

# YUKON FILM DEVELOPMENT FUND

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To support a sustainable and competitive film and sound recording industry, the Yukon Film & Sound Commission administers the Yukon Film & Sound Incentive Programs on behalf of Yukon Government Department of Economic Development.



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## SCOPE

This policy applies as follows:

- The *Film Development Fund* applies to development of film projects which are financially and creatively controlled by Yukon residents and Yukon corporations.

The following are not eligible projects under these programs:

- Sport broadcasts;
- Contract driven productions;
- Talk shows;
- Game shows;
- News programming;
- Awards presentations;
- Productions that solicit funds;
- Pornography.

## PRINCIPLES

The Film and Sound Incentive Programs have been designed based on the following general principles. These principles will be used to guide operational decisions.

### ECONOMIC SUSTAINABILITY

The private sector is the preferred engine of economic growth for the Yukon economy.

### BALANCED INTERESTS

Funding requirements will reflect a fair balance between financial accountability for the expenditure of public funds and the administrative burden borne by fund applicants.

### FAIRNESS AND IMPARTIALITY

Government funding shall not alter level playing fields in the business community by fostering unfair competition.

All funding applications will be treated in a fair and impartial manner and the processing of applications will be conducted as expeditiously as considerations of due diligence allow.

## GOALS

The goals of all Film and Sound Programs are to:

1. