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Canada Book Fund

Business development support

Application Guide
2016-2017



Canada Book Fund 2016-2017 - Application Guide – Business Development Support

1. About the funding described in this guide

- 1.1 About the Canada Book Fund
- 1.2 What's new
- 1.3 Objectives and expected outcomes
- 1.4 Application deadline: February 1, 2016

2. Business development support

- 2.1 Eligible expenditures
- 2.2 Internships
- 2.3 Business planning
- 2.4 Requirements for a complete application for Business development support
- 2.5 Service Standards

3. Submitting your application

- 3.1 How to apply
- 3.2 How to contact us

4. Funding agreements, payments, and reporting

- 4.1 Contributions and grants
- 4.2 Payments
- 4.3 Reporting
- 4.4 Outstanding reports and repayments
- 4.5 Government assistance – general terms and conditions

5. Definitions

Annex A: Government assistance – general conditions

1. About the funding described in this guide

1.1 About the Canada Book Fund

1.2 What's new

1.3 Objectives and expected outcomes

1.4 Application deadline: February 1, 2016

1.1 About the Canada Book Fund

The principal objective of the Canada Book Fund (CBF) is to ensure access to a diverse range of Canadian-authored books in Canada and abroad. The Government of Canada provides support for the Canadian book industry through the following two streams of the Canada Book Fund: Support for Organizations and Support for Publishers.

Support for Publishers includes the following elements:

- Publishing support
- Business development support
 - internships
 - business planning
- Foreign Rights Marketing Assistance (delivered by Livres Canada Books)

Please note that separate applications must be submitted for Publishing support and Business development projects.

1.2 What's new

- Applications for 2016-2017 Business development support will be submitted through Canadian Heritage's online eSubmission system. Please see section 3.1 for more information. If you are unable to apply online, please contact Canadian Heritage at 1-866-811-0055 (TTY 1-888-997-3123) as early as possible.
- Grant recipients will be asked to sign a standard grant agreement in place of the "Liability Waiver for Grant Recipients" used in previous years. See section 4.1

1.3 Objectives and expected outcomes

1.3.1 Publishing support

Publishing support is designed to assist the ongoing production, marketing, and distribution of Canadian-authored books. Supplementary funding based on export sales is also available as part of Publishing support.

1.3.2 Business development support

Business development support provides funding to book publishers for internships and business planning.

Internships provide valuable training for new Canadian book industry professionals, who in turn accomplish useful tasks that the firm might not otherwise have had the resources to carry out.

Business planning projects help recipients adopt strategic approaches to improving their business activities and competitiveness.

1.3.3 Foreign Rights Marketing Assistance

This element of the CBF, administered by Livres Canada Books, provides funding support for export sales trips and participation in international trade events.

Please contact Livres Canada Books for more information and an application form.

Livres Canada Books
504-1 Nicholas Street
Ottawa, Ontario
K1N 7B7
Telephone: 613-562-2324
Fax: 613-562-2329
Email: info@livrescanadabooks.com
Web site: www.livrescanadabooks.com

1.3.4 Digital initiatives and activities

Canadian Heritage continues to invest in the infrastructure of the Canadian book industry through collective digital initiatives. The success of many such projects is dependent on individual investments made by publishers to ensure their digital capabilities are compatible with a project's technical requirements, for example, the creation of high-quality metadata for Canadian titles. Publishers are strongly encouraged to take advantage of the funding made available through Support for Publishers to help ensure that their digital capabilities meet these standards.

1.4 Application deadline

The deadline for 2016-2017 Business development support applications is as follows:

Business development projects that start between April 1, 2016 and March 31, 2017: February 1, 2016 at 2:00 p.m. local time in the applicant's time zone.

We consider your application to be filed on time if a complete online application (including required attachments) has been submitted on or before the application deadline. **To ensure timely delivery of funding, it is essential that applications be complete, including all supporting documentation, and submitted on time.**

Moreover, applicants are expected to respond promptly to questions or information requests from CBF staff. **Failure to respond within the timeframes set out by staff may lead to an application being considered incomplete, and therefore rejected.**

Please note that applicants proceeding with expenditures prior to approval of a CBF grant or contribution do so at their own risk. Canadian Heritage will assume no responsibility

for any contractual commitments entered into by applicants prior to confirmation of financial support from the Department.

2. Business development support

[2.1 Eligible expenditures](#)

[2.2 Internships](#)

[2.3 Business planning](#)

[2.4 Requirements for a complete application for Business development support](#)

Information about Publishing internships and Technology internships have been combined in section 2.2.

2.1 Eligible expenditures

Publishers may apply for funding to hire an intern and/or to hire an independent third party to develop a business plan. The following expenses are eligible:

Publishing and Technology internships

- the salary of an intern, including benefits, during the period covered by the project
- professional development costs related to the training of interns who are Aboriginal or from an official-language minority community (excluding travel and accommodation expenses)

Business planning

- fees to an independent third party for research and analysis of business strategies, and the preparation and presentation of a business plan
- executive training related to the development of a business plan (salaries of owners, executives and employees of the publisher as well as travel and accommodation expenses are not considered eligible expenses)
- administration fees

Please note that different eligibility criteria apply to the different kinds of funding and these are explained below. Expenses incurred by applicants before April 1, 2016 will not be reimbursed by the CBF.

2.1.1 Assessment

Each application will undergo review and approval to ensure compliance with CBF requirements and government policies, as well as to ensure consistency and transparency of process and best use of public funds. Applications are compared with other applications and are prioritized in relation to the funds available. To ensure fair distribution of funding, the program may consider multiple applications from members of [affiliated groups](#) to be a lower priority. All applicants must demonstrate that:

- their project meets the objectives of the CBF and the specific support available;
- the project is well planned; and
- they have the capacity to undertake the project.

2.2 Internships

2.2.1 Eligible applicants

The following publishing firms are eligible to apply:

Publishing internships

- individual publishing firms with total sales of own titles under \$1 million that were recipients of Publishing support in 2015-2016; or
- individual publishing firms with total sales of own titles under \$1 million that were recipients of support in the most recent funding cycle from the Canada Council for the Arts' Book Publishing support: Block Grant program.

Technology internships

- individual publishing firms that were recipients of Publishing support in 2015-2016.

2.2.2 Eligible projects

Support is available for internship projects that:

- propose an intern who is [Canadian](#);
- demonstrate the capacity of the applicant to provide a productive training environment for the intern;
- provide the opportunity for the intern to contribute to the development of a publishing firm; and
- assign the intern useful tasks that the applicant organization could not otherwise undertake due to a lack of human or financial resources.

For Technology internships, in addition to the above, eligible projects must:

- place a significant emphasis on the acquisition and application of skills relating to innovative technology strategies in production, marketing or information management;
- include a strategy for knowledge transfer to ensure that the recipient continues to benefit from the work undertaken by the intern after the internship period is completed.

Priority will be given to projects that:

- are proposed by [official-language minority](#) or [Aboriginal](#) publishing firms;
- propose an intern who is Aboriginal or from an official-language minority community;

- are proposed by an applicant that did not receive support for an internship in recent years.

To provide opportunities for more new professionals to enter the publishing industry, the duration of internships will be limited to one year.

Proposed interns must not be existing employees of the applicant firm and must not have previously benefited from a CBF-funded internship. Where possible, applicants should identify candidates at the time of application. Should the intern not be selected at that time, approved recipients must identify the intern and submit the intern's résumé or other relevant documentation to the CBF within 60 days of signing the grant or contribution agreement. In instances where this information has not been submitted, the CBF may withdraw the approved funding. The recruitment and hiring of interns is the sole responsibility of the applicant.

2.2.3 Funding levels

For Publishing internships, the CBF will provide funding to successful applicants at a level of up to 50% of the eligible expenses. In the case of Aboriginal interns or interns from official-language minority communities, applicants are eligible for funding of up to 75% of eligible project expenses. The maximum funding for a Publishing internship project is \$15,000. However, for interns from Aboriginal or official-language minority communities, the maximum CBF funding is \$22,500.

For Technology internships, the CBF will provide funding to successful applicants at a level of up to 70% of the eligible expenses. In the case of interns from Aboriginal or official-language minority communities, applicants are eligible for funding of up to 90% of eligible project expenses. The maximum contribution for a Technology internship project is \$20,000.

For information on payments and reporting, please see section 5.

2.3 Business planning

2.3.1 Eligible applicants

The following publishing firms are eligible to apply:

- individual publishing firms that were recipients of [Publishing support](#) in 2015-2016; or
- individual publishing firms which are recipients of support in the most recent funding cycle from the Canada Council for the Arts' Book Publishing support: Block Grant program.

2.3.2 Eligible projects

Funding is available for business planning projects that:

- contribute to the development of a business plan, succession plan or strategic plan related to significant business shifts.

Priority will be given to projects that:

- place a significant emphasis on the adoption of innovative technology strategies in production, marketing or information management;
- are proposed by [official-language minority](#) or [Aboriginal](#) publishing firms;
- are proposed by applicants that did not receive support for business planning in recent years.

2.3.3 Funding levels

The CBF will provide funding to successful applicants at a level of up to 50% of the eligible expenses. [Aboriginal](#) or [official language minority](#) publishers are eligible for funding of up to 75% of eligible project expenses. The maximum funding for a Business planning project is \$50,000. For information on payments and reporting, please see section 5.

2.4 Requirements for a complete application for Business development support

The following information must be provided by 2:00 p.m. local time (in the applicant's time zone) on February 1, 2016:

- a completed business planning or internship online application and all supporting documentation required.

It is the responsibility of the applicant to ensure that all the supporting documentation, as listed on the online application, is complete.

2.5 Service Standards

For the Program's [Service Standards](#), please refer to the Department's website at <http://www.pch.gc.ca> or contact the program.

3. Submitting your application

[3.1 How to apply](#)

[3.2 How to contact us](#)

3.1 How to apply

Accessing eSubmission is a two-step process. First, applicants will need a valid Government of Canada Key (GCKey). Applicants will then need to register with eSubmission and create a client profile.

Once a complete client profile has been created, applicants will be able to access the online application for Business development support. More detailed instructions can be found in the eSubmission system.

3.2 How to contact us

Applicants with questions about applying online or Business development support are encouraged to contact Canadian Heritage as early as possible in the application process.

A support team is available to assist you from Monday to Friday (except statutory holidays), from 8:30 a.m. to 7 p.m. (Eastern Time) by telephone and e-mail. Our team of technical and program experts will assist you with any technical issues, overall system functionality or questions related to your Business development application.

Telephone: 819-997-0055 or 1-866-811-0055

TTY (Teletype for the hearing impaired): 819-994-7065 or 1-888-997-3123

E-mail: cyberSoumission-eSubmission@pch.gc.ca

4. Funding agreements, payments, and reporting

[4.1 Contributions and grants](#)

[4.2 Payments](#)

[4.3 Reporting](#)

[4.4 Outstanding reports and repayments](#)

[4.5 Government assistance – general terms and conditions](#)

Please note that the approval of a Business development grant or contribution should not be taken as an indication that a Publishing support contribution will be approved.

4.1 Contributions and grants

The Department of Canadian Heritage provides funding through grants and contributions, depending on a variety of factors, including the nature and complexity of the proposal and the applicant's track record with the Department.

In the event funding is approved, payment of the approved amount will be subject to the signing of a grant or contribution agreement, setting out the conditions of funding.

4.2 Payments

Payment schedules are determined according to the recipient's cashflow requirements, the grant or contribution amount, and the project's duration.

In the case of contributions, the contribution agreement identifies the payment and reporting schedule for individual recipients, and indicates any materials required to release a payment. A minimum final payment of 10% is generally withheld until the successful completion of the project.

4.3 Reporting

Final reports are to be **submitted no later than 90 days after the last day of the project.**

Required for final report:

- a completed **Final report form** indicating key results; and
- a report on the use of funds.

It is anticipated that final reports related to Business development projects approved for the 2016-2017 fiscal year will also be submitted through the online system.

4.4 Outstanding reports and repayments

Prior to the release of the first payment of a new contribution agreement, recipients must submit any outstanding reports to the Department and/or make any outstanding repayments to the Receiver General. Furthermore, failure to respect the obligations related to prior contribution agreements, including but not limited to reporting and repayment requirements, may lead to the rejection of an application for future funding.

4.5 Government assistance – general terms and conditions

Please consult the detailed information in Annex A.

5. Definitions

Aboriginal publisher

A publisher owned and controlled by members of the Aboriginal peoples of Canada, which includes Status and Non-Status Indians, Métis and Inuit people.

Affiliated group

A group of companies in which the same person, group of persons, or entity holds the majority of shares with full voting rights or has control in fact of these companies.

Book publishing

Professional activity involving the selection, development and editing of manuscripts; contractual agreements with authors or copyright holders; production and marketing of printed books under the firm's imprint; and the assumption of the risks associated with these activities.

Canadian

1. a citizen within the meaning of the *Citizenship Act* who is ordinarily resident in Canada
2. a permanent resident within the meaning of the *Immigration and Refugee Protection*

Act

3. a Canadian corporation or
4. a non-profit organization in which 75% of its members are persons referred to in paragraphs (1) or (2)
5. a partnership, trust or joint venture in which a person or any combination of persons referred in paragraphs (1), (2), (3), or (4) beneficially owns or controls, directly or indirectly, interests representing in value at least 75% of the total value of the assets of the partnership, trust or joint venture, as the case may be

Note: Only sections 1 and 2 above apply to the definition of an author.

