



Juried Sound Recording Program Guidelines 2016–2017

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Program Overview

1. The Juried Sound Recording Program (“JSR Program”) funds a portion of the cost of production of an original full-length sound recording, and contributes to the marketing and promotion of that sound recording under the Marketing, Radio Marketing, Tour Support, Showcase, and Video Components.
2. Unsigned/independent Artists and Record Labels rated Approved, 2, 3 can apply to this Program. In either case, you must have both an approved Applicant Profile and access to an approved Artist Profile to apply. Funding under the JSR Program is a contribution to the Total Eligible Budget to a maximum of \$25,000 for artists in the General category, and \$35,000 for Artists Rated 2. The funding is apportioned as follows:

For the Sound Recording component:

- **General:** 75% of your Total Eligible Budget to a maximum of \$10,000;
- **Artists Rated 2:** 75% of your Total Eligible Budget to a maximum of \$15,000.

Any unused portion of the Sound Recording Component maximum can be rolled into the funding available for subsequent Components. The total available First Round funding for all Components is:

- **General:** 75% of your Total Eligible Budget to a maximum of \$25,000, plus up to \$5000 in the Radio Marketing Component
- **Artists Rated 2:** 75% of your Total Eligible Budget to a maximum of \$35,000, plus up to \$5000 in the Radio Marketing Component

3. 25% of the FACTOR funding contributed to each Juried Sound Recording project in all Components excluding Radio Marketing is a repayable Loan. The remainder is a Grant.

4. Review of applications may take up to twelve weeks from the Application Deadline. Please see [Business Policies: Application Process](#) for details.

5. Funding for this program is provided by Canada’s Private Radio Broadcasters and the Department of Canadian Heritage’s Canada Music Fund’s New Musical Works Component.

Application Deadlines

IMPORTANT: Whether you are applying as a Record Label or an Artist, you must have **an approved and rated Artist Profile and an approved and rated Applicant Profile** in the Online System before you can start an application. These may be submitted at any time; however, if you are applying to this Program, you must submit your new Profiles for review at least one week prior to the Application Deadline. See the Profile Submission Deadlines below.

TIP: To get into the General artist category, which is sufficient for the lower funding level of this Program, you may submit an Artist Profile containing only your citizenship documentation and your Artist Bio. The Applicant Profile provides the details of the person or entity that is contracting for the FACTOR funding. This is often one member of the Artist band.

- Deadline to submit a new Artist Profile and new Applicant Profile for the May deadline: May 19, 2015
- Deadline to apply to the Juried Sound Recording Program: **May 26, 2016**

- Deadline to submit a new Artist Profile and new Applicant Profile for the September deadline: September 22, 2015
- Deadline to apply to the Juried Sound Recording Program: **September 29, 2016**

- Deadline to submit a new Artist Profile and new Applicant Profile for the January deadline: January 19, 2017
- Deadline to apply to the Juried Sound Recording Program: **January 26, 2017**

NOTE: To meet the Deadline, the Profile and Application must be submitted online no later than **11:59 p.m. Pacific Time** on the Deadline Date. If you encounter some technical difficulty related to the operation of FACTOR's Online System (OS), you must inform FACTOR by email or telephone, prior to 11:59 p.m. Pacific Time on the Deadline Date, if such technical problems impede the submission of a Profile or Application. FACTOR will not allow an Application to be re-submitted where a complaint is made about the technical operation of the OS after the Deadline Date.

If your Sound Recording Application is approved, you can add additional Components up to the maximum amount for the Program (see within for more details). However, all Component funding must be added within the later of six months after Commercial Release, or 24 months after the date of application for the Sound Recording.

Who Can Apply?

- **General Artists (formerly Rated 1) for the \$25,000 Stream**
- **Artists Rated 2 for the \$35,000 Stream**
- **Record Labels Rated Approved, 2, 3 with a General or Artist 2 project. The above funding levels apply. You must have both an approved Record Label profile and approved Artist profile to start your application. See [How to Apply](#), below.**

6. MEC-supported companies, Artists Rated 3 and Record Labels that have signed or licensed an Artist 3 project are ineligible to apply for the JSR Program; however, they are eligible to apply to the [Comprehensive Artist Program](#).

7. Record Labels Rated 4 or 5 are ineligible to apply for the JSR Program; however, they are eligible to apply to the [Comprehensive Music Company Program](#).

8. Other parties such as artist managers, producers, or music publishers may fill out the Application on behalf of an Artist; however, the Artist must be the named Applicant.

9. Applicants under 18 years of age must submit a signed Parental Consent form with the application. The form is available [here](#).

10. Only the party that controls the Canadian commercial release rights and exclusive Canadian exploitation rights to the sound recording at the time of application may apply. Typically, this will be:

- A **Canadian Artist**, if the Artist is “unsigned” or has not licensed the sound recording to another party. If the Artist is a band that is not incorporated as a company, then an individual member of the Artist band must be the Applicant. **You must have both an approved Artist Profile and an approved Applicant Profile to apply.**
- A **Canadian Record Label** that has already signed the Artist, or has licensed the sound recording, or has an option to license the sound recording. If the Artist owns the underlying copyright in the masters but has licensed the sound recording to a Record Label, the Label must be the Applicant. **The Record Label must have an approved Applicant Profile and the Artist Profile must also be registered and approved before the Label can apply.**

11. When a Record Label is the Applicant, it is expected to retain exclusive control of the exploitation rights in the funded album until expiration of the Loan Repayment Period (see Loans and Loan Repayment below), or termination of the General Agreement.

12. FACTOR will allow only one application per Artist at a time within any sound recording program, and only one application at a time to either of FACTOR’s juried programs (Artist Development or JSR) per Application Deadline. Another Application for the same Artist may not be submitted to either the Artist Development or JSR Program until the first Application has been reviewed and either accepted or rejected by FACTOR.

13. Each Artist may be approved for one JSR Program Application per fiscal year. An Artist may not submit a new JSR application if they were awarded funding in a different JSR project earlier in the same fiscal year.

14. Each Artist may be approved for a maximum of three Juried Sound Recording applications in the lifetime of the program. However, if at any time during its Loan Repayment Period the Applicant repays all of the funding of one of the previously-approved JSR projects in full, then an additional Application may be made.

15. A Record Label Applicant may not have more than two unreleased FACTOR supported sound recordings in the Juried Sound Recording Program at a time. If you have two projects funded under this Program in progress, you may apply for funding for a third; however, funds for the third project will not be released until one of the approved projects is Commercially Released.

16. Applicants who are Record Labels may submit no more than two sound recording applications, per deadline, to JSR Program; the Applications must be for different Artists.

How This Program Works

17. There are six Components to this Program: [Sound Recording](#), [Marketing](#), [Radio Marketing](#), [Tour Support](#), [Showcase](#), and [Video](#). Please review the rules for each individual Component to ensure your project is eligible.

18. All Juried Sound Recording Program applications must include the creation of a new, previously unreleased Qualifying Album. JSR funding cannot be used to acquire or market a title that has already been Commercially Released.

19. There is no minimum spend for any Component; however, you must incur some costs in the Sound Recording Component.

20. Record Labels rated 2, 3 may apply for licensing fees to acquire an already-produced but unreleased Album. If the request is for a License Fee, it will be capped at \$60,000/FACTOR contribution of \$30,000.

21. All Applications to this Program must include the Sound Recording Component. You must submit a detailed marketing plan for the proposed sound recording along with the Sound Recording Component as part of the assessment materials for the whole Project.

22. The following information is mandatory in the Application. Failure to provide this mandatory material will result in an Application being rejected as ineligible:

- Project goals;
- Genre;
- Recording start date;
- A detailed marketing plan for the proposed sound recording;
- Demos for two of the tracks you intend to record. These are called Assessment Tracks. They must be original, previously unreleased tracks, and they must meet FACTOR's MAPL requirements for Canadian Content. See Business Policies: MAPL Certification. Jazz and Classical Artists may submit a new arrangement of a work previously recorded and released by another artist. With FACTOR's permission in advance, you may submit previously self-released tracks only if you intend to substantially change and re-record them and make new masters, in which case the tracks must appear on the finished funded album. Only two Assessment Tracks will be forwarded to the jury.
- Lyrics (if any) to the Assessment Tracks;
- A description of the changes you intend to make to the MP3 Assessment Tracks;
- Artist Biography.

23. The following information should be entered in the Application, and will be required before an offer of funding can be approved:

- Detailed information for each track you intend to record (must meet FACTOR's MAPL requirements for Canadian Content. See Business Policies: MAPL Certification);
- Commercial release information, including a proposed release date;
- Total request.

24. With the Application you may include the following optional information, along with any other information that you feel puts your Application in the best light (see How Applications are Assessed below):

- Professional Photo
- Producer Biography and/or Credits
- Up to five recent Press Clippings
- A document covering your radio chart history, awards and accolades, links to recent videos, tour dates (past and upcoming)
- Up to five letters of support from agents, labels, distributors, promoters, radio DJs, etc.

Important note: FACTOR staff is unable to attach materials to an application once it has been submitted. It is your responsibility to ensure all mandatory documents have been uploaded prior to submitting the Application.

25. This is a juried program, meaning that all eligible applications will be sent for evaluation to a FACTOR Jury that will assess the commercial and artistic merit of the Assessment Tracks, the marketing plan and accompanying materials, and the project as a whole. Please see [Business Policies: Assessment Process – Juried Program](#).

26. If your application is successful, you must enter into a Funding Agreement which sets out the terms of the funding. You must provide your banking information to receive your funding via [Direct Deposit](#).

27. You must use the Sound Recording Component funding to produce a full-length album that meets FACTOR's MAPL requirements for Canadian content. Please see [Business Policies: Qualifying Album](#).

28. You may apply for any other Component funding at the same time as the Sound Recording, or you can wait to apply for additional Component funding until after your sound recording is approved. However, even if you decide to wait before applying for Marketing, you must submit a detailed marketing plan for the proposed sound recording as part of the assessment materials for the Application. The Marketing Component must be submitted within six months following the Commercial Release of the sound recording. The remaining Component funding must be added within the later of six months after Commercial Release, or 24 months after the date of application for the Sound Recording.

29. You may add multiple Marketing, Radio Marketing (subject to Component limits), Tour, Showcase and Video Components as is appropriate for your Project's timeline, subject to the Program First Round limits of \$25,000 General/\$35,000 Artist 2 (including what was spent in the Sound Recording Component); plus up to \$5000 in the Radio Marketing Component. You must submit a budget and/or complete Project details online each time you apply for a Component of your Project, and to describe the goals, expected results, and timelines for completing each Component and the Project as a whole.

30. After approval, changes to your project plan should be discussed with your Project Coordinator to ensure your proposed changes to activities or costs remain eligible. For example, you may reassign a portion of Project costs toward additional Marketing, or toward Tour Support, provided that you complete a Component Application. However, you may not use those funds for corporate development or any other ineligible activity.

