



# **DEVELOPMENT AND SHORT-FORM DIGITAL SERIES FINANCING AND BUDGETING POLICIES**

**April 2018<sup>1</sup>**

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<sup>1</sup> Update made to 10% third party requirement in April 2018

## Table of Contents

Summary of Fee and Rate Thresholds.....	4
A. Financing Guidelines and Policies .....	5
B. Budgeting Guidelines and Policies.....	7
C. Other Financial Materials Expected to be Delivered with the Application .....	10
D. Financial/Budget Related Materials Required after the Project has been Approved.....	10
E. Financing and Budgeting Review Procedures for Successful Applicants .....	10
F. Cost Report (including Audit/Review Engagement) Requirements.....	11
G. Guidelines for Compliance Audits Conducted by Bell Fund .....	12
H. Repayment of Bell Fund Financing.....	13

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The Board of the Bell Fund has complete discretion in the administration of Bell Fund programs including, without limitation, determination of eligibility of applicants or projects and funding decisions. All Board decisions are final. Program guidelines may be changed at any time, provided that guidelines publicly posted at the time of a Program deadline will be the applicable guidelines for that application. Producers are encouraged to ensure that they have reviewed the most current guidelines, templates and policies available on the Bell Fund website prior to submitting their application.

**Note that the foregoing Financing and Budgeting Policies shall apply to all Bell Fund Programs unless otherwise specified herein. Unless defined herein, definitions contained in the Program Guidelines shall apply.**

## Summary of Fee and Rate Thresholds

Note that not all thresholds will be applicable to all Projects.

Proposal Preparation Expenses:	Not to exceed 3% of A + B. Note: if a project has received Bell Fund development support, no development costs may be repaid through production. Proposal preparation expenses may be ineligible. It is expected that the project would know the cost for Proposal Preparation at the time of application. Overages in this account may not be permitted.
Labour and personnel: (Category A)	<p>All labour rates for personnel engaged by Producer must be estimated at actual cost in units of: hours, days or weeks, without corporate markup, overhead fees, or equipment costs included in the cost assessment. Rates must be clearly marked as inclusive of applicable payroll benefits or may have payroll benefits set out as a separate category.</p> <p>Labour rates are expected to be consistent with industry standards. Bell Fund reserves the right to assess the reasonableness of labour. Rates deemed in excess of industry standard may be acceptable provided that there is sufficient explanation and quotes, contracts or pay stubs to support the rates.</p>
Equipment and Materials	Pro-rated or amortized at market value for duration of use on project (24 month straight depreciation method)
Pre-launch Promotion and Publicity	Not to exceed 15% of Categories A + B
Producer Fee:	<p>Slate Development: 10% of A + B</p> <p>WebDocs: 15% of A + B</p> <p>Short-form Digital Series: For budgets less than \$100,000 15% of A+B and all others 10% of A + B</p>
Corporate Overhead	<p>Slate Development: 10% of A+B</p> <p>WebDocs: 15% of A+B</p> <p>Short-form Digital Series: for budgets &lt; than \$100,000 15% of A + B and all others 10% of A+B</p>
Contingency	Is to be a minimum of 3% of Categories A + B but not to exceed 7% of Categories A + B and should reflect the inherent risk in the project

A project's financial structure and budget are key criteria in the evaluation of your application. Producers must provide a production budget and a financial structure based upon reasonable cost estimates and realistic expectations for other financing. Ensure these documents are completed thoroughly and accurately, including all tabs within the budget template, with sufficient back-up materials, notes and schedules to ensure a successful application. Be prepared to provide backup evidencing cost estimates, particularly if cost estimates are in excess of normally approved rates or otherwise exceptional. A project may not be over financed.

The Bell Fund contributes funding for project production and is not to be considered as direct revenue or profit for Producers. Producers should consider this when preparing the budget and financial structure of their proposed project and ensure that the budget only reflects actual costs.

In the case of Slate Development, all costs within the budget shall be allocated to the applicable project within the slate provided that Producer shall be entitled to amortize certain costs (see B.7) to the entire slate.

Please note the following definitions for the purposes of these Guidelines and Policies:

"Related parties" exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint or common significant influence. Related parties also include management and immediate families.

A "related party transaction" is a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. All such transactions also require verifiable documentation such as dockets and timesheets for personnel from all such parties including senior personnel associated with parent or related companies who are charged against the budget. For clarification purposes, when the relationship arises as a result of the transaction, the transaction is not one between related parties.

"Control" of an enterprise is the continuing power to determine its strategic operating, investing and financing policies without the co-operation of others.

"Significant influence" over an enterprise is the ability to affect the strategic operating, investing and financing policies of the enterprise.

## **A. Financing Guidelines and Policies**

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Please ensure that a complete, fully detailed financial structure is submitted in both the Application and Budget Template where indicated. Please fill out all schedules.

**1. 10% Cash Trigger Requirement:** For the Slate Development and Short-form Digital Series programs, a minimum of 10% cash contribution is required from a source other than Bell Fund or the Producer. Examples of third party cash funding include: Platform cash support such as a licence fee or equity investment, other funding agencies (eg, Shaw Rocket Fund, Canada Media Fund, OMDC IDM Fund, Fonds Québecor, etc.), third party distribution companies or platforms, and tax credits. Projects that are under review with another industry funding program (OMDC, SODEC IPF, Shaw Rocket Fund, CMF etc) will be considered as financing and qualify as the 10% cash contribution, provided the financing is

confirmed in advance of the Bell Fund Board's decisions for that particular deadline.<sup>2</sup> If a party is providing third party cash support, they may not also receive any cash payment for any services, facilities, or staff provided by the third party. Third parties may provide in-kind support in the budget but such in-kind support do not form part of the 10% cash contribution but may be assessed as market support as part of the evaluation. This cash source of funding must be paid at some point during the production. Confirmation of the 10% cash contribution is required at time of application. For successful applicants, Bell Fund will not execute a Production Financing Agreement with the Producer nor provide funding until written commitment is received from all sources.

2. Producer Contribution: The production company may contribute to the financing of a project in the form of investment or deferrals. Deferrals which are legitimate, verifiable and specifically for the development or production of the project are acceptable.

2(i). Producer Investment (equity): Producer may provide a fully executed agreement for its investment in the project. In such cases, the Producer must also provide its most current financial statements to verify the capacity to provide this investment. Although this contribution may be included in the financial structure, it does not satisfy the minimum 10% cash contribution requirement.

2(ii). Producer Deferrals: Deferrals may be included in the financial structure of a project. There is no maximum amount of deferrals that may be used to finance a production. However, the use of Producers fees and corporate overhead must be reasonable. Deferrals must be supported with appropriate deferral agreements containing a matrix specifying:

- budget code,
- category, and
- amount.

Producers can only defer their own fees, overhead, or on behalf of employees or equipment from their own company used in the production of the project. In such cases, the Producer must also provide their most current financial statements to verify their capacity to defer. Deferrals from unrelated parties such as a subcontractor must provide their own separate deferral agreement. All deferral agreements must reflect the budget line item and exact amount being deferred. Budget allowances for Contingency may not be deferred.

2(iii). Producer Tax Credits: If eligible, up to 90% of eligible anticipated tax credits may be used to finance the project and be included in the financial structure. However, Bell Fund does not obligate Producers to use tax credits as part of a project's financial structure. If tax credits are used to finance the project, a schedule calculating tax credits used in the financial structure must be submitted with the application.

3. In-Kind Contribution: In-kind services, facilities or staff from other parties (sub-contractors, co-producers, etc.) may be included in the financial structure, and listed appropriately in the budget. All such costs must be assessed at market value with appropriate discounts applied. The value of services provided must be clearly and explicitly indicated in a services agreement between the Producer and service provider. Agreements should minimally contain the following information:

- date,
- total amount of contribution and any discounts applied,
- breakdown of contribution by related budget codes and categories of services provided, and
- any other provisions.

Producer may be asked to provide evidence of market value equivalency for in-kind services provided.

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<sup>2</sup> Updated April 2018

4. Interim Financing: Producer may not use interim financing as a component of the financial structure for the project. Interim financing may only be used to bridge finance other commitments. A detailed cash flow statement must be included to justify any interim financing costs in the production budget.

5. Third Party Contribution Contractual Requirements: Minimally, executed commitment letters are required from all sources used in a project's financial structure, or ideally, executed agreements. This includes deferrals, in-kind services, and cash contributions. Applications may be submitted without confirmed alternate financing. Agreements must minimally include:

- date,
- amount of contribution,
- type of commitment (ie; grant, equity, advance, etc.),
- total and date of budget,
- clear declaration that contribution is for production of the project,
- payment schedule or proposed drawdown, and
- default or expiry clause.

