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Canada Music Fund Music Entrepreneur Component Aid to Canadian Music Industry National Service Organizations

Application Guide
2015-2016



**Music Entrepreneur Component
Aid to Canadian Music Industry
National Service Organizations
Application Guide 2015-2016**

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1. INTRODUCTION AND HOW TO APPLY

What's New

- Sections of the 2015-2016 applicant guide have been restructured.
- Support for travel expenses will be limited to activities that are directly business-oriented. Per diem costs are **ineligible**.
- The requirements on Public acknowledgement of financial assistance have been updated.
- All organizations incorporated under the *Canada Corporations Act, part II*, must have transitioned to the *Not-for-profit Corporations Act* (NFP Act).

1.1 Objectives of the Music Entrepreneur Component

The Music Entrepreneur Component (MEC) is one of four components of the Canada Music Fund (CMF). It aims to ensure that established Canadian music entrepreneurs contribute to the Canadian musical experience over the long-term via a diverse range of compelling musical choices, become increasingly competitive at the national and international level, and position themselves for success in a digital global economy.

The Department of Canadian Heritage administers the MEC. For more information on the CMF and its components, please visit the [Canada Music Fund homepage](#).

1.2 Music Entrepreneur Component — Aid to Canadian Music Industry National Service Organizations

Funding is intended to increase collective promotional activities for Canadian music content and artists, both at home and abroad and on digital platforms, as well as to develop the Canadian music industry expertise.

The MEC provides assistance on an annual basis to Canadian national service organizations for the implementation of a business plan that supports the objective of the sub-component. Only recognized Canadian national service organizations that fulfill the requirements detailed in this guide will be eligible for assistance under this sub-component. This guide explains the eligibility requirements and the funding mechanisms in detail.

1.3 Eligibility for other Canada Music Fund Components

The recipients and activities funded under the *MEC — Aid to National Service Organizations* will be deemed ineligible for any other funding under the CMF, including federal funds administered by third-party administrators like Musicaction and FACTOR.

1.4 Requirements for a complete application

1.4.1 Introduction

This guide contains important information that will assist you in submitting a complete application. Words in **bold** are defined in detail in the *Definitions* section of this guide.

The application forms can be obtained by contacting the Program directly.

Application forms must be completely filled out and all supporting documentation provided. The application checklist, which describes the supporting documentation, must also be completed.

1.4.2 Financial Statements

Applicants must submit **financial statements** for their most recently completed financial year which must end on June 30, 2013 or after.

1.4.3 Application submission

Applicants must complete and submit their application form [electronically](#). They also have to send a printed and signed copy to the following mailing address:

MEC — Aid to Canadian Music Industry National Service Organizations
Department of Canadian Heritage
25 Eddy Street, 8th floor, 25-8-S
Gatineau, Quebec
K1A 0M5

For more information about *MEC—Aid to National Service Organizations*, please contact us at 1-866-811-0055 (toll-free) or by [e-mail](#).

1.5 Deadline

We consider your application to be filed on time if a printed and signed version of the application form, accompanied by all supporting documentation, is sent via mail or courier and is postmarked **February 23, 2015** or earlier. We will also consider that your application has been filed on time if the electronic version of the complete application form is received before midnight on the deadline date, provided that it is immediately followed by the printed and signed version accompanied by all supporting documentation.

An application form postmarked or stamped after the deadline will not be accepted.

2. ELIGIBILITY CRITERIA: APPLICANTS

2.1 Introduction

MEC– Aid to Canadian Music Industry National Service Organizations will support the eligible activities of Canadian national service organizations in the year beginning April 1st, 2015 and ending March 31st, 2016.

2.2 Number of years in operation

At the date of application, the applicant must have completed at least two years of continuous operation as a recognized national service organization under the terms of this guide.

2.3 Recognized national service organization

From the time of application to the end of term of any **contribution agreement** between the Department of Canadian Heritage and a recognized national service organization, the applicant must:

- be incorporated as a **Canadian not-for-profit organization** under the laws of Canada or a province;
- manage an annual budget of at least \$300 000, excluding government grants and contributions (based on the form and the financial statements submitted with the application);
- serve Canadian artists and entrepreneurs working in the music industry, namely, as sound recording producers, music publishers, songwriters, distributors, artistic agents and agents of the music industry;
- be engaged in activities at the national level;
- deliver activities involved in at least two segments of Canada's music industry chain, such as production, publishing, distribution or marketing/promotion of artists or artistic works; and
- demonstrate its capacity to manage the proposed projects.

2.4 Ineligible applicants

- Organizations, and their affiliates, predominantly representing a specific musical genre;
- Organizations, and their affiliates, whose main purpose relates to the undertaking of galas and award shows or conferences;
- Copyright collectives and funding organizations;
- Organizations, and their affiliates, representing persons predominantly involved in technical activities related to the music industry;

- Organizations, and their affiliates, that are in default with the Crown from agreements entered into with Canadian Heritage or any other government department.

3. ELIGIBILITY CRITERIA: BUSINESS PLAN

3.1 Eligible business plan activities

The business plan submitted must directly support the objective of the sub-component which is to increase collective promotional activities for Canadian music content and artists, both at home and abroad and on digital platforms, as well as to develop the Canadian music industry expertise.

All proposed activities submitted in the applicants' business plan must be linked to one of the two categories set out below and must benefit a group of Canadian artists and/or music entrepreneurs. (The list of activities described under each category is by no means exhaustive, but is provided as an example.)

Promotion and increased visibility for Canadian music/artists content and Canada's music industry

- Music showcases;
- Artist recognition events;
- Promotion and marketing of artists and music content;
- Positioning of Canadian music content, including on digital platforms.

Development of services for the Canadian music industry

- Training, professional development and conferences;
- Analysis and monitoring of evolving industry trends and issues;
- Development of communication tools;
- Web site development and digital adaptation;
- Organization, management and operation of kiosks (stands) at trade shows.

3.2 Business plan requirements

The content of the business plan and its contribution towards achieving the objective of the sub-component will determine the level of assistance allocated to an applicant. The business plan submitted with the application form must include the following elements:

- a brief history of the association and its achievements;
- a profile of the members represented;
- a description of the applicant's activity sector: range of services offered;
- an overview of collaborations and partnerships with other organizations or entities; and
- a description of the applicant's strategic priorities for the music industry and specific activities to undertake in 2015-2016 (between April 1, 2015, and March 31, 2016) and for which the financial assistance of the *MEC — Aid to National Service Organizations* is required. The activities must be clearly linked to the strategic priorities of the applicant and the objective of the sub-component, with measurable outcomes;

- a detailed budget that takes into account the revenues and expenses related to the implementation of each activity in the proposed business plan for 2015-2016 for which funding is requested (please use the template provided with the application form); and
- an account of the applicant's financial situation over the past two years and short- and medium-term financial forecasts (one to three years).

4. FUNDING LEVEL

4.1 Allocation of funds

Funding is provided in the form of a contribution to support the implementation of the approved business plan activities of a national organization serving the Canadian music industry.

All funds will be awarded on a competitive basis. The Department reserves the right to establish funding priorities and to allocate financial assistance accordingly. The fact that an applicant meets all eligibility requirements outlined in the guide or has received previous assistance from the Canada Music Fund does not mean that it will automatically receive financial assistance.

4.2 Business plan assessment

The business plan submitted by the applicant will be assessed using the following criteria:

- the degree to which the business plan's activities contribute to the strategic priorities of the organization and meet the objective of the sub-component;
- the organization's capacity to implement the business plan within the allotted timeframe, e.g. experience, human and financial resources; and
- the degree to which outcomes are measurable.

Special consideration will be given to business plan activities that:

- target a large community of artists, music content and Canadian music entrepreneurs;
- aim to develop new niches and increase visibility in existing or new territories or on new platforms;
- target probative opportunities that will generate revenues for artists; and
- are related to current and/or priority issues in the Canadian music industry.

4.3 Maximum contribution

The maximum annual contribution is \$650 000 per applicant. However, the amount of the contribution cannot exceed 75% of eligible expenses incurred between April 1, 2015 and March 31, 2016.

5. USE OF FUNDS

5.1 Eligible expenses

Eligible expenditures are limited to those required for the implementation of the applicants' business plan. They must be presented clearly in the budget submitted by the applicant (see applicant form). The eligible expenditures included in the budget must take into consideration the following limitations:

- To be considered eligible, salaries and benefits must be directly related to the implementation of the business plan.
- Travel expenses that are directly business-oriented. If travel expenses are considered eligible, they will have to comply with what is permitted in the federal government's *Travel Directive*; **however, note that per diem costs are ineligible.**
- Overhead costs related to the implementation of the business plan may include internet access charges, printing and photocopying, couriers, project management fees, etc. The maximum MEC contribution for all overhead costs may not exceed 15% of the total eligible expenses related to the implementation of the applicant's business plan.

