FACTOR
THE FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS
WITH SUPPORT FROM CANADA'S PRIVATE RADIO BROADCASTERS

Marketing and Promotion for Non-FACTOR-Funded Sound Recordings

Program Guidelines

2016-2017

Version 4.0 | Published April 1, 2016

NOTE: FACTOR HAS ELIMINATED ELIGIBILITY BASED ON OFF-STAGE SALES FOR THIS PROGRAM

Program Overview

1. The Marketing and Promotion for Non-FACTOR-Funded Sound Recordings Program provides a Grant to help pay for the costs of marketing and promotion of a qualifying full-length release whose production or acquisition was not funded by FACTOR, and which has achieved a certain sales threshold or seen some success at commercial radio.

2. The Marketing and Promotion for Non-FACTOR-Funded Sound Recordings Program includes the following Components: Marketing Component, Radio Marketing Component, Tour Support Component, Showcase Component, and Video Component.

3. The percentage of FACTOR's contribution is:

- **Marketing Component** - up to 50% of Total Eligible Budget
- **Radio Marketing Component** – 100% of Total Eligible Budget
- **Video Component** - up to 75% of Total Eligible Budget
- **Tour Support Component** - a subsidy not to exceed 75% of the Total Eligible Budget
- **Showcase Component** - a subsidy not to exceed 75% of the Total Eligible Budget

4. Funding under the Marketing and Promotion for Non-FACTOR-Funded Sound Recordings Program is a Grant of up to $20,000, plus up to $5000 in the Radio Marketing Component.

5. Review of applications will take six to eight weeks from the date of Application.

6. Please note that the funding received from the Comprehensive Artist Program counts toward the Radio Contributions portion of the Annual Funding Cap (see Business Policies: Annual Funding Cap).

7. Funding for this program is provided by Canada's Private Radio Broadcasters.

Application Deadlines

8. Rolling deadline. Application can be made as soon as the sales threshold is reached and no later than 12 months after Commercial Release. All Components must be submitted no later than 12 months after Commercial Release.

Who Can Apply?

- **All Artists (General, 2, 3)**
- **Canadian Record Labels (all ratings)**
- **MEC-supported Companies**

Artists are ineligible (regardless of Artist Rating) if they have ever had: a Platinum Album Certification in Canada; and/or worldwide sales of any one album of 100,000 units or more; and or worldwide sales of all album releases equalling 200,000 units or more.

9. 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.
- 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.

10. 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.

11. If the Applicant is an Artist, Artist Managers may fill out the Application on behalf of the Artist, but the Artist must be the Applicant.

12. Non-Canadian music companies, including major labels, are not eligible to apply.

How This Program Works

13. The sound recording must have been Commercially Released no more than 12 months prior to the date of Application, and must have achieved the Qualifying Sales Threshold for this Program **through retail and digital sales. Note that releases that may have reached the threshold solely through units sold off the stage are no longer eligible for this Program.**

Genre Category	Qualifying Sales Threshold
A: Pop, rock, adult contemporary, alternative, Christian rock, hard rock	3,500 units*
B: Country, roots, folk, blues, traditional, urban, hip hop, dance, electronica, soul/R&B	2,000 units*
C: Aboriginal, world, classical, jazz, children's, specialized, experimental, heavy metal, punk, reggae	1,500 units*
AND/OR	Have a song in the top 40 of any BDS Radio Chart

*Unit numbers represent sales (all physical and digital formats) of a full-length Album. However, the sound recording may also meet the Qualifying Sales Threshold if any one or more of the single tracks excerpted from the Album have sold sufficient units at the ratio of six single sales equaling one unit. **Proof of Qualifying Sales must be provided at the time of application, by uploading Proof of Sales either to the application, or to the Artist Profile discography.**

14. There are five Components to this Program: Marketing Component, Radio Marketing Component, Tour Support Component, Showcase Component, and Video Component. Please review the individual Component documents for the details of each Component.

15. None of the Components are mandatory. Subject to any individual Component maximums, you may concentrate your costs in one Component, or spread them across several Components.

16. You may apply for Tour Support as a Component in this Program regardless of the Artist Rating.

17. 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.

18. All Components must be submitted no later than 12 months after Commercial Release.

How To Apply

19. Before you can apply, you must have a reviewed and rated Applicant Profile in the FACTOR system, and 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.

20. If you do not have an Artist Profile and/or Applicant Profile, you must submit your new Artist Profile and at the latest **one week before your application deadline**. If you submit your new Profiles too late, you will not be able to apply.

21. All Applicants should read FACTOR's Glossary of Standard Terms and Business Policies before starting an application.

Eligible Costs – General Terms

22. These terms apply to all FACTOR Programs. Please see Eligible Costs – This Program (below) for details related to the Marketing and Promotion for Non-FACTOR-Funded Sound Recordings 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.

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

24. 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.

25. 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.

26. 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.

26.1 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.

27. 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.

28. 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.

28.1 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.

29. **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.

30. **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.

31. 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.

32. 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.

33. 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.

34. 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.

35. **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

36. Please see the Component rules for the details of eligible and ineligible costs in each Component.

37. If the application is approved, expenses will be recognized back to the date of Commercial Release.

38. 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. The funding limit for the Tour Support Component is **$20,000 for Artists rated 3 and $15,000 for Artists rated 2 and General,** per Artist per FACTOR fiscal year, across all Programs, and includes the **$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.

39. 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).

Funding and Payments

40. 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 Glossary: Public Funding.

41. For Marketing and Promotion for Non-FACTOR-Funded Sound Recordings 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.

42. A final payment will be issued for the balance of the approved funding request 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.

43. To receive FACTOR funding, you must submit banking information for Direct Deposit.

44. 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.

45. Please note that the funding received from the Comprehensive Music Company Program counts toward the New Musical Works portion of the Annual Funding Cap (see Business Policies: Annual Funding Cap).

Project Completion

46. Please see the Component rules for the detailed completion requirements of each Component.

47. ***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.

48. Applicants should retain all their invoices, receipts and Proofs of Payment for seven years for FACTOR and Revenue Canada taxation purposes.

Included in this PDF:

Marketing Component
Radio Marketing Component
Tour Support Component
Showcase Component
Video Component

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APPLY ONLINE AT FACTOR.CA

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Marketing

Component Guidelines

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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.

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Radio Marketing

Component Guidelines

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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.

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Showcase

Component Guidelines

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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 distributing 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.

FACTOR
THE FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS
WITH SUPPORT FROM CANADA'S PRIVATE RADIO BROADCASTERS

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.

FACTOR
THE FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS
WITH SUPPORT FROM CANADA'S PRIVATE RADIO BROADCASTERS

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.