
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Guidelines

The EastLink TV Independent Production Fund

a. Objectives

To support the production of Canadian television animation and/or live action series that are scripted and fiction-based.

b. Financing

i. General

Nova Scotia Independent Production Fund (the Corporation), through The Eastlink TV Independent Production Fund Program, will invest up to \$300,000 in eligible productions, to a maximum of 20% of the total budget.

The Corporation has the right to reduce the investment due to material variance in line items, reduction in the Nova Scotia labour or expenditure, or underspend in the originally approved budget as represented in the final cost report.

ii. Film Tax Credit and Film and Television Production Incentives

A minimum of 50% of the Nova Scotia Digital Animation Tax Credit, as appropriate to the application, and 100% of the Federal Tax Credit, Nova Scotia Film and Television Production Incentive and any other provincial tax credits must be included in the financing structure. The Nova Scotia producer may elect to allocate up to 50% of the Nova Scotia Digital Animation Tax Credit towards the corporate infrastructure of the Nova Scotia producer's parent company. This option is designed to foster the growth of small and mid-sized production companies.

Producers who exercise this option are required to explain how the funds will be allocated toward corporate infrastructure. Producers will also be required to report on the actual expenditures. Please note that depending on available program funds, the Corporation may require that 100% of the Nova Scotia Digital Animation Tax Credit be included in the financing structure.

The corporate infrastructure allocations must be directed to specific activities that are industry-related. Permissible infrastructure allocations include but are not limited to the following activities: acquisition of specific capital assets such as camera, editing or sound equipment; salaries of corporate staff; business skills development; travel to recognized industry markets; and implementation of a diversity policy. Corporate overhead expenditures must be clearly identified and itemized. Excluded activities include the purchase of real property and payments for producer fees.

In the event that the total aggregate of all tax credits and television production incentives are less than the total tax credits and television production incentives as estimated at the date of signing the Equity Investment contract, the Producer will invest the amount required to maintain the tax credits and television incentives amount included in the Production's financing structure.

In the event that the total aggregate of all tax credits is greater than the total tax credits as estimated at the date of signing the Equity Investment contract, the amount in excess will be considered Production Revenue and disbursed according to the Recoupment Schedule agreed to in the Equity Investment contract. For greater clarity, the excess refers to the total tax credits as estimated at the date of signing the Equity Investment contract, not just the amounts included in the Production's financing structure. The amount in excess shall not be applied to an overage in the production budget.

iii. Financing Commitments

The Corporation requires current letters of financial commitment or long-form agreements with all distributors / broadcasters, equity funders, and any other financiers prior to finalizing contracts.

Producer's equity investment shall be defined as a cash commitment in the production. Deferred salary or fees are not considered an equity investment and shall be repayable only after all of the Corporation's initial investment has been recouped. In cases where the production financing includes deferred salaries and fees, there must be sufficient cash flow to meet both the company's and the project's obligations.

c. Key Eligibility Criteria

To be eligible to apply for investment, the production must be a television program, scripted and fiction-based that is eligible for the Nova Scotia Film and Television Production Incentive or the Nova Scotia Digital Animation Tax Credit, provided that:

1. The producer(s) is Nova Scotian. Preference will be given to applications where either the writer(s) or director(s) are Nova Scotian.
2. The applicant is a Nova Scotia company, with majority ownership in the company by Nova Scotians.
3. Eligible programs are animation and/or live action productions, including Children's and Youth, which are scripted and fiction-based (pilots, series and mini-series). Documentary, lifestyle, and factual programming are not eligible.
4. At least 60% of the total budget is spent on Nova Scotia labour, goods and services.
5. The applicant must provide written confirmation that the production will be available on a platform accessible by Canadians.
6. Productions must achieve at least six points out of ten for Canadian content certification as certified by CAVCO, excluding the pilot projects recognized by the CRTC in Broadcasting Regulatory Policy 2015-86, as well as any subsequent pilot project approved by the CRTC.
7. Applications to the Corporation must be made prior to the commencement of principal photography or key animation.
8. Co-productions and co-ventures are eligible, provided that the preceding conditions are met. The Nova Scotia applicant must own and control at least 20% of the rights to the production, with a corresponding share of revenues.