The specific conditions relating to the use of funds will be detailed in a **contribution agreement** between the recipient and the Department of Canadian Heritage.

5.2 Ineligible expenses

- Members' representations expenses;
- Hospitality expenses;
- Salaries/benefits and overhead costs not directly related to activities detailed in the business plan;
- Capital expenditures, depreciation, amortization;
- Taxes on goods and services for which the recipient is eligible to claim reimbursement;
- Per diem costs;
- In-kind expenses;
- Legal fees and interest charges.

5.3 Expenses incurred prior to funding approval

The Department will assume no responsibility for any contractual commitments entered into by the applicant prior to confirmation of financial assistance from the Department.

5.4 Payments and Reporting

The schedule of payments will be described in the **contribution agreement** between the recipient and the Department of Canadian Heritage.

Recipients will be required to report on the use of funds received and on results achieved. This requirement will be described in the **contribution agreement** between them and the Department of Canadian Heritage.

5.5 Audit

The Department of Canadian Heritage reserves the right to conduct audits of funding recipients. In such cases, recipients must make available any records, documents and other information that may be required to perform the audit.

6. GOVERNMENT ASSISTANCE: GENERAL CONDITIONS

6.1 Public Acknowledgement of financial assistance

All funding recipients must publicly acknowledge, in English and in French, the financial support received from the Government of Canada in all communication materials and promotional activities related to the funding agreement, such as advertising, promotional and program materials, public announcements, speeches, websites, social media, etc. The Department's requirements for public acknowledgement of financial assistance were updated in 2014 and are now part of the funding agreements.

The Department's [Guide on the Public Acknowledgement of Financial Assistance](#) will assist funding recipients in complying with the requirements described in the funding agreement.

6.2 Limits on government assistance

For *MEC — Aid to National Service Organizations*, **total government assistance** (federal, provincial/territorial and municipal) cannot exceed 90% of the total eligible expenditures presented in the budget submitted by the applicant. This includes tax credits for the same eligible expenses.

6.3 Repayment of government assistance

The contribution is non-repayable when paid to a non-profit organization that does not generate enough revenue to repay the contribution or when there is no quantifiable advantage to the recipient as a direct result of the contribution. Specifications in this regard will be set out in the **contribution agreement**.

6.4 Minister's discretion and decisions

The eligibility criteria and guidelines do not restrict the discretionary power of the Minister of Canadian Heritage. Decisions of the Minister regarding the eligibility and the funding of applicants are final.

7. DEFINITIONS

Canadian

- a) A “Canadian citizen” within the meaning of the *Citizenship Act*; or
- b) A “Canadian permanent resident” within the meaning of the *Immigration and Refugee Protection Act*.

Canadian not-for-profit organization

An organization registered or incorporated in Canada under federal or provincial statutes.

A non-profit organization whose activities are based primarily in Canada and over half of the members and administrators are Canadians.

“Canadian organization” excludes any organization controlled by a non-Canadian person or entity, such that there is direct de facto control, by virtue of stock ownership, or indirect de facto control, through a trust, agreement, accord or other instrument.

All organizations incorporated under the *Canada Corporations Act, part II*, must have transitioned to the *Not-for-profit Corporations Act* (NFP Act). More information can be found on the Industry Canada website <http://www.ic.gc.ca>.

Contribution agreement

A signed agreement between a recipient and Canadian Heritage that describes the obligations of both parties. Among other provisions, the contribution agreement sets out the purpose of the contribution and the expected outcomes, the duration of the agreement, the reporting requirements, the public acknowledgement of the funding, the financial and/or non-financial conditions attached to the contribution, as well as the consequences of failing to adhere to these conditions.

Financial statements

Applicants must submit audited financial statements, a review engagement report or a notice to reader. If not available, financial statements prepared according to Canadian generally accepted accounting principles will be accepted.

Total government assistance

All financial assistance provided by the various levels of government (federal, provincial/territorial and municipal) toward the total eligible expenditures.