If application with Bell Fund is successful, applicant will have 90 days from the date of approval to provide all required documentation. All executed agreements will be required in order for Bell Fund to issue a Production Financing Agreement.

6. Slate Development Financing: Producer must set out financing for all each project, reasonably allocated across the projects. Assessment of the reasonableness of the allocation shall be at Bell Fund's sole discretion.

## **B. Budgeting Guidelines and Policies**

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The budget submitted to the Bell Fund should include additional notes describing in detail, tasks and phases to be performed by personnel, and supporting notes explaining cost estimates in detail. Be prepared to back up cost estimates with copies of contracts, quotes, leases, payroll documents etc. if requested. Budget and corresponding notes provided constitute one of the evaluation criteria of your application. Please review the guidelines for the applicable program, to ensure that budget includes only acceptable costs.

1. Budget Template: For all applications submitted to Bell Fund please complete the appropriate Bell Fund Budget Template (excel file) also available on our website. ([www.bellfund.ca](http://www.bellfund.ca) – available with the application forms). Please do not overwrite formulas built into the template. Look for error messages and fix them before submission.

2. Eligible Costs (Production) Only: All cost estimates must be distinct and separate from the costs of any affiliated project (except for allowable amortized costs under the Slate Development program) and from other project phases (development, etc.). Use only applicable cost estimates and line items from the budget template that specifically relate to the project for which funding is being requested. Provide details, notes and agreements explaining your cost estimates. Add additional line items where and if necessary. **Assessment of the project's eligible costs is at the discretion of the Bell Fund**

3. Eligible Costs (Development): Development expenses already incurred or previous commitments for project development, may not be included in any line item in the budget template. Producers may not include any type of repayment for previous development costs including payments to other funding agencies in a production budget submission. Assessment of the project's eligible costs is at the discretion of the Bell Fund

4. Discoverability Plan: The costs to implement a Discoverability Plan shall be included and separately identified in a Short-form Digital Series production budget and may be included in an WebDocs Development Program budget. The costs to develop a Discoverability Plan, is only an acceptable cost for the Slate

Development Program and the WebDocs Development Program. Producer fees and corporate overhead are not eligible costs for the Discoverability Plan budget.

5. Related Party Transactions: All line items and respective amounts from the budget paid to Related Parties to the Producer such as principals, management and immediate family must be itemized and disclosed on the appropriate tab of the Budget Template. All purchase and rental of equipment, facilities and material and capital purchases directly or indirectly paid for or obtained by the Producer and costed in the budget must also be declared.

6. Canadian Costs: The expectation is that all budget costs will be spent in Canada and on Canadians. Up to 25% of the budget may be spent on non-Canadian costs provided that the Producer can establish the need for the non-Canadian costs. Producer will prepare the Non-Canadian Costs Declaration within the Budget Template for any and all non-Canadian labour services and/or products.

7. Amortization Schedule: In the case of Slate Development, Producer shall have the option to identify costs which apply to all projects (up to 3) within the slate, to be outlined in the Amortization Schedule. Costs for the development of a marketing plan or a discoverability plan for the entire slate, engaging a creative consultant or distribution consultant, producer fees and corporate overhead, are examples of costs that may be amortized across the slate. Producer may be asked to justify the amortization of a cost.

8. Producer Fee (GEN24): The producer fee payable to all parties involved in producing or developing, as the case may be, the project may not exceed the following caps as a percentage of the total of category A and B. In no event shall this cap be exceeded.

Slate Development: 10% of A + B

WebDocs: 15% of A + B

Short-form Digital Series: For budgets less than \$100,000 15% of A+B and all others 10% of A + B

9. Rights Acquisition (GEN18): Rights acquisition includes costs associated with licensing copyrighted material and intellectual rights for use in the production. A related party is not eligible to receive rights payments.

10. Labour and Personnel (Category A): All labour rates (which may be inclusive of payroll benefits/fringes or may separately identify payroll benefits/fringes) must be estimated at actual cost to be paid to the employee or freelancer, broken down in consistent units of either: hours, days or weeks. Corporate mark-up, overhead fees, or pro-rata equipment costs may not be included in the calculation of labour rates.

11. Disclosure of Personnel (Category A): Budget submissions must include names and companies of all personnel to be engaged in the project in the appropriate budget category. The Producer oversees all aspects of production and therefore usually may not participate in most other production roles. On smaller budgeted projects a Producer may perform other roles in the production and be budgeted in appropriate categories. A detailed rationale must be provided supporting this occurrence. Note that personnel performing multiple roles will be reviewed for reasonableness of tasks and duration.