d. Funding Process

All applications will be adjudicated based on the following criteria:

- Nova Scotia labour as a percentage of the total budget;
- Nova Scotia expenditure as a percentage of the total budget;
- Demonstrated opportunity for recoupment;
- Business Plan for the Production Company;
- Marketing Plan for the Production;
- Nova Scotia content (personnel);
- Funding history with The Eastlink TV Independent Production Fund Program (if applicable), including recoupment history; and
- Production Company information (Incorporation certificate, Memorandum of Association and Articles of Incorporation, current financial statements, a corporate profile, and a corporate chart that states all affiliated parties).

For an application to be considered eligible, complete and submit the most current Application Form and Application Checklist found on the Nova Scotia Independent Production Fund section of the Nova Scotia Business Inc. website **by 4:30 pm AST on the posted deadline date.**

Dates for funding rounds will be announced annually no later than the end of the second week of January. The number of fund rounds will be subject to budget availability.

There are two stages to the adjudication process.

- Stage one: Staff review
- Stage two: Board of Directors review

All final funding decisions are made by the Board of Directors of the Nova Scotia Independent Production Fund.

e. Reporting to Applicant

The Equity Investment contract between the Corporation and the Producer will detail the terms and conditions of the investment specifying the disbursement schedule for funds, recoupment schedules, profit participation, and reporting requirements.

If the Corporation decides to participate, a Letter of Commitment will be issued, valid for 90 days, outlining the major terms and conditions of the Equity Investment contract. One 30- day extension may be granted at the discretion of the Corporation. Execution of a contract shall be subject to the completion of any other financing arrangements and outstanding conditions.

f. Recoupment

The Corporation shall recoup its investment pro rata and para passu with the Producer and other cash investors, at terms no less favourable than other equity investors. Upon recoupment of the investment, the Corporation will be entitled to ongoing profit participation at the percentage its investment bears to the total equity financing for the production.

At the Corporation's discretion, distribution advances and private gap financing may be recouped prior to equity investment, where these advances and/or gap financing are not entitled to ongoing profit participation after recoupment.

g. Reporting

Projects with budgets above \$500,000 require an audited cost report; budgets in excess of \$200,000 but equal to or less than \$500,000 require a review engagement report; and budgets equal to or less than \$200,000 require the Producer's Statutory Declaration certification of the final cost report. All reports must break out the Nova Scotia labour, Nova Scotia expenditures, and related party transactions. The Corporation has the right to request an audited cost report on any project and the Producer shall be obligated to provide the report at their cost.

h. Eligibility for Program

The eligibility criteria for the program are designed to ensure maximum employment and growth in the Nova Scotia television industry.

The Corporation will not invest in or promote productions that contain explicit sex, excessive violence, sexual violence or sexual exploitation or any matter which is libelous, obscene or in any other way unlawful.

Productions in CRTC Categories 1 (News), 3 (Reporting and Actualities), or 6 (Sports) are not eligible under the Fund.

In all matters related to the application and interpretation of these guidelines and in the event that the interpretation of either the Corporation's program guidelines or the spirit and intent of the program is in question, the Corporation has complete discretion and final interpretation.

i. Eligible Applicants

Applicants must be Nova Scotia residents. For purposes of these Guidelines, a "Nova Scotia resident" is a person who has maintained a principal residence for tax purposes in Nova Scotia for at least 12 consecutive months immediately prior to the date of application to the Corporation or if a legal person (i.e. a company):

- a private company that is at least 51% owned by Nova Scotia residents; OR
- a company that
 - operated as a private company with majority Nova Scotia ownership prior to going public;
 - whose voting shares are now publicly traded; and
 - that has maintained a full production office facility based in Nova Scotia for at least 12 consecutive months immediately prior to the date of application, or one of its wholly owned production companies.