31. Once the Application is approved, changes to the proposed activities having a budget impact of 25% or less of Eligible Costs may be made without FACTOR pre-approval, subject to the cap, if any. All other changes must be approved by FACTOR.

32. When you apply for Component funding under the JSR Program, you are subject to the Component rules regarding eligibility and costs, **except as noted below**:

- Expenses in the Marketing, Video, Tour and Showcase Components will be eligible from the date of initial Application for the Sound Recording.
- You may apply for Tour Support as a Component regardless of the Artist Rating. When applying for Tour Support as a Component in this Program, you do not need to show eight Tour dates, but can apply for as few or as many as you prefer. A maximum of \$20,000 for Artists Rated 3 and \$15,000 for all other artists in Tour Support and Showcase component funding is available per Artist per FACTOR fiscal year, across all Programs. This means that if you apply for Tour Support within this JSR Program, it will diminish the amount that can be requested by the Artist in the Live Performance program (or any other program).
- You may apply for Video Support as a Component regardless of the Artist Rating. A maximum of \$20,000 in Video funding is available per Qualifying Release per year, across all Programs. This means that if you apply for Video support within this Program, it will diminish the amount that can be requested in the Video program (or any other program).

33. Once the First Round limits have been reached, you may apply within this Program for Additional Rounds of Marketing, Tour, Showcase, and Video Component funding (to the same limits of \$25,000 General/\$35,000 for Artists Rated 2) if the unit sales of the release meet the following sales thresholds:

- General JSR-funded project (all genres): 3,750 units
- Artist 2 JSR-funded project (all genres): 5,000 units

34. Additional Round funding is still subject to the Tour and Showcase Component maximum of \$20,000 for Artists Rated 3 and \$15,000 for all other artists per Artist per FACTOR fiscal year; and to the maximum of \$20,000 in Video funding per FACTOR-funded sound recording per FACTOR fiscal year.

35. All rounds of funding for a project funded under the Juried Sound Recording Program cannot exceed \$75,000.

36. Note that you may also access additional Tour Support and Showcase Components under the stand-alone Live Performance Program, and Video support under the standalone Video Program; however, different eligibility criteria may apply.

37. It is a condition of funding in all full-length sound recording programs that the funded sound recording must be commercially released according to the terms of the General Agreement, subject to any extensions explicitly approved by FACTOR.

38. When a Record Label is the Applicant, it is expected to retain exclusive control of the exploitation rights in the funded album until expiration of the Loan Repayment Period (see Loans and Loan Repayment below), or termination of the General Agreement.

39. FACTOR restricts the transfer of ownership and control of full-length sound recordings which it funds under its sound recording programs. Recipients of full-length sound recording funding are obliged, for as long as any portion of the loan remains repayable, to notify FACTOR of their intention to sell, assign, license or otherwise transfer the control of the sound recording to another party. In some cases, FACTOR may require the full amount of the outstanding loan to be repaid when the sound recording is transferred to a non-Canadian label (including major labels). Please see [Business Policies: Disposition of Masters](#) for more details.

40. Recording must begin within six months of the date of approval or the Offer may be withdrawn. Please see [Business Policies: Deadlines and Extensions](#).

How To Apply

41. Before you can apply, you must have a reviewed and rated Applicant Profile, as well as access to the reviewed and rated Artist Profile in the FACTOR system. Please go to the [Application Details page on the FACTOR website](#) for instructions on creating and sharing Applicant Profiles, followed by how to submit an application.

42. If you do not have an Artist Profile and/or Applicant Profile, you must submit new profiles at the latest **one week before the application deadline (see the dates above)**. If you submit your new profiles too late, you will not be able to apply.

43. All Applicants should read FACTOR's [Glossary of Standard Terms and Business Policies](#) before starting an application.

How Applications are Assessed

44. Please see [Business Policies: Assessment Process – Juried Program](#) and the [Jury Assessment Preparation Guide](#) for tips on how to better prepare your application. Your application must include the following mandatory information and documents (you will be prompted to enter the information or upload the documents as you fill out the online Application):

- Goals & Expected Results
- Detailed Marketing Plan
- Recording Start Date

- Detailed information for each track you intend to record, including composers' names and nationality, and commercial release information
- Lyrics (where applicable)
- 2 MP3 Assessment Tracks for 2 of the tracks you intend on recording
- A description of the changes you intend to make to the MP3 Assessment tracks

45. This table shows how elements of the project are weighted and scored by the Jury:

Songs (Writing, Arrangement, Composition, etc.)	/ 25
Vocals/Lyrics (style, range, *musical dynamic, *emotional impact of song, etc.)	/ 20
Musicality (performance, skill, technique, *interpretation, etc.)	/ 15
Marketing Plan/Presentation (Including additional material submitted)	/ 25
Team (consider organizational capabilities and support network if self-managed)	/ 15
TOTAL	/100

**Jurors reviewing Assessment Tracks of Instrumental music or Jazz/Classical "standards" will consider these elements.*

46. You are invited to submit additional material that you feel enhances your Application. Much of this material can and should already be included in your Artist Profile. It should be updated at the time of Application to this Program. Such material may include:

- Professional Photo
- Producer Biography and/or Credits
- Up to five recent Press Clippings
- A document covering your radio chart history, awards and accolades, links to recent videos, tour dates (past and upcoming)
- Up to five letters of support from agents, labels, distributors, promoters, radio DJs, etc.

Eligible Costs – General Terms

47. These terms apply to all FACTOR Programs. Please see [Eligible Costs – This Program](#) (below) for details related to the Juried Sound Recording Program. Applicants are strongly advised to read and understand both sections, and to contact FACTOR prior to submitting an Application to ensure eligibility of the proposed costs.

48. Only those costs identified by the Applicant in the Application and approved by FACTOR will be deemed Eligible Costs.

49. As a general rule, Eligible Costs must be bona fide third-party costs paid out-of-pocket by the Applicant. However, FACTOR makes allowances on a program basis for a percentage of Eligible Costs to include Donated Services, In-Kind, and/or other non-cash transactions. Applicants are advised to discuss the eligibility of any and all non-cash costs with FACTOR in advance. Please see [Eligible Costs – This Program](#) (below) for eligibility and cost caps related to Donated Services, In-Kind and/or non-cash transactions.

50. Where FACTOR allows Eligible Costs to be expended In-House, those costs must be charged, in FACTOR's sole opinion, at verifiable fair market value with no mark-up. Likewise, allowable costs paid to Related Parties must also be charged at verifiable fair market value with no mark-up. Please see [Eligible Costs – This Program](#) (below) for eligibility and cost caps related to In-House and Related- Party expenses for this specific program.

51. Generally, and unless otherwise explicitly allowed by FACTOR, Eligible Costs are those paid to Canadians and Canadian owned and controlled companies, for goods and services delivered in Canada. Notwithstanding the foregoing, FACTOR will recognize eligible costs related to non- Canadian Artist Members.

51.1 Goods and services purchased from individual Canadians living outside of Canada will be deemed Eligible Costs. Goods and services purchased from Canadian-owned businesses physically located outside of Canada will be deemed Eligible Costs provided that the business continues to have significant commercial activity or maintains a head office in Canada.

52. Generally, and unless otherwise explicitly allowed by FACTOR, Eligible Costs will begin to be deemed eligible after the Application has been received at FACTOR. For clarity: as soon as your application has been received by FACTOR, you may begin incurring Eligible Costs. Costs incurred and paid prior to the submission of an Application are generally deemed ineligible. FACTOR may allow certain earlier costs on a case-by-case basis.

53. Costs must be verifiable with invoices, receipts and Proof of Payment. Unless otherwise noted or explicitly allowed by FACTOR, Proof of Payment must be submitted upon Completion, as a condition of funding.

53.1 Except for specific costs as noted in the Program Guidelines or the Business Policies, costs will only be deemed Eligible if they are incurred and paid prior to the date of submission of the Completion Report, or prior to the final Completion Deadline, whichever is earlier. Costs that are incurred after the expiration of a Completion Deadline and any FACTOR-approved extensions to the Completion Deadline will not be allowed, except by express permission of FACTOR.

54. **Cash payments**— Costs paid in cash may be accepted for purchases under \$500. Purchases of \$100-\$500 must be accompanied by a detailed store or cash register receipt showing the items purchased, along with the name, address, vendor number and/or tax number of the supplier. Incidental purchases under \$100 (e.g. gas, small goods) may be accompanied by a cash register receipt. In addition:

- a) For personnel costs (including contractors and service suppliers), payment by cheque, email transfer, credit card, interbank transfer, wire transfer or money order is preferable. If traveling in a Tour, Showcase, or Business Travel component, suppliers such as Hired Musicians or Eligible Crew may be paid in cash, but payments will only be considered eligible when accompanied by a signed [Receipt for Services form](#).
- b) Per diems paid in cash must be supported by a signed [Receipt for Services form](#).
- c) Larger purchases over \$500 including but not limited to studio and equipment rentals, travel fares, hotel rooms and vehicle rentals will not be eligible if paid in cash. Such purchases must be supported by a third-party verifiable means such as canceled cheque, credit card or debit card receipt or statement, bank statement, money order or postal order receipt, wire transfer or e-transfer receipt.

55. **Travel costs**—Travel costs in all Programs must follow the spirit and intent of the Treasury Board Guidelines, namely that these costs do not exceed the rates specified in the [Government of Canada Travel Directive](#). In addition to the limits proposed by the Treasury Board guidelines, travel costs in all Programs are subject to the following:

- a) Hotel accommodations costs, where eligible, to a maximum of \$300 per night;
- b) Flight costs, where eligible, will be recognized by FACTOR for economy-rate tickets only (business and first class tickets are not eligible);
- c) No dollar value will be attributable to air miles, frequent flyer points or similar programs. However, FACTOR may recognize a cash fee charged by the points provider;
- d) Applicants are urged to ensure that each person traveling is covered by trip cancellation, health/ medical and accident insurance appropriate to the length and location of the visit to the country in which any funded travel occurs. In the event that a trip or any portion thereof is canceled such that all or any portion of approved Eligible Costs is forfeit, the Applicant is required to recover the maximum amount available under its travel insurance. FACTOR will cover 50% of any remaining non-refundable costs;
- e) In the event of a discrepancy between a maximum reimbursable cost published by FACTOR and the same cost published by the Treasury Board Guidelines, the lesser cost shall be applied.

56. Ineligible costs in all Programs include, but are not limited to:

- a) Equipment purchases and purchases of capital assets;
- b) Taxes that are subject to rebate to the Recipient (such as VAT, HST);
- c) Musicians' union dues, penalties, fines, pension contributions and any other union-mandated payments;
- d) CD, vinyl or other music media manufacturing and duplication costs, except where allowed within the allowance for promotional, not-for sale costs.

