



Canadian
Heritage

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Canada



Canada Periodical Fund

Collective Initiatives

Application Guide
2015-2016

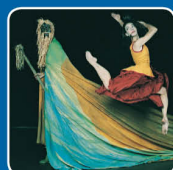


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Section F Definitions

A. Canada Periodical Fund

A.1 Overview

The Canada Periodical Fund (CPF) provides financial support to Canadian print [magazines](#), non-daily newspapers and [digital periodicals](#) to enable them to overcome market disadvantages.

A.2 Objective

Ensure Canadians have access to diverse Canadian print magazines, non-daily newspapers and digital periodicals.

A.3 Program components

The CPF delivers financial support through three components:

Aid to Publishers provides funding to eligible Canadian print magazines and non-daily newspapers.

Business Innovation offers support for projects to eligible small and mid-sized print magazine and digital periodical publishing firms.

Collective Initiatives funds projects for organizations designed to increase the overall sustainability of the Canadian magazine and non-daily newspaper industries.

This guide covers only the Collective Initiatives component. More information about the [Aid to Publishers](#) and [Business Innovation](#) components is available at www.pch.gc.ca/cpf.

A.4 What's new

Changes to the guidelines

Please note the following changes that will be in effect starting this year:

- Initiatives to recognize and/or reward Canadian print magazine, digital periodical and non-daily newspaper content and/or creators as well as related money prizes, trophies and certificates **are ineligible** (please refer to Section C.2.4 for details).
- Support for travel expenses will be limited to activities that are directly business-oriented. Per diem costs **are ineligible**. Expenses for travel and accommodation for participants to attend courses or seminars are ineligible. Bursaries for organization members are not eligible.

A.5 How to contact us

Canada Periodical Fund
Department of Canadian Heritage
25 Eddy Street, 25-8-U
Gatineau, Quebec
K1A 0M5

Telephone: 1 866-811-0055 (toll free in Canada)
TTY: 1 888-997-3123 (toll free in Canada)

Facsimile number: 819-994-3154
Email: fcf-cpf@pch.gc.ca
Website: www.pch.gc.ca/cpf

B. Collective Initiatives Component

B.1 Overview

The Collective Initiatives (CI) component of the Canada Periodical Fund (CPF) provides funding to organizations for projects designed to increase the overall sustainability of the Canadian print magazine, digital periodical and non-daily newspaper industries. Eligible initiatives include: broad-based marketing and promotion plans; research into using new technologies to extend the reach of periodicals; and projects that address issues affecting the industry as a whole.

Note: Underlined words are defined in [section F](#).

For the purpose of this document, the term “periodical industry” encompasses Canadian print magazine, digital periodical and non-daily newspaper publishing.

B.2 Objectives

The objectives of the CI component are to fund organization-based projects that will:

- a. Encourage collective efficiencies in the creation, publishing and distribution of Canadian periodicals;
- b. Explore and test new business models and digital opportunities for the periodical industry;
- c. Increase the information base available to the periodical industry and policymakers;
- d. Provide services, training and professional development opportunities to the industry;
- e. Raise the profile of the periodical industry among advertisers, readers, creators, and as a career opportunity for Canadians.

C. Eligibility Criteria and Application Process

C.1 Eligibility criteria

To be eligible for the CI component at the time of application, an organization must:

- a. Be incorporated as a non-profit organization under the laws of Canada or a province (see [Not-for-profit organizations](#) in the [Definitions](#) section);
- b. Have its head office located in Canada;
- c. Have been in operation for at least one [financial year](#) prior to application;
- d. Have a mandate within the Canadian periodical industry of:
 - Representing and informing members of the periodical industry;
 - Delivering educational or consultative programs to its members and/or other members of the industry;
 - Promoting Canadian print magazines, digital periodicals and/or non-daily newspapers or the services of their creators; or
 - Encouraging and/or recognizing excellence in the content and creation of Canadian print magazines, digital periodicals and non-daily newspapers.

Note: If the project is submitted by an organization that represents a wide range of professional activities, the degree to which the project benefits primarily the periodical industry will be considered.