In addition, the production for which a funding application is made must not include as a co-producer a Corporation that holds a broadcasting licence issued by the Canadian Radio- television and Telecommunications Commission, or a Corporation that does not deal at arm's length with a Corporation that holds such a licence.

j. Eligible Productions

In order to qualify for funding, the production must meet the eligibility requirements of the Nova Scotia Film and Television Production Incentive or the Nova Scotia Digital Animation Tax Credit, as applicable.

In order for a project to be evaluated the following should be considered:

- A project's financing plan must be in an acceptable format (e.g. Telefilm).
- All productions must have a full marketing plan which includes an analysis of potential sales and markets, and an overall strategy for achieving the projected sales.
- Deferrals will be part of the project evaluation and cannot be more than 33% of the project's budget.
- The Corporation may require bank confirmation of the producer investment amount in an account designated for the Production.
- Applicants shall satisfactorily demonstrate their capacity to sustain the project financially and to manage and complete the project.
- Applicants with no prior producer credits must secure participation of an experienced television Executive Producer satisfactory to the Corporation prior to application.
- Expenses relating to acquisition of capital equipment are not normally allowable.
- The combined producer fees & corporate overhead will be capped at amounts consistent with the Nova Scotia Film and Television Production Incentive or the Nova Scotia Digital Animation Tax Credit, as appropriate to the application.
- The Corporation reserves the right to determine on a case-by-case basis the reasonableness of the amount allocated for producer fees and corporate overhead, notwithstanding the stated maximum caps or the absence of a stated cap.
- Fees charged by the applicant for related party transactions and in-house services must not exceed the standard industry rates. A completed Related Party Transactions form (attached) must be provided to the Corporation and approved prior to contracts.
- Tax credits and the Nova Scotia Film and Television Production Incentive are treated as producer's equity.
- Once the Producer has delivered the production to the broadcaster/distributor, where applicable, financing in the form of producer related deferrals or investments must not be reduced by any other potential revenue stream, such as broadcast licencing.
- Productions with written confirmation of funding commitments from a broadcaster must have broadcast licences that are at fair market value, where applicable.
- Applicants must comply with the Corporation's Canadian Rights and Distribution Principles as posted on our website at www.novascotiabusiness.com/eastlink.
- Distribution commissions and expenses must be reasonable in the circumstances and in keeping with industry standards at the time: (1) Arm's Length Distributor: distribution advances may, at the Corporation's discretion, be paid back in advance of equity investors; (2) Related Company Distributor: distribution advances from related party companies may recoup up to 50% of the production revenue in the first tier with the remaining 50% to be paid back on a pro-rata basis with the other sources of recoupable financing.
- Productions must commence Principal Photography or Key Animation prior to the end of the fiscal year in which the commitment for program funding is made.
- Productions must be closed captioned in a manner consistent with closed captioning quality standards set out in the CRTC's Broadcasting Regulatory Policies 2011-741, 2011-741-1 and 2012-362, and any amendments to those standards and provided with described video.

Application

The EastLink TV Independent Production Fund Program

Application will be considered incomplete if form is altered in any manner.

a. General Information

Title of project:			
Company name:			
Company contact:			
Address:			
Phone:		Fax:	
Email:			
Is your company incorporated?	Yes <input type="checkbox"/> No <input type="checkbox"/>		

Nova Scotia Company Registration Number:			
Date of Incorporation/Registration:			
Parent company name and contact (where applicable):			
Is this a co-production? If so, please provide the company name and contact:	Yes <input type="checkbox"/> No <input type="checkbox"/>		

Lawyer's name:			
Lawyer's address:			
Phone:		Fax:	

Accountant's name:			
Accountant's address:			
Phone:		Fax:	

Bank:			
Bank Address:			
Phone:		Fax:	

b. Additional Material

Applicant must provide the following documentation:

1. Complete details of production, production schedule, cast and crew lists, etc.;
2. Detailed production budget showing **Nova Scotia labour** and **Nova Scotia expenditure** by line item;
3. Written confirmation that the production will be available on a platform accessible by Canadians;
4. Evidence of all committed production financing including tax credits and incentives calculation worksheets (**NOTE: A minimum of 50% of the Nova Scotia Digital Animation Tax Credit, as applicable, and 100% of the Federal Tax Credit, the Nova Scotia Film and Television Production Incentive and any other provincial tax credits or incentives must be included in the financing structure as producer's equity.**);
5. A proposed recoupment schedule;
6. Formal Business Plan for Production Company;
(*Note: This information is not kept on file with the Corporation. It is **mandatory** to submit a business plan with each application)
7. Formal Marketing Plan for Production;
8.
 - (a) *Most recent financial statement of applicant corporation and any related corporations;
 - (b) *Incorporation certificate and Memorandum of Association and Articles of Incorporation;
 - (c) Name, address, province of residency for officers and directors (corporate register);
 - (d) *Name, address, province of residency and number of shares (common and preferred) for all shareholders (corporate register);

(*Note: This information will be kept confidential – **it must be provided for each application, if not on file with the Corporation. It is the responsibility of the applicant to ensure, prior to applying, that the information is on file with the Corporation. Applications not containing this information will be considered incomplete and will not be reviewed.** If a number of projects are applying for funding at the same time, one set of this information will be accepted.)

9. One copy of final script, where applicable;
10. One copy of original literary property, where applicable;
11. Literary property agreement(s), where applicable;
12. Agreement(s) pertinent to the writing of the screenplay, where applicable;
13. Résumés and background information of producers, writers, etc.;
14. Letter of permission to discuss the project with other financial participants and broadcasters/distributors;
15. Funding Round Application Checklist for The Eastlink TV Independent Production Fund Program;
16. Any additional information relevant to this application.

c. Project Information

Screenwriter:	
Is the script is based on another work?	Yes <input type="checkbox"/> No <input type="checkbox"/>
(Title of work)	
(Name of Author)	
(Province of Residency)	

Confirmed Production Staff	Name	Canadian Citizen/ Landed Immigrant	NS Resident
Producer(s)		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Director		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Executive Producer		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Production Manager		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Director of Photography		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Prod. Design./Art Dir.		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Sound Design/Post Audio		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Editor		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Music Composer		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Writer		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Researcher		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Principal Performer(s)		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

Project Category	<input type="checkbox"/> Mini-series	<input type="checkbox"/> Series	<input type="checkbox"/> Pilot
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Original Version:	<input type="checkbox"/> English	<input type="checkbox"/> French	<input type="checkbox"/> English
	<input type="checkbox"/> 16mm	<input type="checkbox"/> 35mm	<input type="checkbox"/> Video
	Inch Color:	# Segments	Length in Min:

Proposed dates and specific locations for shooting:	
(a) Within Nova Scotia (specify):	Yes <input type="checkbox"/> No <input type="checkbox"/>
Dates:	
Locations:	
Total # of days shooting in Halifax Regional Municipality:	
Total # of days shooting outside Halifax Regional Municipality:	
(b) Outside Nova Scotia (specify):	Yes <input type="checkbox"/> No <input type="checkbox"/>
Dates:	
Locations:	

Studios, Laboratories and Post-Production Facilities:

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Project Financing: (rounded to nearest dollar):		Projected	Committed
Nova Scotia Independent Production Fund		\$	\$
Canada Media Fund		\$	\$
Distributor/Sales Agent (Cdn). <i>Specify:</i>			
		\$	\$
Distributor/Sales Agent (Foreign). <i>Specify:</i>			
		\$	\$
Broadcaster. <i>Specify:</i>			
		\$	\$
Other Investment/Financing. <i>Specify:</i>			
		\$	\$
Producer (deferred)		\$	\$
Producer (cash)		\$	\$
Tax Credits & Incentives*	a) Federal Tax Credit		
	b) Other Tax Credit	\$	\$
	c) NS Film and Television Production Incentive	\$	\$
TOTALS		\$	\$

TOTAL BUDGET FOR PRODUCTION	\$
Nova Scotia Expenditure	\$
Nova Scotia Labour	\$
Total Labour (for co-productions only)	\$

*considered as equity investment by Producer and a minimum of 50% of the Nova Scotia Digital Animation Tax Credit, as applicable, and 100% of the Federal Tax Credit, the Nova Scotia Film and Television Production Incentive and any other provincial tax credits or incentives must be included in the financing structure.