12. Agreements, Quotations and Labour Cost Breakdowns (Category A): If requested, the Producer must provide any agreements with consultants, writers, or third party suppliers verifying budgeted cost estimates. These agreements must include an itemized cost breakdown of all services to be provided. For significant amounts, extraordinary items, or non-standard fees in the budget, it is strongly recommended that a quotation, comparable market value assessment, and/or rationale be provided to substantiate the cost estimates proposed.

13. Talent (Category A, VID09): Please provide details on any performer engagements including anticipated hourly, daily or weekly rate, number of units to be worked and any use fees or rights payments which are appropriately part of the budget. Talent contracts must be provided upon request.

14. Equipment and Materials (Category B): All, equipment and facilities used in the development or production of the project must be assessed at market value for the period used. The budget may include only equipment and facilities specifically required to implement the budget. The budget may reflect actual rental costs with applicable discounts (provide quotation) or amortized purchase price (using a 24 month straight depreciation method). The cost estimate is to be prorated for duration of project. Applicants should include details and quotes for all equipment used. Cost estimates for equipment and materials may not include corporate mark-up or overhead fees. Applicants should provide a rationale should leasing costs be in excess of market acquisition costs.

15. Software (Category B): Estimated software cost must be amortized and pro-rated for the duration of the project (no greater than 50% of market value or 12 month straight depreciation method, whichever is less). Details and quotes for all software must be included with the budget. In exceptional circumstances, proprietary software previously developed may be licensed to the project at market rates. In such cases, a rationale substantiating this must be included with your budget.

16. Server Expenses and Site Maintenance (Category D, GEN22): Server and site maintenance expenses should be appropriate for the project being produced. There is no formal limitation on the amount of time for operation and maintenance expenditures after initial deployment of content provided the duration is reasonable and is consistent with the Discoverability Plan and Pre-Launch Marketing and Promotion Plan, if any.

17. Pre-Launch Marketing and Promotion Plan (Category D, GEN23): **Applicable only to the Short Form Digital Series budget**, the Pre-Launch Marketing and Promotion Plan includes costs associated with a scheduled launch on broadcaster or digital platform or expenses incurred during production (publicist, photographer, press kid, EPK, submission for awards, trailer/ video walk through, sales sheets), which are not included in a Discoverability Plan. Marketing and promotion budgeted costs may not exceed 15% of the total budget for categories A+B. The approved budget is “frozen” for marketing and promotion expenses. In other words, the final audit must ensure that the approved budget for this expense category is used for appropriate marketing and promotion expenses, and *may not* be reduced and used for overages in other expense categories. Should the expenditures in this category be less than projected, the Bell Fund contribution to the budget will be reduced accordingly.

18. Administration (Category C): Office expenses and other related administration labour, equipment and facility cost estimates must relate directly to the project and duration of development or production only. Show the calculation of office rent and other such expenses which are additional expenses (such as additional office space) but not covered in Corporate Overhead (GEN25).

19. Corporate Overhead (GEN25): The purpose of this category is to help defray corporate overhead expenses not permitted in other project-related line items in the budget (eg. Receptionist, in-house contracts co-ordinator). The total of this category may not exceed the following caps as a percentage of the total of category A and B. In no event shall this cap be exceeded.

Slate Development: 10% of A+B

WebDocs: 15% of A+B

Short-form Digital Series: for budgets less than \$100,000 to 15% of A + B and all others 10% of A+B

20. Contingency (GEN26): Contingency is to be a minimum of 3% of Categories A + B but is not to exceed 7% of Categories A + B and should reflect the inherent risk in the project. Under no circumstances can this cap be exceeded.

21. Should the project(s) include a digital media component (non-programming content), costs for production of that component must be identified separately in the budget.

### **C. Other Financial Materials Expected to be delivered with the Application**

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1. Detailed Development/Production Schedule: The Producer must submit with application detailed timeline, Gantt chart or other schedule breakdown as well as schedule overview published on top sheet of budget, indicating all key dates for anticipated completion of phases and milestones.

Note: There are many project management tools that can assist producers in creating more robust schedules to correlate with budgets.

