



Department of Tourism, Heritage and Culture

**NB Film, Television
& New Media Industry
Support Program**

**Program Guidelines
2017-2018**

Mandate

The mandate of the Arts and Cultural Industries Branch, as it relates to the film industry, is to support a viable and culturally significant film industry in New Brunswick. To this end, the goals of the NB Film, Television & New Media Industry Support Program are:

1. To foster the stability and success of the film industry;
2. To support the maintenance and creation of jobs, the attraction of external investment, the contribution to the GDP and tax revenue;
3. To maximize leverage opportunities; and
4. To positively impact the public good in areas such as enhancing cultural identity and awareness, improving quality of life, retaining youth and diversifying the economy.

Submission Deadline Dates

For the 2016-17 fiscal year all projects must be submitted to the Department of Tourism, Heritage and Culture (THC) by **April 30, 2016**.

Definition of terms

1. **New Brunswick Resident:** An individual who, for income tax purposes, has maintained a principal residence in New Brunswick *and has filed his/her income tax report in New Brunswick for the year preceding the date of application to the program.*
2. **Eligible Corporation:** A corporation that is incorporated in New Brunswick, other than a corporation that holds a broadcasting license issued by the Canadian Radio-television and Telecommunications Commission (CRTC).
3. **Eligible Salaries:** The gross salaries or wages (excluding HST) directly attributable to the project that are incurred and paid by the corporation for the stages of production from the final script stage to the end of the post-production stage.
4. **Eligible Applicants:** Both New Brunswick and external companies may apply for the ***Production Incentive***. Only incorporated New Brunswick companies having a permanent establishment in the province can apply for financial assistance under the ***Development Incentive***. These companies must demonstrate that their primary purpose is the domestic or collaborative production of film or television products. These can be privately owned or publicly-traded corporations.

➤ *Individuals, non-incorporated groups, licensed broadcasters, distributors and national film agencies **ARE NOT ELIGIBLE** to apply for the NB Film, Television & New Media Industry Support Program.*
5. **Co-productions:** New Brunswick allows access to Development and the Production Incentives. **In all co-production cases, the applicant must be a New Brunswick corporation.**
6. **Intra-provincial co-productions:** All eligible New Brunswick companies must retain an ownership position in the copyright of the project commensurate to their financial participation to the project.
7. **Inter-provincial co-productions:** Inter-provincial co-productions are considered eligible if there is an eligible New Brunswick company sharing the creative and financial control of the project. This is approved at the sole discretion of THC and should be included in the co-production agreement between parties involved.

To be considered eligible, an **inter-provincial co-production** must meet the following minimum criteria:

- a) The applicant production company must have incorporated in New Brunswick and have a permanent establishment in the province;
- b) The applicant production company must receive shared credit as a producer in the project;
- c) The applicant production company must have a share of the revenues of the production at terms no less favorable than the proportion of financing it brings to the project. In no case, will the copyright ownership of the New Brunswick company be less than 33%.
- d) The proportion of the total production budget expended in New Brunswick should favor and benefit New Brunswick and approval is at the discretion of THC.

International co-productions: International co-productions must meet the conditions listed above, in addition to the following:

- a) The New Brunswick production company must retain no less than 20% share of revenues and ownership position in the copyright of the production.
- b) The New Brunswick production company must demonstrate that it has satisfied all relevant international co-production treaties determined by Telefilm Canada.

8. **Service productions:** Service productions are defined as external production companies contracting with local service providers to produce a film in New Brunswick. They are only eligible to apply for the Production Incentive in the form of either the NB Spend Incentive (to a maximum of 25% of all spend in NB) or the NB Labour Incentive (to a maximum of 40% of the labour expenditure). **Note:** *approval of support for service productions will depend on budget availability. All domestic productions will be given priority.*

Service productions must meet the following criteria:

- a) 50% of the total production, based on total production costs – section B of the “movie magic” table – must take place in NB;
- b) A minimum of 25% of all labour must be NB based;
- c) No funds will be disbursed until the production is completed and all required documentation and reports have been submitted and approved by THC.

Development Incentive

The Development Incentive provides funds in the form of a grant to support the development of projects that have already secured intent or commitment from a broadcaster, funding agency and/or third party financing.

Eligible Projects: Television movies, feature films, dramatic TV series, documentaries, reality and lifestyle series and non-animated children’s programming.

Non-eligible Projects:

- Films and videos of a promotional or instructional nature for commercial, industrial, institutional purposes;
- Variety shows;
- Technical instruction videos, music promotional video and how-to-do videos and experimental films;
- Game shows, talk shows, contests, sporting events, news, weather and current affairs reporting;
- Gala and/or award presentation shows, citations;
- Productions containing explicit sex, excessive violence, sexual violence or sexual exploitation or any matter which is libelous, obscene or in any other way unlawful or which does not respect provincial and/or federal civil or criminal laws, will NOT be considered for funding support by THC.