Are you including all of the the Nova Scotia Digital Animation Tax Credit, as applicable, in your financing scenario?	Yes <input type="checkbox"/> No <input type="checkbox"/>
(a) If not, list the amount of Nova Scotia Digital Animation Tax Credit not included. (\$):	\$
(b) Detailed specific explanation of how the funds will be allocated towards corporate infrastructure (e.g. acquisition of specific capital assets, salaries of corporate staff, business skills development, and implementation of a diversity policy). Please note that it is not sufficient to list "corporate overhead" as an allocation.	
Allocation	Amount
	\$
	\$
	\$
	\$
	\$

Completion Guarantor's name:			
Address:			
Phone:		Fax:	

Has this project received previous financial assistance other than as listed above?	Yes <input type="checkbox"/> No <input type="checkbox"/>		
(a) Amount:	\$	Date :	
From whom:			
(b) Amount:	\$	Date :	
From whom:			

Has this project had any other title(s)? If yes, specify:	Yes <input type="checkbox"/> No <input type="checkbox"/>

The undersigned certifies that the information provided herein and attached is accurate and complete and that he/she has read and complied with The Eastlink TV Independent Production Fund Program guidelines.	
Signature	Print Name
Date:	

The Eastlink TV Independent Production Fund Program

Related Party Transactions

A related party transaction is a payment from the production budget to non-arm's length parties. Generally speaking this includes:

- All payments to producers (producers' fees; travel expenses; other fees paid back to producer – i.e. if producer is also the director; etc.);
- All costs related to the Applicant, its parent, subsidiary or affiliated company, or a legal entity that is under the direction, ownership or control of a shareholder, director or employee of the foregoing and all persons or entities employed by these entities (i.e. corporate overhead; producer-owned equipment and services);
- All payments to immediate family members and persons or entities employed by any of the above (i.e. in-house staff paid from production budget);
- All Broadcaster-owned equipment and services (i.e. cameras, editing equipment, etc.); Broadcaster in-house technical staff; Broadcaster post house affiliated costs; and any other fees paid back to a Broadcaster (including Broadcaster interim financing).

Applicant Costs:

Budget Account #	Description	Budget Amount in CAD \$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
	Sub-total	\$

Broadcaster Costs:

All Broadcaster-owned equipment and services (i.e. cameras, editing equipment, etc.); Broadcaster in-house technical staff; Broadcaster post house affiliated costs; and any other fees paid back to a Broadcaster (including Broadcaster interim financing).

Budget Account #	Description	Budget Amount in CAD \$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
	Sub-total	\$

Other investor costs:

All other investors (i.e. services as equity) and interim financiers (i.e. service charges).

Budget Account #	Description	Budget Amount in CAD \$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
Sub-total		\$
TOTAL RELATED		\$

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The Eastlink TV Independent Production Fund Funding Round Application Checklist

Please ensure that you have included the items listed below with your application submission. Failure to do so will identify your application as incomplete and **incomplete applications will not be processed.**

Did you supply **all** the information requested in the application form including, **but not limited to**, the following?

- Synopsis of the Production
- Proposed locations and dates for shooting
- List of Nova Scotians working in key roles
- Detailed production budget showing Nova Scotia labour and Nova Scotia expenditure by line item
- Completed Related Party Transactions form
- Commitment letter from broadcaster
- Financial structure breaking out projected and committed funding
- Specifics regarding Nova Scotia Independent Production Fund's opportunity for recoupment (markets identified for sales)
- Formal Business Plan for Production Company
- Formal Marketing Plan for Production
- Most recent financial statements, shareholder, officer and director information, incorporation certificate, memorandum of association and articles of incorporation
- All other information specifically requested in long-form application (scripts, literary property agreements)
- Letter of permission to discuss project with other financial participants
- Additional relevant information about Production Company

Please enclose this checklist at the front of your application package.

Incomplete packages will be returned to the applicant with the missing information identified on the application checklist. These applications cannot be resubmitted until the next funding round.