57. FACTOR reserves the right at all times to allow, disallow, or modify costs. It is advisable to discuss any significant changes to your budget before Completion. If you are uncertain about the eligibility of a cost, please contact FACTOR before incurring that cost. In order for a project and costs to remain eligible, Applicants must notify FACTOR immediately of any significant change to the original Application or budget submitted. A significant change would be one that impacts more than 25% of the budget.

58. In some Programs, FACTOR allows an Administration Fee to be added to the Total Eligible Costs, calculated as a set percentage of those costs. The current schedule of Administration Fees is set out in Schedule A of the Business Policies, and also in the Component Guidelines. The Administration Fee is intended to contribute to overhead costs such as occupancy, staffing, and other day-to-day costs of running a business, which costs cannot be claimed elsewhere in the budget. The Administration Fee is not required to be documented on Completion.

59. The Administration Fee is not required by FACTOR to be paid to a grant writer, administrator, or any other supplier. The amount and method of payment due to a grant writer or any other supplier is a matter of contract between the Recipient and such supplier.

60. **Musicians' fees** - Where applicable, fees paid to musicians will be recognized as follows:

- a) For sound recording work, musicians' fees will be capped at a rate of \$400 per studio session, to a maximum of one session per track. The day rate includes overtime pay for the session, if any.
- b) "Leader fees" paid to third-parties will be eligible at up to double the day rate, but only if the session is contracted pursuant to a musician's union contract, and that contract is submitted to FACTOR. Royalty players (i.e. the artist and its members) may not claim a leader fee to FACTOR.
- c) For live performances, musicians' fees will be capped at a show rate of \$300 per show. The show rate includes all paid performances in one calendar day.
- d) Excepting touring musicians, FACTOR will not recognize musicians' fees paid in cash. Musicians' fees must be paid by cheque, email transfer, or wire transfer. For reimbursement by FACTOR, the musician's fee must be supported by an invoice from the musician to the applicant, along with proof of payment showing the invoice was paid.
- e) Per diems paid to musicians will be recognized in addition to the above rates, to a maximum of \$50 per person per day. Claims to FACTOR for reimbursement of per diems paid in cash must be accompanied by a Receipt for Services.
- f) Additional union-mandated payments such as dues, fines, pension contributions, etc. are not eligible for FACTOR reimbursement.
- g) FACTOR does not recognize Donated Services in the Sound Recording component. However, when the Artist is the applicant, FACTOR will recognize donated services for live performances in a Tour or Showcase component, to a maximum of \$150 per Artist member, per show. Applicants may not claim Donated Services in respect of Hired Musicians or Hired Crew.

Eligible Costs – This Program

61. The Eligible Costs in this section are specific to the Juried Sound Recording Program. Please also review [Eligible Costs - General Terms](#) (above). Applicants are strongly advised to read and understand both sections, and to contact FACTOR prior to submitting an Application to ensure eligibility of the proposed costs.

62. Please see the [Component](#) rules for the details of eligible and ineligible costs in each Component.

63. There is no minimum spend for any Component; however, there are maximums set for the Sound Recording Component (\$10,000/General or \$15,000/Artists Rated 2). Any unused portion of the Sound Recording Component may be rolled into your remaining Project funding.

Funding and Payments

64. Applicants to every FACTOR program must declare any other Public Funding received or expected to be received toward the same project costs they are claiming to FACTOR. FACTOR's contribution plus any other Public Funding cannot exceed 100% of the project's Total Eligible Budget. See [Business Policies: Public Funding](#).

65. To receive FACTOR funding, you must submit banking information for [Direct Deposit](#).

66. Please note that the funding received from the Juried Sound Recording Program counts toward the New Musical Works portion of the Annual Funding Cap (see [Business Policies: Annual Funding Cap](#)).

67. For JSR Program funding, FACTOR issues advance payments with consideration to the timing of each Component of a Project. FACTOR will issue an advance payment of 50% of the approved funding request for one or more active Components, to a limit not exceeding \$20,000 in advance payments outstanding per Project, across all Components, at one time. A final payment will be issued for the final approved Offer amount after a Completion Report has been submitted and review by FACTOR for each completed Component. If a Project has further active Components, FACTOR may issue further advances after initial Components have been completed.

68. FACTOR may award the full amount requested in the Application, but reserves the right to award a lesser amount based on its assessment of the Applicant's proposed expenses, or based on the total amount of funding available, or for any other reason.

Loans and Loan Repayment

69. FACTOR designates 25% of every dollar it pays toward the financing of your project as a repayable Loan. FACTOR loans are repayable at the rate of 5% of all gross revenues derived from the exploitation of the funded sound recording. The Loan Repayment Period begins on the date of First Commercial Release and extends to the later of (a) the 24 months following the date of First Commercial Release; or (b) six months beyond the date upon which the last dollar of funding for the Project is paid out by FACTOR.

70. There are two reporting periods per year. Your Loan Repayment Reports are due to be submitted to FACTOR, along with any monies owed, within 90 days of the period's end:

- **January 1 – June 30; Loan Repayment Reports due on or before September 30**
- **July 1 – December 31; Loan Repayment Reports due on or before March 31**

71. You will receive a Loan Repayment Notice from FACTOR reminding you about your loan repayment obligations. For more information on loan repayment, please see [Business Policies: Loan Repayment](#).

Project Completion

72. Please see the [Component](#) rules for the detailed completion requirements of each Component.

73. If approved, you will be given a Completion deadline to finish your recording. On or before that deadline, you must compile and organize all invoices, receipts and Proofs of Payment, then enter the amounts being claimed into the FACTOR Cost Report which can be downloaded from the Budget page of the Completion Report. Applicants must then upload the Cost Report along with all related payment documentation, then complete and submit all other sections of the online Completion Report for the project component. As part of your Completion Report, you must also upload a finished digital copy of the sound recording, a copy of all the lyrics plus all the artwork and metadata. If manufacturing physical copies for sale, you must deliver to FACTOR a finished physical copy of the sound recording, plus all the artwork, MP3s of the finished recordings along with lyrics, songwriting and production credits to FACTOR.

74. Remember that this funding only covers 75% of the Total Eligible Budget. You are required to spend at least 25% of the costs out of your own pocket. For example, in order to achieve the maximum funding of \$10,000, you must have spent and be able to show receipts for at least \$13,333 in expenditures.

75. Logo Requirements: You must acknowledge FACTOR on all physical and digital copies of the release, and/or wherever production credits for the track are listed, such as in the artwork and the metadata of the digital file. You must also provide the appropriate logo and acknowledgment on any press and marketing materials, promotional items, and audio visual materials produced under this Program. Please see [FACTOR's Logo and Acknowledgment Guide](#).

Included in this PDF:

[Marketing Component](#)

[Radio Marketing Component](#)

[Showcase Component](#)

[Sound Recording Component](#)

[Tour Support Component](#)

[Video Component](#)

Marketing Component Guidelines 2016–2017

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Eligible Activities

1. Funding under the Marketing Component can be used to support a range of activities in the marketing and promotion of a Qualifying Album. FACTOR-funded full-length sound recordings are by definition Qualifying Albums.
2. To be considered a Qualifying Album, the sound recording must:
 - Be performed by a Canadian Artist and meet FACTOR's MAPL criteria for Canadian content (see [Business Policies: MAPL Certification](#));
 - Be a full-length album of at least six tracks, or include at least 20 minutes of recorded material;
 - Be comprised of all new, previously unreleased sound recording masters;
 - Have no more than 50% French lyrics. The lyrics may otherwise be in English or any language other than French. French-language sound recordings may be supported by [Musicaction](#).
3. Typical marketing activities funded under this Component include (but are not limited to):
 - Advertising and publicity campaigns in print, TV, radio and online media;
 - Digital and social media marketing initiatives;
 - Subscriptions to SoundScan;
 - Promotional appearances by the artist;
 - Production of promotional videos and EPKs;
 - Production expenses related to an album release party (excluding hospitality costs).
4. Non-promotional live appearances and the production of music videos must be funded under the Tour Support, Showcase Support, and Video Components.
5. If you are claiming commercial radio advertising and promotion costs, you may also be eligible for additional funding under the [Radio Marketing Fund](#). Please see the guidelines for details.
6. You are obligated as a condition of funding to include the appropriate logos and acknowledgment in all materials created in a FACTOR-funded project. Please review the [Logo and Acknowledgment Guide](#) for specific instructions. Remember, the failure to provide appropriate logos and acknowledgment could result in a loss of some or all of your funding.

Funding Limits

7. The funding limit for the Marketing Component varies by each Program. Please see the Program Guidelines for the Program you are applying under.

Eligible Costs – Marketing

8. The Eligible Costs in this section are specific to the Marketing Component. Please also review Eligible Costs – General Terms as well as the Eligible Costs – This Program in the Program Guidelines for the Program under which you are applying. Applicants are strongly advised to read and understand these sections, and to contact FACTOR prior to submitting an Application to ensure eligibility of the proposed costs.

9. FACTOR funding under the Marketing Component will cover either 50% or 75% of the Total Eligible Budget, to the Program maximum. Please see the Program Guidelines for the Program under which you are applying.

10. FACTOR will only reimburse the costs which it deems Eligible Costs and will remove ineligible costs from the budget. The FACTOR contribution may be reduced accordingly. If you have any questions about the eligibility of a particular cost, please contact FACTOR in advance.

11. Marketing funding can be used to pay for the cost of marketing initiatives that are specific to the Artist and approved Qualifying Album. Eligible costs can include, for example, publicity, radio tracking, print, radio and TV advertising, and digital and social marketing initiatives. In addition:

- a) International costs are allowable to a maximum of 50% of the total Eligible Costs.
- b) Generally, and unless otherwise explicitly allowed by FACTOR, In-house and/or Related Party Transactions are capped at a maximum of 25% of the total Eligible Costs. Please see [Business Policies: Eligible Costs – General Terms](#) for additional details regarding In-House and Related Party costs.
- c) Printed materials including posters, handbills, and banners are eligible without limit as to number of units or cost.
- d) The cost of manufacturing or purchasing Promotional CDs, vinyl LPs, dropcards, USB keys or any other sound recording media format will be allowed at a maximum aggregate number of 500 units. Manufacturing receipts or account statements from the label or distributor showing the cost must be provided at Completion to claim promotional items.
- e) Other promotional merchandise, such as T-shirts, buttons and other soft goods, will be allowed at cost. Manufacturing or purchase receipts showing the cost must be provided at Completion to claim all promotional items.
- f) Development of significant new Artist-specific web assets (e.g. new website development, addition of e-commerce portal)
- g) Ongoing web maintenance costs (such as page re-design, updating content, programming, domain and hosting fees) that are Artist-specific will be recognized at a maximum of \$1,000 per month.
- h) A SoundScan subscription is an Eligible Cost as long as it is Artist-specific (such as title reports, venue settlement).
- i) Lyric Videos are eligible for funding only under the Marketing Component. There is no limit to the number of Lyric Videos that can be funded; however, the budget per Lyric Video will be capped at \$500.
- j) Promotional videos (such as documentaries, EPK material) are eligible but the budget will be capped to a maximum FACTOR contribution of \$1000. Promotional videos can be documentaries, EPK material, behind-the-scenes, ‘teaser’ clips, interviews, etc. Promotional videos must be produced for promotional purposes only, and not for commercial sale or license. Music videos are not “promotional videos” for the purposes of the Marketing component. For music video funding, please see the Video component.
- k) Costs incurred by a third-party distributor and charged back to the Recipient’s account may be eligible, provided that the Recipient submits (a) an itemized list of expenses incurred, along with a detailed accounting of the charge-backs (supplier name, invoice date, invoice number, dollar amount, purpose of item) and (b) if requested by FACTOR, all of the required delivery materials and supporting documentation that would be demanded of the Recipient as if it had incurred those costs out-of-pocket, such as invoices, receipts, and proofs of payment.

12. Ineligible costs include:

- Costs which are not Artist-specific; such as general company wages, services, supplies, and any other company overhead core cost or expense.
- Any costs for initiatives previously claimed within another FACTOR supported project.
- Contest prizes, unless they meet the definition of “promotional merchandise” set out above.
- Costs associated with applications for prize or award nominations.
- Donated Services.

13. Administration Fees for the Marketing Component are calculated automatically by the online system, as follows:

- Comprehensive Artist Program: 15% of total Eligible Costs to a maximum of \$5,000
- Comprehensive Music Company Program: 15% of total Eligible Costs to a maximum of \$5,000
- Juried Sound Recording Program: 15% of total Eligible Costs to a maximum of \$3,000
- Marketing and Promotion for FACTOR-Funded Sound Recordings Program:
 - 15% of total Eligible Costs to a maximum of \$5,000 for sound recordings funded under a Program where FACTOR’s contribution is up to 50% of Total Eligible Budget
 - 15% of total Eligible Costs to a maximum of \$3,000 for sound recordings funded under a Program where FACTOR’s contribution is up to 75% of Total Eligible Budget
- Marketing and Promotion for Non-FACTOR-Funded Sound Recordings Program: 15% of total Eligible Costs to a maximum of \$5,000

Component Completion

NEW For every component of the project, Applicants must compile and organize all invoices, receipts and Proofs of Payment, then enter the amounts being claimed into the FACTOR Cost Report which can be downloaded from the Budget page of the Completion Report. Applicants must then upload the Cost Report along with all related payment documentation, then complete and submit all other sections of the online Completion Report for the project component.

14. In addition to the Program completion requirements, to complete the Marketing Component the Applicant must:

- Provide FACTOR with verification of a confirmed Commercial Release Date; and
- Submit [Letters of Direction to Pay](#) (maximum three per Project). These Letters are voluntary on the part of the Applicant, who may prefer to have FACTOR pay certain suppliers directly.



Radio Marketing Component Guidelines 2016–2017

Version 4.0 | Published April 1, 2016

Funding for this Component is provided exclusively by Canada's Private Radio Broadcasters.

Eligible Activities

1. Funding under the Radio Marketing Component can be used to buy radio ads and promotional campaigns at radio; and to engage Canadian commercial radio stations or radio broadcast groups, Canadian-owned satellite radio broadcasters such as SiriusXM Canada, as well as Canadian community and campus radio stations, as marketing partners.
2. FACTOR will allow one Radio Marketing Component application per project. The component application must be submitted no earlier than six months prior, and no later than six months after, the first Commercial Release of the corresponding album, or a single track from that album.
3. The Radio Marketing Component funding is paid out at 100% reimbursement. It is intended to complement your other Project activities. If you have radio marketing costs that exceed the Radio Marketing Component limit of \$5,000 per Project, these are eligible for reimbursement in a Marketing component, subject to the rules and limits of the Program under which you are applying.

For example: Total eligible marketing costs for the Project are \$20,000, including \$12,000 in general marketing and \$8,000 in radio marketing costs. You would claim the maximum of \$5,000 in the Radio Marketing Component. These costs will be reimbursed by FACTOR at 100%. The remaining \$3,000 in radio marketing costs can be claimed in a Marketing Component where they will be reimbursed at the appropriate percentage of 50% or 75% depending on the Program.

4. You are obligated as a condition of funding to include the appropriate logos and acknowledgment in all materials created in a FACTOR-funded project. Please review the [Logo and Acknowledgment Guide](#) for specific instructions. Remember, the failure to provide appropriate logos and acknowledgment could result in a loss of some or all of your funding.

Funding Limits

5. The Radio Marketing Fund offers a Grant of up to \$5,000 per Project toward radio marketing costs. The costs claimed must be in addition to those you are claiming in any other Project component. 6. FACTOR will allow one application per Applicant, per Artist for Round One. If the funds are not depleted and FACTOR offers a Round Two, Applicants who successfully applied in Round One may make one application in Round Two, but it must be for a different artist and title than Round One. Fund will be allotted on a “first come, first-served” basis to eligible applicants starting April 1, 2015 until October 31, 2015 (Round One), or until the fund is depleted; and from November 1, 2015 to March 31, 2016 (Round Two), or until the fund is depleted.

7. The funding provided under the Radio Marketing Component is in addition to any other project funding in any other component of the Program. Eligible costs claimed under the Radio Marketing Component will be reimbursed at 100% up to the Project’s \$5,000 limit.

Eligible Costs – Radio

8. The Eligible Costs in this section are specific to the Radio Marketing Component.

9. Costs will be considered eligible dating from: (i) for FACTOR-funded Sound Recordings, the date of application for the sound recording component or (ii) for non-FACTOR-funded Sound Recordings, the date of Commercial Release.

10. The funds must be expended on direct Canadian radio station costs such as advertising buys. Non-traditional radio marketing costs, such as website advertising, are eligible; however, only expenses related to websites owned and operated by licensed commercial radio stations as well as community and campus radio stations will be considered eligible.

11. The funds may not be used toward costs of hiring a promotions company, radio plugger, any travel costs, lodging, costs for showcasing, equipment etc.

12. The funds cannot be spent with CBC/ Radio Canada, its subsidiaries, or other Canadian public broadcasters. Campus/ community stations are eligible, as are commercially licensed stations funded by public donations, such as CKUA.

13. No administration fees are available for this Component.

Component Completion

14. ***NEW*** For every component of a project, Applicants must compile and organize all invoices, receipts and Proofs of Payment, then enter the amounts being claimed into the FACTOR Cost Report which can be downloaded from the Budget page of the Completion Report. Applicants must then upload the Cost Report along with all related payment documentation, then complete and submit all other sections of the online Completion Report for the project component.

15. In addition to the Program completion requirements, to complete the Radio Marketing Component the Applicant must submit a report indicating how and where the funds were spent and what results were achieved.

Showcase Component Guidelines 2016–2017

Version 4.0 | Published April 1, 2016

Eligible Artists

1. To be eligible for funding under the Showcase Component in any Program, the Artist must be Canadian.
2. Artists eligible for support from the Radio Starmaker Fund (RSF) are eligible for FACTOR Showcase funding; however, FACTOR will not fund the same showcase dates nor the same expenses as RSF. Therefore, you may only apply to FACTOR for non-RSF-funded showcase dates. In addition, in the event of an oversubscription to the Live Performance Program, FACTOR will give priority to applications from those Artists who are ineligible to apply to RSF.

Funding Limits

3. The funding limit for the Showcase Component is **\$5,000 per Artist** per FACTOR fiscal year, across all Programs. This means that regardless of what Program you apply under, or which Applicant applies, the amount of Showcase funding available for the Artist will not exceed \$5,000 in each FACTOR fiscal year.

Eligible Showcases

4. FACTOR defines a Showcase as a performance for a target audience of music industry professionals more so than the general public; the goal of a Showcase is to attract interest of potential industry partners, such as booking agents, managers and record labels. The Showcase must be organized and presented by a third party and the Artist must be invited by the event organizers to showcase, and a Showcase confirmation (such as an official invitation or a performance contract) must be included with the application.
5. “No-cases” may be eligible provided they are organized to coincide with a significant music event (such as a showcase event, festival or conference) and it can be demonstrated that music industry professionals have been invited to the no-case and can be reasonably expected to attend. A no-case must also be organized and presented by a third party.
6. In the majority of cases, Eligible Showcases are part of a larger industry event or conference. A private Showcase may be eligible if it meets the “no-case” definition, is demonstrably targeted towards industry professionals, and offers genuine commercial opportunity for the Artist. An Applicant may prove this by uploading supporting documentation about the nature of the event, including a list of industry personnel invited.
7. A sample list of eligible Showcase events is available on the FACTOR website [here](#). This is not an exhaustive list of eligible Showcase events; if your event is not on the list, please contact FACTOR before applying.

8. Each Showcase Component within an Application can cover multiple performances at any one Showcase event. For clarity, if the Artist is invited to showcase at an event and performs three times while there, that is one Showcase and equals one subsidized date, not three.
9. An Applicant may add as many Components to an Application as there are confirmed Showcases, to the Component funding limit or the Program funding limit, whichever is achieved first.
10. Each Showcase must take place at least 300kms/3 hours' drive away from the Artist's home city. If the Artist band members live in different cities, then the Showcase location must be least 300 kms/3 hours' drive away from the city where half or more of the Artist members live.
11. Applicants must provide specific details as to the strategic merits of the Showcase in the Goals and Expected Results section. You must upload a list of industry personnel whom you have invited to the Showcase, including their name, title and company.
12. Applications must be submitted to FACTOR at least one calendar day before the start of the Showcase.
13. You are obligated as a condition of funding to include the appropriate logos and acknowledgment in all materials created in a FACTOR-funded project. Please review the [Logo and Acknowledgment Guide](#) for specific instructions. Remember, the failure to provide appropriate logos and acknowledgment could result in a loss of some or all of your funding.

Eligible Costs – Showcase

14. The Eligible Costs in this section are specific to the Showcase Component. Please also review Eligible Costs – General Terms as well as the Eligible Costs – This Program in the Program Guidelines for the Program under which you are applying. Applicants are strongly advised to read and understand these sections, and to contact FACTOR prior to submitting an Application to ensure eligibility of the proposed costs.
15. FACTOR funding under the Showcase Component will equal the lesser of (i) the approved Offer, (ii) the final subsidy calculation plus Administration Fee, or (iii) 75% the Total Eligible Budget, to the Program maximum.
16. Showcase Component funding is calculated as a flat rate per Eligible Showcase (the “Total Subsidy”), the base rate of which is based on the number of Eligible Travelers, with additional amounts for the distance traveled and the venue capacity. Venue Capacity must be verifiable.
17. An Eligible Traveler is a person who is:
 - a) A credited, full-time member of the Artist group; or
 - b) A Hired Musician or Eligible Crew member whose paid services have been engaged by the Artist for the duration of the Showcase;
 - c) A person who is not receiving funding to attend the Showcase under the Business Travel Program; AND
 - d) Has been approved by FACTOR as an Eligible Cost.
18. A Hired Musician is a musician who is hired to provide his or her services on a contracted, project basis, in exchange for wages. If claimed as an Eligible Cost, the Hired Musician must be Canadian, unless otherwise approved by FACTOR. A full-time member of the Artist, or an Eligible Crew member, cannot also be claimed as a Hired Musician.

