



## **GUIDELINES**

### **Production Program**

(formerly Production and Low Budget Program)

**February 2016**

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## 1. Mandate

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The Bell Fund advances the Canadian broadcasting system. The Bell Fund:

- Encourages and funds the creation of excellent Canadian digital media,
- Promotes partnerships and sustainable businesses in the broadcast and digital media sectors,
- Engages in research and sharing knowledge,
- Enhances the national and international profile of industry stakeholders

## 2. Structure

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The Bell Fund is a not-for-profit organization. It has been certified by the CRTC as an independent production fund eligible to receive and administer contributions from broadcast distribution undertakings under section 29(2) of the *Broadcasting Distribution Regulations*.

The Fund is governed by a nine member Board of Directors which operates as an arm's-length corporation with representatives from broadcasting, the television and digital media production sectors and from Bell TV and its affiliates.

The Fund has offices in Toronto and Montreal.

## 3. Production Program Overview

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The fund receives annual contributions from Bell TV. Eligible projects must have both a **broadcast component** with a guaranteed broadcast licence from a Canadian broadcaster as well as a **digital media component**.

Funding for the **digital media** component is available in the form of grants which may be awarded as follows:

- A grant of up to 75% of the cost of production of the digital media component; *in addition to*

A *bonus* grant matching for *any* Canadian broadcaster(s) cash contribution (licence and equity) to the financing of the digital media component, to a maximum of \$100,000.

Funding for the **television** component is available in the form of grants which may be awarded as follows:

- A grant of up to 75% of the total Canadian broadcast licence fees (paid directly by the broadcaster) for the program, to a maximum of \$75,000 per project (including all subsequent television seasons).

## 4. Applicant Eligibility

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1. Applicants must be independent producers or broadcaster-affiliated production companies (which will in the aggregate, be eligible for a maximum of 25% of the funds awarded in any fiscal year).

The definition of "independent producer" and "broadcaster-affiliated production company" shall be as set out in Appendix A.

2. Applicants must have creative control over the respective components of the project and own the copyright or have obtained copyright permission to adapt any material for the project, and hold or have access to digital media rights.
3. Applicants must be Canadian-controlled within the meaning of the Investment Canada Act and as defined under section 1106(1)(c) of the Regulations under the Income Tax Act. The individual Producer applicant must be a Canadian citizen or permanent resident.
4. Applicants must demonstrate a sound financial position and the required expertise and relevant experience to successfully complete the respective components of the project.
5. There is no limit on the number of projects a producer/production company is involved in per year with the exception of broadcaster-affiliated production companies as detailed above.

## **5. Project Eligibility**

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In order to obtain digital media *and* broadcast funding, applications must be submitted prior to commencement of principal photography of the television component and prior to commencement of production/services on the digital media component. In cases where the television component has already commenced principal photography, digital media funding *only* may be obtained provided that the associated television program has not yet been broadcast.

In some cases, the Bell Fund may consider supporting digital media projects that are associated with a legacy television project. Legacy television projects are defined as television project which have received a broadcast licence renewal from a Canadian broadcaster. Please contact the fund to discuss eligibility of an application of a legacy television project prior to application.

### **5.1 Television Component**

1. Programs must adhere to the Bell Fund's Principles for Licensing and Distribution Rights ([bellfund.ca/funding-programs/production-program/](http://bellfund.ca/funding-programs/production-program/)). In respect to broadcast agreements that fall under the current Terms of Trade, Bell Fund shall agree to such terms, however those rights that are deemed to be at the producer's discretion must fall within the Bell Fund's Broadcast Rights Principles.
2. Programs must obtain a licence commitment from a Canadian broadcaster, with terms according to industry norms, for a broadcast window within 2 years of completion.
3. There may be a single production company for both components, or two separate production companies applying with each holding respective rights, or two production companies applying in partnership.
4. The television component must meet eight out of ten points for Canadian content certification as certified by CAVCO, or be an official Canadian co-production as certified by the Co-production office of Telefilm Canada.
5. Eligible programs may not be News, Reporting and Actualities, or Sports programming.
6. Project must be in compliance with the laws, regulations, standards and policies applicable to broadcasting and to intellectual property, and it will not infringe upon any public or private rights and will not otherwise contravene any civil and criminal laws in effect.
7. For all projects receiving digital media grants from the Bell Fund, an appropriate Bell Fund credit must also appear in the related television component.
8. The Producer ensures that the Broadcaster confirms that any PPV or VOD rights obtained within the License Agreement between Broadcaster and Producer would be made available to all PPV or VOD licensees on an equitable basis to all eligible BDU's.

## 5.2 Digital Media Component

1. A digital media project must be comprised of content that is designed for and delivered on a digital network and is created to extend, enhance and complement the television viewing experience or projects where the television viewing experience complements the digital content or where both television and digital content are equally a part of the user experience. Interactive content may also include original linear content such as webisodes.
2. Projects must be accompanied by a Broadcaster Support Form, completed and signed by the broadcaster(s).
3. Projects must adhere to the Bell Fund's "Principles for Licensing and Distribution of Interactive Cross Platform Rights" (see [bellfund.ca/funding-programs/production-program/](http://bellfund.ca/funding-programs/production-program/)).
4. The launch of the completed digital media component is required to be scheduled prior to, or at the same time as, the first window broadcast of the first episode of the associated television program. Under special circumstances, exceptions may be considered on a case-by-case basis.
5. All digital media projects must have analytics available and reported to Bell Fund as per the Digital Media Production Financing Agreement. The analytic tools must be in place prior to launch of any digital media work.
6. For all projects receiving digital media grants, an appropriate Bell Fund credit must appear on all versions and all copies of the digital media work and on all publicity and promotional materials under the Producer's control relating to the digital media work. Such credit shall appear on the "home page", launch page or opening screen of the digital media work.
7. The digital media component may be an international co-production. In the absence of an official co-production treaty, the digital media component must qualify under the terms of the Bell Fund's "Framework for International Digital Media Co-Production" (see [bellfund.ca/funding-programs/production-program/](http://bellfund.ca/funding-programs/production-program/)).
8. Projects may not be an industrial, corporate, or primarily promotional project.

## 6. Financial Participation

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1. Grants for the digital media component may not exceed 75% of the costs of digital media production, *plus* a bonus to a maximum of \$100,000 to match *any* Canadian broadcaster(s) cash contribution to the digital media project, and are subject to the following:
  - The bonus is to be applied to complete the financial structure; total financing may not exceed the project budget.
  - At least 10% of the budget must be financed in cash from a source other than the Bell Fund or the producer.
2. Grants for the broadcast component are calculated based on 75% of the Canadian broadcast licence fees paid directly by the broadcaster, to a maximum of \$75,000 and subject to the following:
  - In calculating the value of the television grant, any combination of Canadian broadcast licenses may be eligible.
3. Disbursements will be made in 3 installments:  
  
Digital Media Project
  - 75% on execution of Financing Agreements between the applicant and the Bell Fund;
  - 15% at an interim stage to be negotiated on a case-by-case basis, usually at the "Beta" stage and always prior to launch or submission to the "App Store"; and
  - 10% on completion and delivery to the broadcaster/electronic distributor/publisher of the project and submission of final reports as required by the Bell Fund Financing Agreements.

#### Television Project

- 50% on execution of Financing Agreements between the applicant and the Bell Fund;
- 30% upon completion of principal photography and delivery and acceptance of the documentation as required in the Schedule A; and
- 20% on completion and delivery to the broadcaster and submission of final reports as required by the Bell Fund Financing Agreements.

Please note: The financing agreements will not be issued until the fund has received and approved all required documents and clarifications as detailed in the commitment letter for approved projects for both the Television and Digital Media projects. A project will not be closed and final payments will not be issued until the fund receives and approves all required final deliverables. It is expected that the Fund will receive the final deliverables for the project within 24 months of the final launch of the project.

## 7. Evaluation Process

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1. Applications are reviewed to ensure that all eligibility criteria are met and that the required documentation is complete.
2. Eligible applications are assessed by industry consultants who evaluate the Digital Media creative, business, financial, technical and marketing plans, and audience engagement potential.
3. It is the intent that funding decisions are made by the Board of Directors six to eight weeks after the deadline for application.
4. Projects that do not receive funding may only be resubmitted if the resubmission addresses any notes provided from the previous application and there are clear changes to the application. These changes should be outlined in a separate document or in the cover letter. An unsuccessful project may only resubmit one additional time in the applicable program.
5. Successful applicants must finalize financing of their projects within 90 days or the Bell Fund's commitment may be cancelled at the Board's discretion.
6. The Bell Fund Evaluation Grid contains the key criteria that are examined in the evaluation process. (see [www.bellfund.ca](http://www.bellfund.ca) – Useful Tools)

*All interpretation of these Guidelines and all policy decisions are at the Board's discretion and the Board reserves the right to final judgment in this regard.*

## Appendix A / Eligible Applicants

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Access to the Bell Fund is limited to corporations, partnerships and joint ventures which are independent producers or broadcaster-affiliated production companies:

#### ***Independent Producers***

An "Independent Producer" is a production company that is not an "affiliate" of any licensed Canadian broadcaster or programming undertaking (a "Canadian Broadcaster"). The Bell Fund uses the Canada Business Corporations Act ("CBCA") definition of the word "affiliate" when assessing the relationship between a production company and a Canadian Broadcaster. The production company should operate principally as a Television or Digital Media production entity. Eligible applicants to the Bell Fund must be a Canadian-controlled corporation as defined in subsection 1106(1) of the *Income Tax Regulations* under the definition of "Canadian" with its head office based in Canada.

***Broadcaster-Affiliated Production Companies***

To be eligible, a “Broadcaster-Affiliated Production Company” must be a separately incorporated entity and distinct from the operations of its affiliated Canadian Broadcaster. In effect, a production company is an affiliate of a Canadian Broadcaster if:

- one is a subsidiary of the other;
- both are subsidiaries of the same body corporate; or
- each is “controlled” by the same person.

Production entities which are affiliated with publicly-funded Canadian Broadcasters (e.g. CBC/SRC) are not eligible to apply for funding.

An Independent Producer and a Broadcaster-Affiliated Production Company are eligible to jointly apply for a co-production project, or may apply via a jointly-owned and/or controlled entity or joint venture.

***Canadian broadcaster***

A licensed Canadian broadcaster is a broadcaster licensed by the CRTC, including private, public, educational, specialty, pay-per-view broadcasters, and VOD services.