Financial Participation:

- Up to 50% of the approved development budget for dramatic feature films, made-for-TV movies, dramatic TV series and mini-series to a maximum of \$60,000 per project.
- Up to 40% of the approved development budget for all other genres of projects to a maximum of \$25,000.
- The financial participation will be limited to two (2) new applications per production company per fiscal year.

THC will apportion its development funding as follows:

	Feature films / Drama	All other genres
First Draft	\$0 - \$25,000	\$0 - \$25,000
Second Draft	\$0 - \$25,000	
Final Draft/Packaging	\$20,000 - \$30,000	
Total	\$60,000 (maximum)	\$25,000 (maximum)

Disbursement:

Approved funding support will be issued at 80% upfront and 20% upon project completion. Funding can be disbursed over up to three phases of development.

To receive the second and final payment of this repayable financial contribution, the claim must be supported by:

- An uncertified final cost report, supported by an Affidavit (available on the Department website).

The financial participation of the province will in no case exceed any amount required to finance a project.

Allowable Expenses:

- Option or acquisition of rights (option agreements **must** cover a minimum of two-year period);
- Research and scriptwriting fees, story-consulting fees and editor's fees;
- Development related travel expenses;
- Pre-casting and location scouting expenses;
- Expenses related to securing production licensing, financing and distribution;
- Preparation of production budgets and production schedules;

THC allows a maximum of 20% of the development cost for producer's fees and corporate overhead (PFCO).

Application Requirements:

- A completed, signed (by an authorized person) and dated application form;
- A description of the proposed project;
- A list of the key personnel involved in the project;
- The financial structure proposed for the development of the project and details of the financing that is already in place;
- A co-production agreement (if and when applicable);
- Corporate information (articles of incorporation, corporate structure, etc.);
- Any additional information as requested by the Branch.

Production Incentive

To support the industry with their production projects, the province offers:

EITHER a Labour-Based Incentive equal to a maximum of 40% of eligible salaries paid to New Brunswick residents. Eligible salaries and wages **cannot** exceed 50% of the eligible costs of production.

OR an All-Spend Incentive equal to a maximum of 25% of all New Brunswick expenditures for variety and service productions, or to a maximum 30% of all New Brunswick expenditures for New Brunswick based productions or co-productions.

Eligible expenditures include NB Labour, NB service contract expenditures, and NB expenditures for the rental or acquisition of related materials. Interpretation of the eligibility of these expenses is at the sole discretion of THC.

To ensure a fair and equitable distribution of funding support, the following per project, per genre maximums will apply:

Single Documentary	\$75,000
Animated TV Series	\$200,000
Documentary TV Series	\$250,000
Children's TV Series	\$250,000
Variety TV Series	\$300,000
Reality/Lifestyle TV Series	\$300,000
Dramatic TV Mini-series (3 episodes or less)	\$200,000/episode
Dramatic TV Series (6 episodes +)	\$800,000
Feature Films	\$800,000
All Other Genres	\$40,000

Yearly Maximums:

Individual production companies may be eligible for up to \$1M in total approved project support in any given fiscal year.

Disbursement:

Approved production funding support will be issued at 80% upfront and 20% upon project completion and approval of appropriate materials.

Eligible Projects:

- Television movies, documentaries, feature films, dramatic TV series, variety and captations, animation, children's programming, reality and lifestyle series, educational, experimental and non-theatrical genres;
- Projects submitted to the program must be undertaken in the current fiscal year. Projects slated for production in future fiscal years will not be accepted and **will need to be re-submitted in the appropriate fiscal year.**

Non-eligible Projects:

- Films and videos of a promotional or instructional (how-to) nature for commercial, industrial, institutional purposes;
- Technical instruction videos, music promotional video and how-to-do videos;
- Game shows, talk shows, contests, sporting events, news, weather and current affairs reporting;
- Gala and/or award presentation shows;
- Productions containing explicit sex, excessive violence, sexual violence or sexual exploitation or any matter which is libelous, obscene or in any other way unlawful or which does not respect provincial and/or federal civil or criminal laws, will NOT be considered for funding support.

Application Requirements:

- A completed, signed (by an authorized person) and dated application form;
 - A description of the proposed project;
 - A list of the key personnel involved in the project;
 - The financial structure proposed for the production of the project and details of the financing that is already in place;
 - A co-production agreement (if and when applicable);
 - Corporate information (articles of incorporation, corporate structure, etc.);
 - Any additional information as requested.
- Prior to signing of the contractual agreement, the applicant must indicate whether the assistance requested is in the form of the Labour-Based Incentive (40% of labour) or the All-Spend Incentive (30% of NB spend). This decision will be final and irrevocable.

Allowable Expenses for Labour-Based Incentive:

Gross salaries and wages paid to eligible employees by the corporation for the various stages of production, from the final script stage to the end of the post-production stage.