Canadian-owned and -controlled firm

A firm:

1. that is a sole proprietorship, partnership, cooperative or a corporation (for profit or not for profit) established under the laws of Canada or a province;
2. whose activities are based primarily in Canada;
3. whose chairperson or presiding officer and at least 75% of whose directors and other similar officers are Canadian citizens or permanent residents within the meaning of the *Immigration and Refugee Protection Act*;
4. if a corporation with share capital, of which Canadians beneficially own or control, other than by way of shares held only as security, directly or indirectly, in the aggregate at least 75% of all the issued and outstanding voting shares representing at least 75% of the paid-up capital;
5. if a corporation without share capital, of which Canadians beneficially own or control, directly or indirectly, interests representing in value at least 75% of the total value of the assets.

If at any time one or more persons that are not described in any of paragraphs (1) to (5) of the definition [Canadian](#) have any direct or indirect influence through a trust, an agreement, an arrangement or otherwise that, if exercised, would result in control in fact of the publishing firm, the firm is deemed not to be Canadian-owned.

Contribution

A conditional transfer payment to an individual or organization for a specified purpose pursuant to a contribution agreement that is subject to being accounted for and audited.

Employee

Full- and part-time paid staff working directly for the publishing company. Owners are considered employees unless they have no active role at the firm. Independent contractors are not considered employees.

Grant

A transfer payment made to an individual or organization, which is not normally subject to being accounted for and not normally subject to an audit but for which eligibility and entitlement may be verified or for which the recipient may need to meet pre-conditions.

Official-language minority publisher

A publisher based outside Quebec who publishes primarily in French or a publisher based in Quebec who publishes primarily in English.

Small literary publisher

A publisher with sales of Canadian-authored books during the reference year of less than \$400,000, who has also been awarded a Book Publishing Support grant by the Canada Council for the Arts or an operating grant from a provincial arts council in 2015-2016.

Total government assistance

All federal, provincial, territorial and municipal funding provided toward the applicant's total project expenditures.

Annex A: Government assistance – general conditions

1. Applicable legislation

Under the *Access to Information Act*, R.S., 1985, c. A-1, members of the public may request and obtain access to information held in federal government records. Should a request be received for information about an application, the Access to Information and Privacy Secretariat will consult the applicant regarding the disclosure of any information submitted to the Department.

In the event of a project approval, any person lobbying on behalf of the Recipient shall be registered pursuant to the *Lobbyists Registration Act*, R.S., 1985, c. 44 (4th Supp.). Please see [Office of the Commissioner of Lobbying of Canada](#) for further guidance.

2. Public information

All recipients must assist Canadian Heritage in preparing public announcements or promotional events about their project.

When funding is approved, the amount, as well as the purpose for which the funds were provided and the names of the recipients are considered public information. This information is disclosed without consulting recipients.

The CBF will make public a list of all recipients and their contribution amounts on an annual basis.

3. 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.

4. Limits on government assistance

For Publishing support recipients, [total government assistance](#) cannot exceed 75% of the publisher's book publishing expenditures, 90% of the publisher's book publishing expenditures for [official-language minority publishers](#), [Aboriginal publishers](#), or [small literary publishers](#) and 100% of the publisher's book publishing expenditures for not-for-profit recipients.

For Business development projects, the percentages set out above apply to total project expenditures.

5. Audits of recipients

Canadian Heritage conducts financial audits of CBF recipients each year. During the course of an audit, recipients must make available any records, documents or other information that may be required to perform the audit. The Department assumes the costs of this audit.

Canadian Heritage will act on audit findings, according to the provisions of the contribution agreement. Additional actions, including rendering the recipient ineligible to the CBF in the future, may be considered.

6. Obligation to maintain records

A recipient must maintain accounting records to meet federal government financial audit requirements. Original receipts must be available in the event of an audit. Cancelled cheques, invoices and bank statements must be retained for five years.

The recipient must maintain records that substantiate the financial information provided in the application form, including the sales levels reported by category. Demonstrated failure to maintain such records may result in the requirement to repay amounts previously received, or ineligibility to the CBF in the current year or future years.

7. Canada Book Fund studies and evaluations

Recipients of CBF funding, when asked to do so, must participate in comparative financial studies, trend analyses and other studies supported and funded by the Department.

8. Protection of information

To protect the privacy of each recipient's business information, reporting will be done on an aggregate, not individual, basis. Should the Department provide comparative reports to recipient organizations, these organizations will have access to the business information of other organizations in aggregate form only.

However, in a strictly confidential manner and for the purposes of program planning and assessing requests, the CBF may sometimes provide information concerning funding requests to representatives from other funding organizations in the book industry.