C.2 Projects

C.2.1 Eligible projects

The program will invest in projects that are well researched, with activities that clearly demonstrate realistic objectives and measurable expected outcomes. The projects must be detailed and specific in terms of timeframe, activities, products and costs. They must be result-driven and aimed at improving the competitive performance of the Canadian periodical industry.

Projects will address at least one of these key areas: 1) business development, 2) professional development and training, and/or 3) marketing and promotion.

Priority will be given to projects that demonstrate one or more of the following:

- promote and increase access to Canadian history content, especially those related to the Road to 2017:

<http://canada150.gc.ca/eng/1344275520795/1344275731901>

Note: Please write “HISTORY” in capital letters next to the title of your project in Box 1 of Appendix B. All elements/activities related to history must be clearly identified in the project description in Box 3 of Appendix B.

Eligible projects may include:

- a. Research aimed at analyzing industry trends, new technologies, new business models;
- b. Market research and/or business plans;

- c. Collective initiatives in response to industry trends (aimed at marketing, promotion, education, awareness);
- d. Training and professional development for members of the periodical industry;
- e. Promotion of the Canadian periodical industry in the domestic and foreign markets, particularly through the Web and other digital platforms.

Note: Projects that contain, promote, or support [offensive content](#) are ineligible.

C.2.2 Expected outcomes

The expected outcomes of the project must adhere to the objective of the CPF, and at least one of the objectives of the CI component. Ultimately, the project should directly or indirectly support the growth and sustainability of the Canadian periodical industry.

C.2.3 Eligible expenses

Eligible expenses must be directly related to the project and can be of cash and/or [in-kind](#) value. See section C.3.3 [In-kind contributions](#).

Eligible expenses can include:

- a. Salaries/benefits of employees directly related to the project. The amount should be pro-rated to the time the employee actually spends working on the project. Any such claims of salaries and time must be verifiable by an auditor. It is strongly recommended that organizations expecting to claim salaries implement a system to track these costs, such as keeping detailed timesheets;

Note: The requested amount for salaries cannot represent more than 25% of the total requested amount for the project; applicants will be required to provide supporting documentation for the time allocated to the employees working on the project. For more information, please refer to section C.3.4 [Salaries as a cash contribution](#).

- b. Professional/consultant fees;
- c. Data entry and analysis;
- d. Website creation and addition of features;
- e. Cost of producing documents and products;
- f. Mailing/distribution costs;
- g. Specialized software purchase or custom programming;
- h. Promotional and advertising costs;
- i. Training;
- j. Registration fees (excludes registration fees of participants for the organization's own events);
- k. 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 no per diem costs are eligible**;
- l. [Overhead costs](#) related to the project up to 10% of total eligible expenses;

- m. Costs of audited financial report for the project (for contributions of \$250,000 and over, or when required by the program);
- n. Rental costs;
- o. Market research costs.

C.2.4 Ineligible expenses

Funding is available for specific projects and cannot be used to cover general costs or capital expenditures of the organization.

Note: The program may cover expenses incurred prior to the reception of the funding application, if it can be demonstrated that such expenses were indispensable to ensure the success of the project (for example, deposit to retain venue or to secure contract for consultant; speaker; trainer; purchase of airline tickets; etc.). Such exceptions are made at the sole discretion of the program.

Ineligible expenses can include:

- a. Research or activities undertaken prior to the receipt of an application;
- b. Salaries/benefits of employees not directly related to the project;
- c. Occupancy and ongoing operating costs of the organization;
- d. Overhead costs not directly related to the project;
- e. Hospitality costs (for example meals and beverages served at an event, catering fees);
- f. Portion of GST or other taxes that are recoverable for reimbursement;
- g. Money prizes, trophies, certificates (recognition awards);
- h. Incentive prizes for use in sweepstakes or draws;
- i. Travel expenses that are not directly business-oriented or to attend professional development sessions or seminars;
- j. Per diem costs;
- k. Bursaries for organization members;
- l. All other expenses deemed ineligible by the program.

C.3 Project funding

C.3.1 Government funding level

CPF funding can represent up to 75% of the total eligible cost of the project.

The maximum Canadian government contribution (federal, provincial, territorial and municipal) will not exceed 75% of the total cost of the project.

Recipients may receive funding for more than one project in a [fiscal year](#).

C.3.2 Organization's contribution

CI is a shared-expense component; organizations must contribute financially to their project. Cash and in-kind funding from the organization and other sources should cover at least 25% of the total project costs. The applicant's cash contribution must represent at least 10% of the total cost of the project.

C.3.3 In-kind contributions

Contributions to project costs may be in the form of in-kind. To be eligible, the in-kind contribution must be essential to the project's success, and otherwise would be purchased and paid for by the applicant. The applicant must indicate its fair market value; for example, if the applicant has an arrangement whereby it normally has access to a preferred rate for goods or services, fair market value is that preferred rate, not a standard rate. Time that is donated (volunteer/unpaid) is considered an in-kind contribution; as such, the organization shall maintain records of time donated.

Notes:

- In-kind costs are not funded by the program although they are calculated in the total cost of the project.
- Canadian Heritage reserves the right to limit the amount claimed as in-kind contribution and/or obtain independent appraisals to determine its value.

C.3.4 Salaries as a cash contribution

A salary that is paid to an individual who is working directly on the project must be considered as a cash contribution.

C.4 Project assessment

Each proposal will undergo review and assessment to ensure compliance with program requirements and government policies to ensure consistency and transparency of the process and best use of public funds.

Notes:

- All project proposals will be evaluated on merit.
- Meeting the eligibility criteria does not guarantee project funding.
- Projects with a maximum duration of 12 months are favoured.

Assessment of all projects will be based on the following criteria:

- a. Degree to which the project meets the objectives of the CPF, as well as the Collective Initiatives component;
- b. Demonstrated industry need for the project;
- c. Need for funding;
- d. Degree of innovation involved in the project;
- e. Degree to which the project can demonstrate short-term results, measurable improvement, added value from previous projects or activities, and/or a sustainable strategy;
- f. Impact of the project on the Canadian periodical industry (for example: lasting benefit; broad reach to variety of stakeholders);
- g. Degree of involvement and assistance or financial commitment from other sources, including members of the organization and other stakeholders;
- h. Demonstrated capacity of the organization to undertake the project;
- i. Suitability of the budget to the scale of the project; and
- j. Clarity and relevance of expected results and performance measures, including indicators that will be used to assess the success of the project.

C.5 Application process

C.5.1 Deadline

Applications should be received at least four (4) months prior to the project start date.

Note: Any project started prior to approval by Canadian Heritage is undertaken at the applicant's risk.

C.5.2 Application instructions

Read the Applicant's Guide carefully, including the [definitions](#), to ensure that you meet the eligibility criteria.

Applicants are advised to refer to section C.5.5 for the documents required.

Verify that the application form, project proposal and relevant documents listed in section C.5.5 are fully completed, and ensure that the application form bears the applicant's original signature. Ensure that you have included all required documents and keep a copy of the application package for your records.

Note: An application missing required information or supporting documents may result in the project not being further considered for funding.

Should questions arise, please contact the CPF for assistance. The CPF reserves the right to request additional information and/or clarifications for the project assessment.

C.5.3 For assistance

Telephone: 1 866-811-0055 (toll free in Canada)

Facsimile number: 819-994-3154

Email: fcp-cpf@pch.gc.ca

Website: www.pch.gc.ca/cpf

C.5.4 Our address

Send your application and supporting documents to:

Canada Periodical Fund
Collective Initiatives
Department of Canadian Heritage
25 Eddy Street, 25-8-U
Gatineau, Quebec
K1A 0M5

C.5.5 Documents required for your application

C.5.5.1 General application form - [Appendix A](#).

Note: This signed form is part of a complete file and is required by the program to officially open a request for funding file.

C.5.5.2 Detailed project proposal - [Appendix B](#). For projects with multiple activities, Appendix B1 must also be completed for each activity.

C.5.5.3 Detailed expenses and revenues of the project and amount requested from the CPF - [Appendices C](#) and [D](#). For projects overlapping two (2) government fiscal years, provide the information by fiscal year.