19. An Eligible Crew member is a person hired by the Artist for a Showcase to provide only the services of Tour Manager, Driver, Road/Equipment Technician, Lighting Technician, Sound Mixer, Merchandise Seller, or a combination of the foregoing, in exchange for wages. If claimed in the final Completion Budget, Eligible Crew must travel with the Artist for all or a substantial portion of the Showcase. Eligible Crew must be Canadian unless otherwise approved by FACTOR. An Eligible Crew member cannot also be claimed as a member of the Artist or as a Hired Musician. ***NEW*** Nannies hired to care for the Artist’s children who are traveling with the Artist will be considered Eligible Crew.

20. A signed agreement or Deal Memo for Hired Musicians and Eligible Crew must be submitted on Application. It should set out at a minimum the names of the contracting parties, a description of the services to be provided, the rate of pay, and the dates for which the person is being hired. A Sample Deal Memo is available on the FACTOR website [here](#).

21. Per diems and accommodations will be recognized to a maximum of five days for a domestic Showcase/seven days for an international Showcase. Per diems are recognized to a maximum of \$50 per person per calendar day.

22. A Subsidy Calculator is embedded in the Showcase Component in the Online System and will be available when you apply. For reference, see the rates below, which are effective April 1, 2016.

Showcase	A = Base Rate	B = Territory	C=Subsidy per Showcase
For each Showcase	Add up the Eligible Travelers. The result equals A. First Eligible Traveler =\$800 Each additional Eligible Traveler = add \$100 To a max. of 8 Eligible Travelers	Multiply A using these rates. The result equals B. Canada = 0 US X 50% UK/Europe x 80% Rest of World x 140%	A+B=C

23. Although the Showcase funding is calculated as a subsidy, you will have to submit a final Completion Budget on completion. FACTOR will only recognize and reimburse up to 75% of the Eligible Costs in your budget. If you claim costs that are ineligible, FACTOR will remove them from the budget and your subsidy may be reduced accordingly. If you have any questions about the eligibility of a particular cost, please contact FACTOR in advance.

24. Generally, and unless otherwise explicitly allowed by FACTOR, Eligible Costs are those paid to Canadians and Canadian owned and controlled service suppliers, the exception being non-Canadian members of the Artist group. FACTOR may make an exception if the cost of hiring non-Canadian musicians and tour personnel who are resident in the territory of the Showcase is significantly more cost effective; however, this must be approved in advance by FACTOR.

25. When a privately owned vehicle is used, the Eligible Cost will be tallied at an all-in gas and mileage rate of \$0.50/km. Applicants will be required to submit odometer readings taken before and after the Showcase. If the all-in private vehicle rate is claimed, then gas receipts will not be eligible. A Vehicle Log is available [here](#).

26. Basic vehicle maintenance costs resulting from traveling to and from the Showcase, such as oil changes, are allowable. FACTOR reviews these costs on a case-by-case basis, and the dates of the costs must be consistent with the dates of the tour or showcase.

27. Both vehicle costs and airfare are eligible.

28. Pre-Showcase expenses, such as rehearsal time, will be capped at 15% of Total Eligible Costs.

29. Costs of designing, manufacturing and producing items of non-music merchandise sold at the Showcase (e.g. t-shirts, tote bags) will be considered Eligible Costs. For non-Canadian tours, the costs of non-music merchandise items manufactured outside of Canada may be eligible. Manufacturing receipts or account statements from label or distributor showing the per-unit cost must be provided at completion to claim these costs.
30. The costs of not-for-sale promotional CDs, vinyl, and dropcards are eligible to an aggregate maximum of 500 units. Manufacturing receipts or account statements from label or distributor showing the per-unit and total cost must be provided at completion to claim these costs.
31. Merchandise shipping costs within Canada and to destinations outside of Canada will be allowed as Eligible Costs.
32. The cost of printed materials, such as handbills, posters, banners etc., will be capped at \$400 per Showcase Component (all Programs).
33. Musical supplies subject to normal wear and tear, such as guitar strings, drum skins, and batteries may be Eligible Costs; however, capital purchases of musical instruments and equipment, or PA equipment, are considered equipment purchases (not supplies), and are subject to cap.
34. Equipment purchases will be recognized up to a maximum of 10% of the total cost of the purchase. Date of the purchase receipt must be consistent with the dates of the showcase.
35. Cash payments may be accepted only for incidental purchases and must be supported by a store receipt. For Hired Musicians and Eligible Crew, cash payments including per diems will only be considered eligible when accompanied by a signed Receipt for Services (available [here](#)). Larger ticket items must be paid by a recognized Proof of Payment method. See the Program Guidelines for more details on cash payments.
36. Artist and Hired Musician fees will be capped at \$300 per performance (or \$300 per day if the Artist performs more than once in a day). Donated Services are ineligible when the Applicant is a party other than the Artist. When the Applicant is the Artist, FACTOR will recognize Donated Services for Artist Members to a maximum of \$150 per Artist member per day. *NEW* Donated services may no longer be claimed for Hired Musicians and Eligible Crew. Donated Services in total cannot exceed 25% of Total Eligible Costs. Please see [Business Policies: Donated Services](#).
37. In-House costs are allowed in this component. Generally, and unless otherwise explicitly allowed by FACTOR, In-house and/or Related Party Transactions are capped at a maximum of 25% of the total Eligible Costs. In any event, artists' performance fees will not count towards the In-House cap.
38. FACTOR will recognize third-party Booking Agency Fees and Commissions up to 20% of negotiated and verified Performance Income. A statement, invoice or settlement sheet showing commission payable must be provided at completion to claim this cost.
39. FACTOR will recognize third-party Artist Management Fees and Commissions up to 20% of verified Performance Income. A statement, invoice or settlement sheet showing commission payable must be provided at completion to claim this cost.
40. Local ground transportation (such as taxis and public transit costs) and parking costs are eligible up to a maximum of \$100 per day.

41. Ineligible costs for Showcases include but are not limited to:

- a) Vehicle repairs to a privately-owned or rental vehicle that would ordinarily be covered by a comprehensive insurance policy.
- b) Showcase and awards application expenses and award show ticket purchases.
- c) “Buy-on” fees for a private showcase or no-case.
- d) Office rent, office staff wages, and the rental and purchase of office equipment, and any other kind of company overhead charge.
- e) Any costs related to a person who is receiving funding to attend the Showcase under the Business Travel Program. Such persons cannot be claimed as Eligible Travelers for the purposes of the subsidy calculation.
- f) Vehicle rental expenses for a privately owned vehicle.
- g) Traffic tickets.
- h) Make-up, costume and wardrobe expenses.
- i) AFM/CFM dues.
- j) Funding to attend songwriting circles or music reviews panels (otherwise known as “date with a tape” events) at music industry conferences.
- k) Booth fees.
- l) Donated Services when the Applicant is a party other than the Artist.
- m) Booking and/or management fees where the Applicant is self-booking and/or self-managing

42. Administration Fees for the Showcase Component are automatically calculated in the online system as follows: 15% of total Eligible Costs, or 15% of Total Subsidy, whichever is less, to a maximum of \$300.

Component Completion

43. ***NEW*** For every component of the project, Applicants must compile and organize all invoices, receipts and Proofs of Payment, then enter the amounts being claimed into the FACTOR Cost Report which can be downloaded from the Budget page of the Completion Report. Applicants must then upload the Cost Report along with all related payment documentation, then complete and submit all other sections of the online Completion Report for the project component.

44. In addition to the Program completion requirements, to complete the Component and receive the final payment (if any), Applicants must:

- Complete the online Completion for the project, including Goals and Results, Component Information, Public Funding, and Budget.
- Submit Proof of Performance that the Showcase performance took place. As Proof of Performance, FACTOR will accept samples of any of the following: flyers, posters, programs, print-ads, photographs, ticket samples, videos (physical or online), web-links, live show reviews from external publications, confirmations from publicists/promoters/radio promoters etc.
- If there is a change of personnel, you must indicate those changes in the Component Information section of your online Completion, and provide an explanation of the changes in the “variance” box within that section. You must also submit corresponding Deal Memos for any new Eligible Travelers.
- Submit [Letters of Direction to Pay](#) (maximum three per Project). These Letters are voluntary on the part of the Applicant, who may prefer to have FACTOR pay certain suppliers directly.

Sound Recording Component Guidelines 2016–2017

Version 4.0 | Published April 1, 2016

Eligible Artists

1. To be eligible for funding under the Sound Recording Component in any Program, the Artist must be Canadian. See [Business Policies: Canadian Citizenship and Company Criteria](#).

Funding Limits

2. The funding limit for the Sound Recording Component varies by each Program. Please see the Program Guidelines.

Eligible Sound Recordings

3. Excepting the Demo Program, funding under the Sound Recording Component must always be used to produce a Qualifying Album, and under some Programs, to license an already-produced but unreleased Qualifying Album. To be considered a Qualifying Album, the final sound recording must:
 - Be performed by a Canadian Artist and meet FACTOR's MAPL criteria for Canadian content (see [Business Policies: MAPL Certification](#));
 - Be a full-length album of at least six tracks, or run over 20 minutes in duration. (For the Demo Program, you are expected to produce only one track but may produce more if you wish);
 - Be comprised of all new sound recording masters that have not been previously [Commercially Released](#);
 - Have lyrics that are at least 50% English or any language other than French. (French-language sound recordings may be supported by [Musicaction](#).)
4. It is a condition of funding in all full-length sound recording programs that the funded sound recording must be commercially released according to the terms of the General Agreement, subject to any extensions explicitly approved by FACTOR.
5. You are obligated as a condition of funding to include the appropriate logos and acknowledgment in all materials created in a FACTOR-funded project. Please review the [Logo and Acknowledgment Guide](#) for specific instructions. Remember, the failure to provide appropriate logos and acknowledgment could result in a loss of some or all of your funding.

Eligible Costs – Sound Recordings

6. The Eligible Costs in this section are specific to the Sound Recording Component. Please also review Eligible Costs – General Terms as well as the Eligible Costs – This Program in the Program Guidelines for the Program under which you are applying. Applicants are strongly advised to read and understand these sections, and to contact FACTOR prior to submitting an Application to ensure eligibility of the proposed costs.

7. FACTOR funding under the Sound Recording Component will cover either 50% or 75% of the Total Eligible Budget, to the Program maximum. Please see the Program Guidelines for the Program under which you are applying.

8. In all Programs, FACTOR will only recognize the costs which it deems Eligible Costs in the budget. FACTOR will remove ineligible costs from the budget, and the FACTOR contribution may be reduced accordingly.

9. Sound recording program funding provided under any FACTOR Sound Recording Program can be used to pay for the cost of recording and producing a high-quality Demo or Qualifying Album. Eligible costs can include, for example:

- Studio time
- Hiring an engineer, producer and musicians
- Renting recording equipment
- Mixing and mastering
- Graphic design for album artwork

10. Under some Programs, Record Label Applicants rated 2 or higher may use the Sound Recording Component funding to license an already-produced Qualifying Album. Please see the Program Guidelines.

11. Generally, costs must be paid to Canadian companies located in Canada or paid to Canadian citizens/permanent residents for work performed within Canada, the exception being non-Canadian members of the Artist group. (See [Business Policies: Eligible Costs – General Terms](#)).

12. If the production is approved to take place outside of Canada, FACTOR may allow Artist fees, travel costs and per diems for Canadian musicians (including non-Canadian Artist members) and personnel traveling outside of Canada, on a case-by-case basis. If you intend to record outside of Canada, you are encouraged to discuss it with your Project Coordinator in advance of making an application, and provide a thorough explanation in your application.

13. FACTOR may allow, on a case-by-case basis, the costs of a non-Canadian producer coming to work in a Canadian recording studio located in Canada, and provided that the majority of tracking and production occurs in Canada in a Canadian studio. Such costs may include travel, accommodation and producer fees. If you intend to request non-Canadian costs, you are encouraged to discuss it with your Project Coordinator in advance of making an application, and provide a thorough explanation in your application.

14. Costs to complete partially finished productions and remixes will be considered. Recorded but unfinished masters may qualify for funding to finish production of the sound recording, such as mixing, mastering, and artwork.

15. Pre-production costs may not exceed 25% of Eligible Costs in the Sound Recording Component.

16. Producer fees for projects produced by Related Parties will be capped at a maximum producer fee of \$20,000/FACTOR contribution of \$10,000. For example: where the Applicant is a Record Label and the Producer is an owner of the Record Label, FACTOR will contribute a maximum of \$10,000 to the producer fee.

17. Session musicians' rates will be recognized at the maximums set out at in the Program Guidelines at Eligible Costs – General.

18. FACTOR will recognize a maximum number of sessions per musician equal to the number of tracks on the final project (one track equals one session).

19. Generally, and unless otherwise explicitly allowed by FACTOR, In-house and/or Related Party Transactions are capped at a maximum of 25% of the total Eligible Costs. Applicants must disclose all in-house, related party and non-arm's length transactions in the Details section of both the Application and Completion Budgets.

20. Costs paid in cash may be accepted only for incidental purchases and must be supported by a store receipt. "Incidental" generally means goods or services costing under \$100. In addition:

- a) Personnel costs (including contractors and service suppliers) must be paid by cheque, email transfer, credit card, interbank transfer, wire transfer or money order.
- b) Per diems paid in cash must be supported by a signed Receipt for Services available [here](#).
- c) Larger purchases including but not limited to studio and equipment rentals, travel fares, hotel rooms and vehicle rentals will not be eligible if paid in cash. Such purchases must be supported by a third-party verifiable means such as canceled cheque, credit card or debit card receipt or statement, bank statement, money order or postal order receipt, wire transfer or e-transfer receipt.

21. **Self-Production Allowance:** Applicant Artists may "self-produce" their own sound recordings. However, when the Artist is the Applicant, FACTOR will no longer allow a producer fee to the Artist who self-produces or takes a co-producer credit. Producer fees will only be recognized when paid to a third party. Instead, FACTOR will allow the Artist to claim a Self-Production Allowance.

22. To claim the Self-Production Allowance, the Artist or a member of the Artist band must perform at a minimum all of the engineering/tracking. The Self-Production Allowance may also include studio rental, mixing and mastering (see below). The Self-Production Allowance is:

- **Full Length Sound Recording:** up to \$500 per track for a maximum of 10 tracks (production costs for tracks over 10 can be claimed separately if done by a third party provider)/\$5,000 total for the project.
- **Demo Grant:** up to two tracks/\$1,000 total for the project.

23. Studio rental, if provided by the Artist or a member of the Artist band, will be included in the Self-Production Costs. However, if the Artist claims the Self-Production Allowance and third party studio rental, the studio rental cost will be deducted from the Self-Production Allowance to the maximum of 10 tracks/\$5,000 for the full-length recording and 2 tracks/\$1000 for Demo. Additional third-party studio time will be allowed as a third-party cost.

24. Mixing, if performed by the Artist or a member of the Artist band, will be included in the Self-Production Costs. However, if the Artist claims the Self-Production Allowance and a third party mixing engineer's fees, the mixing cost will be deducted from the Self-Produced Allowance, to the maximum of 10 tracks/\$5,000 for the full-length recording and 2 tracks/\$1000 for Demo. Additional third-party mixing fees will be allowed as a third-party cost.

25. Mastering, if performed by the Artist or a member of the Artist's band, are included in the Self-Production Allowance. However, if mastering is performed by a third-party mastering engineer, the cost will be allowed separately as a third-party cost (and will not be deducted from Self-Production Allowance).

26. In the event that the Artist claims the Self-Production Allowance, but then also claims third-party studio time and/or mixing fees that, when deducted from the Self-Production Allowance, then bring the Self-Allowance to zero, then no Self-Production Allowance will be available but all third-party costs will be allowed (subject to the Program Guidelines).

27. Applicants are expected to spend a majority of funds on third-party, out-of-pocket costs. In-house and Related Party costs (including payments to the Artist or members of the Artist band) may not exceed 25% of the Total Eligible Costs. Any amount of Self-Production Allowance will be considered In-House Costs. In some cases, if the amount of third party expenditures is comparatively low, the Self-Production Allowance will be adjusted down. See Examples.

TIP: To find the amount of in-house costs the Applicant can claim, where the maximum is 25% of Total Eligible Costs, add up the total eligible third party costs and divide that number by 3. The result is the total allowable In-House amount.

28. EXAMPLES:

- a) This band got a Juried Sound Recording loan worth up to \$10,000 for the sound recording component. The guitar player has a home studio in her basement. Her band lays down 12 tracks in the basement studio. Then they decide to hire a mixing engineer and a mastering engineer. The mixing cost is \$200/track (\$2,400) and the mastering is a flat fee of \$2,000 for the album. This band can claim:
- i. The Self-Production Allowance of \$5,000, less \$2,000 for the mixing (maximum of 10 tracks x \$200/track – the other two tracks can be claimed separately as third party costs) for a total of \$3,000 ***to be reduced by overall program cap, see below*
 - ii. Third party mixing fees of \$2,400
 - iii. Third party mastering fees of \$2,000

The band has spent a total of \$4,400 on Third party costs (ii + iii). Therefore the band can claim a maximum of \$1,466 in in-house costs (see Tip, above). Because the Self-Production Allowance is considered an in-house cost, it will be reduced to \$1,466. Therefore, the Total Eligible Costs for this project will be \$5,866 (ii + iii + \$1,466 maximum eligible in-house costs).

- b) This band (Artist Rated 2) got a Juried Sound Recording loan worth up to \$15,000 for the sound recording component. They rent a studio at a cost of \$300/day (no engineer) for 7 days. They hire a third-party producer at a flat fee of \$5,000 for the album. They do their own tracking and mixing for 8 songs, and hire a mastering engineer separately at a cost of \$1,500. This band could claim:
- i. The Self-Production Allowance of \$4,000 (8 tracks x \$500/track), less the studio rental of \$2,100, for a total of \$1,900
 - ii. Third party studio rental of \$2,100
 - iii. Third party producer fee of \$5,000
 - iv. Third party mastering fees of \$1,500

This band spent \$8,600 on third party costs (ii + iii + iv); therefore, the band can claim a maximum of \$2,866 in in-house costs (see Tip, above). The Self-Production Allowance of \$1,900 is considered in-house, so they are allowed up to \$966 additional in-house costs. If they claim those additional in-house costs (on, for example, Artist's performer fees), the Total Eligible Costs for this project will be \$11,466.

- c) This artist got a Demo grant and recorded a four track EP/mixtape in his home studio. He hires outside producers to remix all 4 of the tracks and pays them \$500 per track. The artist then does the mastering himself. This artist could claim:
- i. The Self-Production Allowance of \$1,000 (Demo maximum)*** *but to be reduced, see below*
 - ii. Third party producer fees of \$2,000

This artist paid only \$2,000 in third party costs, so he can claim a maximum of \$666 in in-house costs (see Tip, above). The Self-Production Allowance is considered in-house, so it will be reduced to \$666. The Total Eligible Costs for this project will then be \$2,666 (\$2,000 eligible third party costs + \$666 maximum eligible in-house costs).

29. Ineligible Costs for Sound Recordings include, but are not limited to:

- a) Most expenses paid for in cash (see above).
- b) Duplication and manufacturing expenses.
- c) Management and legal fees.
- d) Purchases of equipment, musical instruments and related supplies.
- e) Transportation, food, hotel and hospitality expenses for local recording activities. These costs may be considered for out-of-town personnel on a case-by-case basis.
- f) Any [In-Kind or Donated Services](#).
- g) Except as noted for members of the Artist group, non-Canadian musicians and personnel may participate in recording sessions but their fees and expenses will not be considered Eligible Costs.
- h) Distribution costs, including fees and set-up costs
- i) Mechanical royalties and associated costs

30. Administration Fees for the Sound Recording Component are calculated automatically in the online system as follows:

- Comprehensive Artist Program: 15% of total Eligible Costs to a maximum of \$5,000
- Comprehensive Music Company Program: 15% of total Eligible Costs to a maximum of \$5,000
- Demo Program: N/A (No Administration Fees available)
- Juried Sound Recording Program: 15% of total Eligible Costs to a maximum of \$3,000

Component Completion

NEW For every component of the project, Applicants must compile and organize all invoices, receipts and Proofs of Payment, then enter the amounts being claimed into the FACTOR Cost Report which can be downloaded from the Budget page of the Completion Report. Applicants must then upload the Cost Report along with all related payment documentation, then complete and submit all other sections of the online Completion Report for the project component.

31. In addition to the Program completion requirements, to complete the Sound Recording Component the Applicant must:

- Complete the online Completion Report: Goals (Results), Component Information, Public Funding, and Budget.
- Submit a copy of the finished sound recording in MP3 format, along with lyrics, songwriting and production credits. MP3s should be uploaded to the Component Information section of the online Completion Report. Please see [Business Policies: Completion Reports and Delivery of Completion Materials](#) for details.
- Upload a copy of the album artwork. This should be the finished graphics for the Commercial Release, and must include the required acknowledgement and logo(s). Please see [Business Policies: Logo and Acknowledgment](#) for details.
- Submit a [Supplier's Declaration and Undertaking](#) signed by the Producer of the sound recording.
- Submit a Studio Work Log for each production studio involved in the project. You may use the [FACTOR Studio Work Log Template](#), or any form of studio log as long as it includes: Studio Name, Studio Address, Recording Date(s), Start and End Time(s), a description of the work done, Artist Signature, Studio/Producer/Engineer Signature.
- Submit [Letters of Direction to Pay](#) (maximum three per Project). These Letters are voluntary on the part of the Applicant, who may prefer to have FACTOR pay certain suppliers directly.