2. Cash Flow Statement: In the event that interim or bridge financing is proposed, the Producer must submit a detailed cash flow statement with calculation of borrowing costs. The cash flow statement must be of sufficient detail to clearly demonstrate need for interim financing and justify budget line items for financing costs. A Producer may not pay themselves interest payment for interim financing the production.

3. A Completion Guarantee/Escrow is not required.

### **D. Financial/Budget Related Materials Required after the Project has been Approved**

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Upon approval of the project, the applicant(s) will have 90 days to provide any requested documentation or clarifications required before contracting. The required documentation will include:

1. Comprehensive and General Liability Insurance: For the Short-form Digital Series programs, Producer must provide a certificate of insurance from the insurance company underwriting the project, specifying Bell Fund as an 'additional insured' party on the comprehensive and general liability insurance policy that provides coverage in locations and for facilities where the project will be produced. Minimum requirement for liability coverage is \$1,000,000 but \$2,000,000 is preferred.

2. Errors and Omissions Insurance or posting of Waiver: For the Short-form Digital Series programs, Producer must either obtain separate E&O insurance specifically for the project, or where approved by Bell Fund (on a case by case basis) post a Waiver provided by Bell Fund on the Digital Series. The Producer should ensure the E&O insurance and associated costs are estimated in the budget, the Producer must provide evidence to support this expense and that E&O insurance is being secured. The Board of Directors may require E&O insurance at its discretion.

The policy should add the Bell Fund as additional insured with the following:

"Bell Fund, its Officers, Directors, agents and employees. This policy shall not be cancelled or modified during the period of coverage as stated thereon, in such manner to affect this endorsement or policy unless thirty (30) days prior written notice has been given to Bell Fund"

If Bell Fund agrees to a waiver, it should read:

*The Bell Fund takes no responsibility for the accuracy of validity of any claims or statements contained in the documents, content, goods or related graphics on the audiovisual project. Further, the Bell Fund makes no representations about the suitability of the information contained in the documents, content, goods and related graphics of the audiovisual project for any purpose. All such materials are provided without warranty of any kind. In no event shall the Bell Fund be liable for any damages whatsoever, including special, indirect or consequential damages, arising out of or in connection with the use or performance of information available from this audiovisual project.*

### **E. Financing and Budgeting Review Procedures for Successful Applicants**

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1. The budgets of all successful applications are assessed by the Bell Fund and the results may impact the amount of Bell Fund's contribution as determined by the Board of the Bell Fund. In the event that the budget assessment is less than the budget originally submitted, Bell Fund's contribution level will be reduced proportionately by the percentage of requested funding applied for in the original application. If such an event occurs, Producer may do one of the following:

- i) maintain original budget total submitted and refinance any deficit caused by reduced Bell Fund commitment; or
- ii) reduce budget as internally assessed by Bell Fund and finalize arrangements with other funding agencies and sources.

**Budget must be reduced if specific categories exceed the budget caps in this Policy.**

2. Producer is contacted and a Bell Fund representative reviews outstanding materials, list of deficiencies and if applicable, where budget has been reduced due to the assessment. Based on the budget appraisal and delivery of all outstanding material, Producer will be advised of Bell Fund's contribution level.

3. Producer has 90 days to resolve deficiencies, deliver outstanding materials, and/or provide proof or rationale for specific budget line items in question.

4. Based on Producer's deliverables and further evidence of cost estimates requested, Bell Fund's final contribution will be confirmed.

5. In many instances, other agencies such as Canada Media Fund undergo similar review procedures. Bell Fund and all other agencies may try to coordinate and reconcile contribution amounts. Producers are advised that participating funding agencies may discuss various aspects concerning the project.

6. Upon timely delivery of all outstanding material, agreements and revised documents, a Financing Agreement with the Bell Fund will be issued.

## **F. Cost Report (including Audit/Review Engagement) Requirements**

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After your project is completed (and in the case of Slate Development, the entire slate), the Bell Fund requires a series of documents to be submitted before processing your final drawdown. The documents include, but are not limited to: Producer Interim Report (required 90 days following launch or completion of development, as the case may be), Producer Final Report on the project, Platform Interim Report and Final Report; Final Cost Report, Audit Report/Review Engagement, Final Financial Structure. Review the Schedule "A" of your Financing Agreement for further details on the Final Report and any further requirements.