C.5.5.4 Resolution from the organization's board of directors supporting the project, and identifying signing authority.

C.5.5.5 Organization information *;

- Articles of incorporation and charter (or constitution and by-laws);
- List of board members and the membership list;
- The most recent annual activity report;
- For funding requests of \$100,000 and over, provide the most recent [financial statements](#) of the organization at one of the following levels **;
 - a. Audited;
 - b. Review engagement report; or
 - c. Notice to reader.

* **Note:** If you have recently submitted these documents to the program for a previous project, please indicate the project title and date. You are not required to submit them again. However, ensure that the program has the most recent and accurate information.

** **Note:** Financial statements are not required for funding requests under \$100,000; however the program reserves the right to request statements from organizations making multiple funding requests exceeding this amount in one fiscal year, or at its discretion.

C.5.5.6 Copies of letters of support from organization members and representatives from other sectors of the Canadian periodical industry, if applicable.

C.5.5.7 Résumés of consultants to be hired for the project, if applicable.

Note: The following documents should be submitted as soon as they are available:

C.5.5.8 Copies of documents confirming in-kind contributions and volunteer work for the project, if applicable.

C.5.5.9 Copies of documents confirming cash funding sources for the project, if applicable.

D. Approved Application

D.1 Types of funding

The CPF provides funding to organizations as either a grant or a contribution. The main difference between a grant and a contribution is that a contribution has more conditions and requires reporting on how the funds were spent. If contribution funds are not spent as agreed upon between the organization and the program, the organization may be required to reimburse some or all the funding.

The choice of a grant or a contribution is made by the program and is based on a risk assessment that may include factors, such as the amount of money involved and the complexity of the project.

If your application is successful, you will receive full details on the conditions of your funding, and may be asked to sign an agreement requiring you to fulfill the conditions.

D.2 Reporting requirements

If you receive a contribution of \$250,000 or more, an audited financial report for the project or the organization's audited financial statements supported by a schedule of the revenues realized and expenditures incurred for the project, will be required. The program also reserves the right to request an audited financial report for funding amounts lower than \$250,000. The cost of the audited report or financial statements for the project is considered an eligible expense.

E. Department of Canadian Heritage Provisions

E.1 Minister's discretion and decisions

The eligibility criteria and guidelines of the CPF 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.

E.2 Public acknowledgment of financial assistance for 2015-2016

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.

E.3 Audits of projects

Canadian Heritage conducts audits on a sample of successful applications each year; the Department will assume the audit cost. In such cases, recipients must make available any records, documents or other information that may be required to perform the audit.

The recipient's accounting records and supporting documents must distinguish the project costs from the ongoing operating costs of the organization. The recipient must also keep detailed records on amounts and values of in-kind goods and services. Original receipts, cancelled cheques, invoices, and bank statements as well as supporting documents related to the information provided in all application forms must be retained for at least 5 years.

A recipient found to have submitted false or unsupported information may be required to repay the full amount of the financial support received, and may be declared ineligible from the CPF for the next two fiscal years or more.

E.4 Evaluation of the program

The Department will conduct periodic evaluations of the CPF. During an evaluation, recipients must make available any records, documents, or other information that may be required to perform the evaluation.

E.5 Disclosure of information within the Government of Canada

By applying to the CPF, applicants authorize Canadian Heritage to disclose any information received in their application within the Government of Canada or to outside entities for the following purposes: to reach a decision on an application; to administer and monitor the grants or contributions of this program; and to evaluate the results of the project and this program after project completion.

The disclosure of any information received in this application may also be used to reach a decision on any other application by the applicant for financial support under any other Canadian Heritage program.

E.6 Information that could be made public

Amounts awarded to recipients are public information. Successful applicants receiving financial support from the program may have the name of the organization and the amounts awarded for each of their projects listed on the CPF website or disclosed in public documents produced by Canadian Heritage.

E.7 Access to information requests

If an access to information request is received regarding an application for financial support or any other document in the Department's possession containing information about your organization, the information provided to the Department will be treated in accordance with the *Access to Information Act* and the *Privacy Act*.

E.8 Protection of personal information

Your personal information is protected under the *Privacy Act*. Only information needed for operating the Canada Periodical Fund and measuring its results will be requested. The collection and use of personal information for this program is authorized by the *Department of Canadian Heritage Act* and is required for your participation.

E.9 Official languages

Should funding be approved, the applicant must ensure that its communications with and services to the public are provided in both official languages of Canada where applicable in accordance with the spirit and intent of the [*Official Languages Act*](#).

F. Definitions

Underlined words throughout the guide are defined in this section.

Digital periodical

For the purpose of the CPF, a digital periodical is defined as primarily text, photographic and illustrated editorial content delivered via a website, download or email that is published on a regularly scheduled basis under a common title and governed by an editorial function.

Financial statements (Financial statements of the organization)

Financial statements generally comprise:

- a. a report from an independent public accountant;
- b. a balance sheet;
- c. statements of income/profit and loss;
- d. a cash flow statement; and
- e. notes to the statements.

The financial statements required must be at one of the following levels:

1. audited;
2. review engagement report; or
3. notice to reader.

The following are definitions of the different engagement levels acceptable to the Collective Initiatives for financial statements:

a) Audited financial statements

A certified accountant has performed auditing/verification activities in accordance with generally accepted auditing standards. An auditor's report, without any qualifications or reservations, will generally include three paragraphs:

- an introductory paragraph identifying what statements have been audited, that the financial statements are the responsibility of the entity's management and that it is the auditor's responsibility to express an opinion on the financial statements based on the results of the audit;
- a scope paragraph indicating that the audit was conducted in accordance with generally accepted auditing standards that require planning and execution of auditing activities to provide reasonable assurance that the statements are free from material misstatements and the nature of audit activities performed;
- an opinion paragraph stating whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the entity in accordance with generally accepted accounting principles.

b) Review engagement report

The review engagement report differs from the audit report in that the scope of a review is less than that of an audit; thus the level of assurance provided to the reader of the financial statements is lower. A review engagement report will generally include three paragraphs:

- an introductory paragraph identifying what statements have been reviewed, that the review was conducted in accordance with generally accepted standards for review engagements, consisting primarily of enquiry, analytical procedures and discussion on information provided to the certified accountant by the entity;
- a statement that a review does not constitute an audit and that the certified accountant is not expressing an audit opinion on the financial statements;
- a conclusion indicating whether anything has come to the certified accountant's attention that causes the accountant to believe that the information being reported on is not, in all material respects, in accordance with generally accepted accounting principles.

c) Notice to reader

The notice to reader report indicates that a certified accountant has assisted the organization in compiling data for preparation of the financial statements but has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information.

Financial year (of the organization)

Refers to the organization's financial year consisting in an accounting period of twelve (12) consecutive months.

Fiscal year (of the Government)

Refers to the federal government fiscal year, which starts on April 1 of a given year and ends on March 31 of the following year.

In-kind

The contribution by an individual, business or organization of materials, goods, services or time to the project, which would otherwise be a necessarily incurred expense.

Magazine

A print periodical that is commonly recognized as a magazine, is paginated and bound, appears in consecutively numbered or dated issues, is published under a common title at regular intervals and may possess an International Standard Serial Number (ISSN).

Not-for-profit organization

All organizations incorporated under the *Canada Corporations Act, part II*, must transition to the *Not-for-profit Corporations Act* (NFP Act) by **October 17, 2014**. More information can be found on the [Industry Canada](http://www.ic.gc.ca) website <http://www.ic.gc.ca>.

Offensive content

Periodicals or projects that, in the opinion of the Department of Canadian Heritage, contain or promote any of the following:

- Material that is hate propaganda, obscene or child pornography, or any other illegal material, as defined in the *Criminal Code*;
- Pornography or other material having significant sexual content unless it can be demonstrated that there is an overriding educational or other similar purpose;
- Material that contains excessive or gratuitous violence;
- Material that is denigrating to an identifiable group; or
- Any other similarly offensive material.

Overhead costs

Long distance telephone charges, fax, photocopying, couriers, general administration and similar expenses.