- After Completion and no later than 30 days after Commercial Release of the funded sound recording (this the Product Submission deadline) you must also deliver to FACTOR via email, as a Zip file or by providing a link to a preferred file sharing site (e.g. Dropbox): a digital copy in MP3 format of the final, as-released version of the funded sound recording, including the final, required metadata [thumbnail artwork, FACTOR logo and acknowledgement text (where possible), Canada wordmark (if applicable, where possible), Government of Canada acknowledgement (if applicable, where possible), track artist, track title, track time/duration, track number]; and a digital copy of the final, as-released album artwork clearly showing the required logos and acknowledgments. If manufacturing physical copies for sale, a finished, retail-ready copy in any physical format may also be required.

Tour Support Component Guidelines 2016–2017

Version 4.0 | Published April 1, 2016

Eligible Artists

1. To be eligible for funding under the Tour Support Component across all Programs, the Artist must be Canadian. To be eligible in the Live Performance Program, the Artist must be rated 2 or 3. All other Artists who have a full-length FACTOR-funded sound recording project in progress should apply through the Tour or Showcase component of their sound recording program for live performance funding.
2. Artists eligible for support from the Radio Starmaker Fund (RSF) are eligible for FACTOR Tour Support through the Tour Support Component of any Program. However, FACTOR will not fund the same tour dates nor the same expenses as RSF. Therefore, you may only apply to FACTOR for a different set of tour dates. In addition, in the event of an oversubscription to the Live Performance Program, FACTOR will give priority to applications from those Artists who are ineligible to apply to RSF.

Funding Limits

3. The funding limit for the Tour Support Component is **\$20,000 for Artists rated 3 and \$15,000 for all other Artists**, per Artist per FACTOR fiscal year, across all Programs, and includes a **\$5,000** Showcase Component maximum. This means that regardless of what Program you apply under, or which Applicant applies, the amount of Tour Support funding available for the Artist will not exceed \$20,000/\$15,000 in each FACTOR fiscal year.

Eligible Tours

4. A Tour Date is a calendar date on which the Artist is contracted to publicly perform during a Tour. A Tour Date must be contracted and paid in some form of cash consideration, such as a guaranteed fee or a share of revenues, or a combination of both. The Tour Date must be able to be verified with Proof of Performance upon Completion. All performances taking place during one calendar day constitute one Tour Date.
5. For the Tour Component of the Live Performance Program, an eligible Tour consists of a minimum of eight confirmed dates, at least six of which must be paid Tour Dates with a minimum set length of 30 minutes.

6. When the Tour Component is part of a sound recording or marketing program, there is no minimum number of Tour Dates that constitute a Tour, and no limitation in the number of Tour Dates that are home shows, school shows, or return engagements. However, the annual funding limit per Artist will be applied based on funding derived from the Tour Component in all Programs.
7. Applicants must apply at the latest one calendar day in advance of the tour start date and no earlier than six months in advance of the tour start.
8. The Tour should be continuous and scheduled with no extensive breaks between dates. (An “extensive break” generally means more than five days off, depending on the territory being toured, but FACTOR will allow exceptions where the tour is a significant distance from the artist’s home city.) “Residencies” (where the Artist performs in the same venue on more than two consecutive nights, or on the same night in more than two consecutive weeks) are ineligible for Tour Support in all Programs.
9. The Applicant must provide notes on their Goals and Expected Results, including a description of the Tour, the Artist’s commercial history, notable successes, and current opportunities in the Territory being toured, along with confirmation that the Tour Dates have been booked (for example, an itinerary from a booking agent).
10. When a Tour includes a conference showcase date, the corresponding conference registration fees are eligible and the official Showcase Invitation must be included with the Application.
11. You are obligated as a condition of funding to include the appropriate logos and acknowledgment in all materials created in a FACTOR-funded project. Please review the [Logo and Acknowledgment Guide](#) for specific instructions. Remember, the failure to provide appropriate logos and acknowledgment could result in a loss of some or all of your funding.

Eligible Costs – Tour Support

12. The Eligible Costs in this section are specific to the Tour Support Component. Please also review Eligible Costs – General Terms as well as the Eligible Costs – This Program in the Program Guidelines for the Program under which you are applying. Applicants are strongly advised to read and understand these sections, and to contact FACTOR prior to submitting an Application to ensure eligibility of the proposed costs.
13. FACTOR funding under the Tour Support Component will equal the lesser of (i) the approved Offer, (ii) the final subsidy calculation plus Administration Fee, or (iii) 75% the Total Eligible Budget; to the Program maximum.
14. Tour Support Component funding is calculated as a flat rate per Eligible Tour Date (the “Total Subsidy”), the base rate of which is based on the number of Eligible Travelers, with additional amounts for the distance traveled and the venue capacity. Venue Capacity must be verifiable.
15. An Eligible Traveler is a person who is
 - a) a credited, full-time member of the Artist group; or
 - b) a Hired Musician or Eligible Crew member whose paid services have been engaged by the Artist for the duration of the Tour;
 - c) a person who is not receiving funding to attend the Tour or Showcase under the Business Travel Program; AND
 - d) who has been approved by FACTOR as an Eligible Cost.

16. A Hired Musician is a musician who is hired to provide his or her services on a contracted, project basis, in exchange for wages. If claimed as an Eligible Cost, the Hired Musician must be Canadian unless otherwise approved by FACTOR. A full-time member of the Artist, or an Eligible Crew member, cannot also be claimed as a Hired Musician.

17. An Eligible Crew member is a person hired by the Artist for a Tour to provide only the services of Tour Manager, Driver, Road/Equipment Technician, Lighting Technician, Sound Mixer, Merchandise Seller, or a combination of the foregoing, in exchange for wages. If claimed as an Eligible Cost, the Eligible Crew member must be Canadian unless otherwise approved by FACTOR. If claimed in the final Completion Budget, Eligible Crew must travel with the Artist for all or a substantial portion of the Tour. An Eligible Crew member cannot also be claimed as a member of the Artist or as a Hired Musician. ***NEW*** Nannies hired to care for the Artist’s children who are traveling with the Artist will be considered Eligible Crew.

18. A signed agreement or Deal Memo for Hired Musicians and Eligible Crew must be submitted on Application. It should set out at a minimum the names of the contracting parties, a description of the services to be provided, the rate of pay, and the dates for which the person is being hired. A Sample Deal Memo is available on the FACTOR website [here](#).

19. Per diems will be recognized to a maximum of the number of days on the tour (including travel days) plus two days before the first tour date and two days after the last tour date. Per diems are recognized to a maximum of \$50 per person per calendar day.

20. A Subsidy Calculator is embedded in the Tour Support Component in the Online System and will be available when you apply. For reference, see the rates below, which are effective April 1, 2016.

Tour Date	A = Base Rate	B = Territory	C = Venue Capacity	D=Subsidy per Tour Date
First Tour Date	Add up the Eligible Travelers. The result equals A. First Eligible Traveler = \$200 Each additional Eligible Traveler = add \$75 To a max. of 8 Eligible Travelers	Multiply A using these rates. The result equals B. Canada* = n/a US X 50% UK/Europe x 80% Rest of World x 140% * B for Canada will always = 0	Multiply (total of A+B) using these rates. The result equals C. Under 200* = n/a 200-349 = x 25% 350 - 499 = x 40% 500+/Major Festivals =x 50% * for venues under 200 will always = 0	A+B+C=D
For each Tour Date	Do as above	Do as above	Do as above	Do as above
			Then calculate the sum of Column D.	THE SUM OF THIS COLUMN IS THE TOTAL SUBSIDY

21. Although Tour Support funding is calculated as a subsidy, you will have to submit a final Completion Budget on completion. FACTOR will only recognize and reimburse up to 75% of the Eligible Costs in your budget. If you claim costs that are ineligible, FACTOR will remove them from the budget and your subsidy may be reduced accordingly. If you have any questions about the eligibility of a particular cost, please contact FACTOR in advance.

22. Generally, and unless otherwise explicitly allowed by FACTOR, Eligible Costs are those paid to Canadians and Canadian owned and controlled service suppliers, the exception being non-Canadian members of the Artist group. Eligible Crew must be Canadian unless otherwise approved by FACTOR. FACTOR may make an exception if the cost of hiring non-Canadian musicians and tour personnel who are resident in the territory being toured is significantly more cost effective; however, this must be approved in advance by FACTOR.
23. When a privately owned vehicle is used, the Eligible Cost will be tallied at an all-in gas and mileage rate of \$0.50/km. Applicants will be required to submit odometer readings taken before and after the Tour. If the all-in private vehicle rate is claimed, then gas receipts will not be eligible. A Vehicle Log is available [here](#).
24. Basic vehicle maintenance costs resulting from tour travel, such as oil changes, are allowable. FACTOR reviews these costs on a case-by-case basis, and the dates of the costs must be consistent with the dates of the tour.
25. Both vehicle costs and airfare are eligible.
26. Pre-tour expenses, such as rehearsal time, will be capped at 15% of Total Eligible Costs.
27. Costs of designing, manufacturing and producing items of non-music merchandise sold on the Tour (e.g. t-shirts, tote bags etc.) will be considered Eligible Costs. For non-Canadian tours, the costs of non-music merchandise items manufactured outside of Canada may be eligible. Manufacturing receipts or account statements from label or distributor showing the per-unit cost must be provided at completion to claim these costs.
28. The costs of not-for-sale promotional CDs, vinyl, and dropcards are eligible to an aggregate maximum of 500 units. Manufacturing receipts or account statements from label or distributor showing the per-unit and total cost must be provided at completion to claim these costs.
29. Merchandise shipping costs within Canada and to destinations outside of Canada will be allowed as Eligible Costs.
30. In the Live Performance Program only, the cost of printed materials, such as handbills, posters, banners etc., will be capped at \$400 per Tour.
31. Musical supplies subject to normal wear and tear, such as guitar strings, drum skins, and batteries may be Eligible Costs; however, capital purchases of musical instruments and equipment, or PA equipment, are considered equipment purchases (not supplies), and are subject to cap.
32. Equipment purchases will be recognized up to a maximum of 10% of the total cost of the purchase. Date of the purchase receipt must be consistent with the dates of the tour.
33. Buy-on fees for the tour will be reviewed by FACTOR on a case-by-case basis and may be refused or capped as FACTOR deems reasonable.
34. Cash payments may be accepted only for incidental purchases and must be supported by a store receipt. For Hired Musicians, Eligible Crew and other personnel, cash payments including per diems will only be considered eligible when accompanied by a signed [Receipt for Services](#). Larger ticket items must be paid by a recognized Proof of Payment method. See the Program Guidelines for more details on cash payments.
35. Artist and Hired Musician fees will be capped at \$300 per show. Donated Services are ineligible when the Applicant is a party other than the Artist. When the Applicant is the Artist, FACTOR will recognize Donated Services for Artist Members to a maximum of \$150 per Artist member per day. *NEW* Donated services may no longer be claimed for Hired Musicians and Eligible Crew. Donated Services in total cannot exceed 25% of Total Eligible Costs. Please see [Business Policies: Donated Services](#).

36. In-House costs are allowed in this component. Generally, and unless otherwise explicitly allowed by FACTOR, In-house and/or Related Party Transactions are capped at a maximum of 25% of the total Eligible Costs. In any event, artists' performance fees will not count towards the In-House cap.

37. FACTOR will recognize third-party Booking Agency Fees and Commissions up to 20% of negotiated and verified Performance Income. A statement, invoice or settlement sheet showing commission payable must be provided at completion to claim this cost.

38. FACTOR will recognize third-party Artist Management Fees and Commissions up to 20% of verified Performance Income. A statement, invoice or settlement sheet showing commission payable must be provided at completion to claim this cost.

39. Local ground transportation (such as taxis and public transit costs) and parking costs are eligible up to a maximum of \$100 per day.

40. Tour buy-on fees will be reviewed by FACTOR on a case-by-case basis and may be refused or capped as FACTOR deems reasonable.

41. Ineligible costs for Tours include but are not limited to:

- a) Vehicle repairs to a privately-owned or rental vehicle that would ordinarily be covered by a comprehensive insurance policy.
- b) Showcase and awards application expenses and award show ticket purchases.
- c) "Buy-on" fees for a private showcase or no-case.
- d) Office rent, office staff wages, and the rental and purchase of office equipment, and any other kind of company overhead charge.
- e) Any costs related to a person who is receiving funding to attend any or all of the tour dates under the Business Travel Program. Such persons cannot be claimed as Eligible Travelers for the purposes of the subsidy calculation.
- f) Vehicle rental expenses for a privately owned vehicle.
- g) Traffic tickets.
- h) Make-up, costume and wardrobe expenses.
- i) AFM/CFM dues.
- j) Funding to attend songwriting circles or music reviews panels (otherwise known as "date with a tape" events) at music industry conferences.
- k) Booth fees.
- l) Donated Services when the Applicant is a party other than the Artist.
- m) Booking and/or management fees where the Applicant is self-booking and/or self-managing

42. Administration Fees for the Tour Support Component will be calculated in all Programs as follows: either 15% of total Eligible Costs, or 15% of Total Subsidy, whichever is less, to a maximum of \$2,000.

Component Completion

43. ***NEW*** For every component of the project, Applicants must compile and organize all invoices, receipts and Proofs of Payment, then enter the amounts being claimed into the FACTOR Cost Report which can be downloaded from the Budget page of the Completion Report. Applicants must then upload the Cost Report along with all related payment documentation, then complete and submit all other sections of the online Completion Report for the project component.

44. In addition to the Program completion requirements, to complete the Component and receive the final payment (if any), Applicants must:

- Complete the online Completion for the project, including Goals and Results, Component Information, Public Funding, and Budget.
- Submit Proof of Performance (uploaded to each Tour Date in your online Completion) that each performance took place and was performed as contracted. As Proof of Performance, FACTOR will accept a copy of the promoter's settlement sheet, or the booking agency's final statement. These must indicate the date, city and venue and indicate the final payment received. Tour itineraries, posters and print ads will not be accepted as Proof of Performance; however, FACTOR may accept ticket stubs or media reviews on a case-by- case basis.
- If there is a change of personnel, you must indicate those changes in the Component Information section of your online Completion, and provide an explanation of the changes in the "variance" box within that section. You must also submit corresponding Deal Memos for any new Eligible Travelers.
- Public Funding: you must review and update this section of the Completion to confirm any public funding that was received for the Tour.
- Submit [Letters of Direction to Pay](#) (maximum three per Project). These Letters are voluntary on the part of the Applicant, who may prefer to have FACTOR pay certain suppliers directly.

Video Component Guidelines 2016–2017

Version 4.0 | Published April 1, 2016

Eligible Artists

1. To qualify for the Video Component in all Programs, the Artist must:
 - Be Canadian
 - Not be signed under an exclusive artist recording agreement to a non-Canadian label for Canada, nor may the sound recording for the proposed video be directly licensed to a non-Canadian label for Canada

Funding Limits

2. Video Component funding is a maximum of \$20,000 per Qualifying Release per FACTOR fiscal year, across all Programs.
3. FACTOR funding under the Video Component for all Programs is up to 75% of the Total Eligible Budget.
4. The Artist 2 and Artist 3 limits of \$5000/\$20,000 apply only when the funding is being sought in the Video Program. Those limits do not apply when the funding is requested in a Video component of any full-length sound recording or marketing program.

Eligible Videos

5. Video Component funding is intended to support the production of high-quality music videos that support sound recordings by Canadian Artists. Lyric Videos are not eligible in the Video Component for any Program. However, they are eligible in the Marketing Component.
6. Please submit one Component per proposed video.
7. Applicants who are approved for the \$20,000 Component stream of the Video Program (see [Video Program Guidelines](#)) must produce at least one video of television broadcast quality, per broadcast standards.
8. Music videos receiving any funding from MuchFACT are ineligible for FACTOR support.

9. In all Programs, the Applicant must be the party that controls and has Commercially Released/or will Commercially Release the related sound recording in Canada. When a Record Label is the Applicant, it is expected to retain control of the title in Canada for a minimum of 5 years from the Release Date.

10. The video production must have TWO of the following elements:

- A Canadian video director
- A Canadian-owned video production company
- A video production company located in Canada (which may be not Canadian-owned)

11. Applicants must submit a production plan and video treatment that outlines the creative direction of the video, including notes on script, action, “look and feel”, and so on.

12. FACTOR must be acknowledged in the end credits, on all digital and physical copies of the video, and/or wherever production credits for the track may be listed, even if the video is being licensed, co-produced, shared or released outside of Canada by a third party. Please review the [Logo and Acknowledgment Guide](#) for specific instructions. Remember, the failure to provide appropriate logos and acknowledgment could result in a loss of some or all of your funding.

13. The funded video must be released for public viewing no later than six months after completion. A later release may be allowed with FACTOR’s express consent.

14. As a condition of funding, FACTOR reserves the right to use all or a portion of the funded video(s) for FACTOR’s own promotional purposes.

Eligible Costs – Video

15. The Eligible Costs in this section are specific to the Video Component. Please also review Eligible Costs – General Terms as well as the Eligible Costs – This Program in the Program Guidelines for the Program under which you are applying. Applicants are strongly advised to read and understand these sections, and to contact FACTOR prior to submitting an Application to ensure eligibility of the proposed costs.

16. Funding under the FACTOR Video Program must be used to pay for the cost of producing a music video; for example, hiring a producer, production company, production personnel and talent, storyboarding, renting equipment and facilities, editing and creating video masters.

17. Applicants must submit a detailed budget on Application. FACTOR will only recognize the costs which it deems Eligible Costs in the budget. FACTOR will remove ineligible costs from the budget, and the FACTOR contribution may be reduced accordingly. Please consult the [Business Policies: Eligible Costs – General Terms](#) for general information. If you have any questions about the eligibility of a particular cost, please contact FACTOR in advance.

18. To be recognized as Eligible Costs, all talent and crew members including the producer and director must be Canadian citizens or Permanent Residents of Canada, except by special permission of FACTOR.

19. Generally, costs must be paid to Canadian companies located in Canada or paid to Canadian citizens/ permanent residents for work performed within Canada. However, if the production is taking place outside of Canada, FACTOR may allow, on a case-by-case basis, costs related to Canadian personnel traveling to work on the video production in a non-Canadian location, such as airfare, hotels, salaries and per diems. If you intend to request non-Canadian costs in your application Budget, you are encouraged to either discuss it with FACTOR in advance, or provide a thorough explanation in your application.

20. If a production company is used and charges an “all-inclusive” fee, a copy of their itemized cost breakdown (“top sheet”) listing all in-house and sub-contractors costs is required when turning in your completion to FACTOR. FACTOR reserves the right to audit any of the costs included in that all-inclusive fee, and to reject any costs it deems ineligible. It is advisable to inform the production company of this rule ahead of time, so that proper documentation can be provided when requested by FACTOR.

21. Generally, and unless otherwise explicitly allowed by FACTOR, In-house and/or Related Party Transactions are capped at a maximum of 25% of the total Eligible Costs. This rule also applies to any third-party production company or producer you engage to produce the video(s). Please see [Business Policies: Eligible Costs – General Terms](#) for additional details regarding In-House and Related Party costs.

22. Ineligible costs for Video include:

- Non-Canadian producer fees and related costs
- Music videos receiving any funding from MuchFACT
- Non-Canadian production costs such as equipment rentals, facilities fees, and costs related to non-Canadian talent unless pre-approved by FACTOR
- All In-Kind and Donated Services

23. Administration Fees for the Video Component will be calculated for all Programs as follows: 15% of total Eligible Costs to a maximum of \$1,500.

Component Completion

24. ***NEW*** For every component of the project, Applicants must compile and organize all invoices, receipts and Proofs of Payment, then enter the amounts being claimed into the FACTOR Cost Report which can be downloaded from the Budget page of the Completion Report. Applicants must then upload the Cost Report along with all related payment documentation, then complete and submit all other sections of the online Completion Report for the project component.

25. In addition to the Program completion requirements, to complete the Video Component the Applicant must:

- Complete the online Completion: Goals (Results), Component Information, Public Funding, and Budget. Budget detail applies even if the video(s) were produced by a third-party production house or producer working under an “all-in” invoice. In the event that the Component or Application is audited by FACTOR or by FACTOR’s independent auditor, the Applicant will be expected to provide each and every receipt, invoice, and Proof of Payment; therefore, Applicants are urged to make sure this documentation is passed on to them from their producer or production house.
- Submit a permanent link to streaming copy of the video(s) (e.g. YouTube, Vimeo, artist’s website), provided that the production credit roll must be visible. FACTOR must be acknowledged in the end credits, on all physical copies of the video, and/or wherever production credits for the track may be listed. Please see [Business Policies: Logo and Acknowledgment](#).
- Submit a [Supplier’s Declaration and Undertaking](#) signed by each Video Producer.
- Submit [Letters of Direction to Pay](#) (maximum three per Project). These Letters are voluntary on the part of the Applicant, who may prefer to have FACTOR pay certain suppliers directly.