1. The guiding principle for auditing final costs and final financing of projects is to ensure that the contribution provided by the Bell Fund is used in an appropriate and reasonable manner respecting industry standards, to reimburse actual costs incurred for a specific project's production, and that such funds are not used to provide profit for the Producer or sub-contractor nor used to offset non-project related expenses of the production company or any other party. Cost Reports and Audits should reflect accurate costs including any costs in excess of the Budget that may have been paid for with additional financing or Producer's own resources and received in accordance with the Bell Fund guidelines and policies. It is important for Bell Fund's knowledge and assessment of future projects to know what projects actually cost.

- Projects with budgets less than \$249,999: Producer must provide a signed cost report
- Projects with budgets between \$250,000 - \$499,999 require a complete final cost report and a Review Engagement report provided by a certified independent public accountant who is at arm's length from the Producer.

- Projects with budgets equal or greater than \$500,000: Producer must provide a complete final cost report and a full audit of production costs and statement of final financing, conducted by a certified accountant at arms-length from the Producer, and all company principals, and who is certified to conduct such audits.

2. Notwithstanding the above criteria, the Bell Fund may request an audit be included in its agreement with a Producer, for any project.

All other guidelines and requirements for final audit, review engagement, and final cost reports must be in accordance with the Bell Fund Audit Guidelines ([www.bellfund.ca](http://www.bellfund.ca))

3. Producers must maintain a separate set of books and accounts and related records for the project. Producers may have a separate bank account for the project but it is not required.

4. All bookkeeping and accounting procedures must be conducted in accordance with GAAP (Generally Accepted Accounting Principles) that appear in the CICA Handbook (Canadian Institute of Chartered Accountants).

5. Final cost reporting and audit procedures must be undertaken based on the budget and financing structure approved by Bell Fund and in accordance with the Bell Fund Audit Guidelines.

6. There may be no variance between budget and final costs for Producer fees, overhead fees, minimum marketing expenditures and any other budget allocations that are restricted by Bell Fund's guidelines or policies, or have been specified as locked budget items in the Financing Agreement between the Producer and Bell Fund.

7. Final costs reports must reflect actual payments made to employees, freelancers - and suppliers and include time sheets, where the time sheets can be made available to the Bell Fund as reasonably requested.

8. The Audit/Review Engagement deliverables must include a summary of all related party transactions as well as all payments made to the Producer and/or related parties.

9. Default provisions: Any party who does not adhere to the accounting policy and required bookkeeping and reporting requirements, or who through audit or review is found to be in contravention of costing policy and guidelines, will be declared in default and may not be eligible for future contribution from Bell Fund, until the contravention is corrected to the satisfaction of the Bell Fund.

10. Bell Fund may request additional information or breakdown of expense accounts in its review of final production costs which the Producer is obligated to deliver in a timely fashion.

11. Bell Fund may adjust its final contribution to a project based on results of the Audit/Review Engagement.

12. The submission of the final deliverables must take place no later than 12 months after the launch of the project or completion of development, as the case may be.

## **G. Guidelines for Compliance Audits Conducted by Bell Fund**

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1. Bell Fund reserves the right to conduct its own audit of production expenses. Producers are obligated to provide Bell Fund with all necessary documents and records in a timely fashion if an audit is requested.

2. Compliance audits will be conducted to ascertain Producer's adherence to Bell Fund accounting and costing policies.

3. The expense for a compliance audit will be assumed by the Bell Fund.
4. Producers will be required to provide a separate set of books and records of all project related expenses and financing within reasonable time of the Fund requesting access to such material.
5. The purpose of a compliance audit is to assess actual production costs recorded by Producer, and review all related party transactions. However, compliance audit may include any provision of reviewing expenses and financing for a production.
6. Default provisions: Those found not adhering to Bell Fund accounting policies will be required to address any deficiencies found within a specified time frame. If action is not taken to address any deficiencies, the contribution from the Bell Fund may be withdrawn or reduced. Additionally, the Producer may be declared in default and may no longer be eligible to receive contributions for other projects from the Fund, until the deficiency is addressed to the satisfaction of the Bell Fund.

## **H. Repayment of Bell Fund Financing**

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1. The WebDocs and Short-form Digital Series programs are non-repayable grants.
2. Slate Development is repayable from production financing for the applicable project within the slate, on a per project basis. Repayment is triggered by the first day of production of the first component of a multi-platform project. If a project is not financed for production, then the amount of the Slate Development financing allocated to that project will not be repayable. Amortized costs within the Slate Development budget will be allocated on a pro rata basis across the development slate (i.e. if three projects, they each share 1/3 of the amortized costs).