Allowable Expenses for All-Spend Incentive:

NB Labour, NB service contract expenditures, and NB expenditures for the rental or acquisition of related materials. Interpretation of the eligibility of these expenses is at the discretion of THC.

In keeping with Canadian Media Fund guidelines, THC allows a maximum of 10% of (B+C) of the production budget for producer's fee and corporate overhead (PFCO) for production budget of more than \$500,000 and a maximum of 15% for production budget of \$499,999 or less.

Deeming of Residency Requirement:

A deeming of residency may be granted if the three (3) following conditions are met:

- When there is no qualified New Brunswick individual available to perform the specific function;
- the proposed out-of-province employee fulfilling this function is providing on-the-job training and mentoring a New Brunswick resident; and
- When, in the opinion of THC, the overall economic/cultural benefits to the Province are such that deeming is warranted.

The application for such deeming **MUST** be submitted AND approved prior to the first day of principal photography. If unforeseen circumstances arise after shooting has started, an exception may be made, at the sole discretion of THC.

A maximum of 1 waiver per production may be granted for all non-dramatic productions and up to 3 per production for dramatic productions.

Each application for a waiver must include a ***signed mentoring agreement and must include a training plan for each individual trainee***. THC must approve all training plans. No waiver will be considered without a mentoring agreement and training plan provided by the production company.

Non Eligible Positions:

THC will not entertain applications for deeming for producers, directors, leading actors and actresses, cast members, extras, musicians or any artists performing in an artistic capacity.

Deadline for Final Request

The final request for the issuance of THC's final payment must be received no later than 30 months after the first day of principal photography. **THC will assume no liability for applications received after this mandatory 30 month period.**

Final report completion requirements

Upon completion of a project, the following documentation is required in order for the final disbursement to be made:

- A list of eligible employees and eligible individuals with names, social insurance numbers, eligible salaries, occupations and addresses;
- A list of all eligible expenditures incurred in New Brunswick;
- All "Declaration of Residency" forms signed by the employees confirming their status of New Brunswick resident;
- For projects of \$100,000 or less in total production value, a signed affidavit attesting to the costs of the production. An affidavit form can be found on the THC website;
- For projects between \$100,001 and \$500,000 in total production value, a Review Engagement Report as per the CICA Handbook;
- For projects over \$500,001 in total production value, an independent Audited Report.
- A statement from an independent professional accountant confirming that all employees, suppliers, and contracts associated with the production are paid.

At its discretion, THC may require any additional information before issuing the final disbursement.

The financial participation of the province will in no case exceed any amount required to finance a project.

Evaluation Grid:

In keeping with the goals and objectives of the program, the following evaluation criteria have been developed to ensure projects with the greatest economic and cultural impact are given priority. These also provide a mechanism that allows THC to fairly distribute program funds, particularly in the event that industry demand exceeds the annual funding allotment.

Similar to the approach used by the Canada Media Fund that assigns points to specific evaluation measures, THC will use the following evaluation grid. The points received under each area can then be added to provide a total score for each project. All projects will be evaluated at the same time, which will allow for ranking and prioritization of projects.

	Provincial Impact	Criteria	Allocation of Points
Economic Impact (50)	Contribution to NB (Reflects the economic impact for the province)	Amount leveraged from out-of-province financing and external to GNB sources (10)	Investment from external sources / Total production budget
		Amount spent in the province (5)	Under \$250,000 (1)
			\$250,000-\$1,000,000 (3)
			\$1,000,000+ (5)
		Percentage of project spending in province (5)	Total NB expenses / Total production budget
		New Brunswickers working on the Production (15)	Under 20 (5)
	20-50 (10)		
	50+ (15)		
	Number of shoot days in NB (5)	Number of shoot days in NB / Total number of shoot days	
	Market Interest / Broadcast / Distribution Commitment :	Broadcast/distribution commitment (10)	Regional (3)
National (6)			
International (10)			
Cultural and Creative Components (50)	Cultural/historical content	The project reveals a cultural and/or historical reality – fictional or authentic – that is comparable to New Brunswick's. AND/OR The project demonstrates significant creative contributions from New Brunswick residents, including: Principal writer, principal director, principal performers, (actors, stunt performers, and stunt actors) cinematographers, sound designers, musical score, etc. (10)	Not at all comparable (0)
			Somewhat comparable (5)
			Totally comparable (10)
	The project represents a contribution to cultural and social diversity in New Brunswick. (10)	No (0)	
		Somewhat (5)	
		Yes (10)	
	Additional points when 1 st Nation screenwriter or director is involved (5)	No (0)	
		Yes (5)	
	Track record and experience of the production company (5)	1 production or less (0)	
		2-3 productions (3)	
4 + productions (5)			
Opportunity for key creative positions from NB: producer (5) , director (5) , screenwriter (5) ; Total of 15	NB Producer (5)		
	NB Director (5)		
	NB Screenwriter (5)		
Amount of post-production carried out in	None (0)		



NB (5)

Some (3)

All (5)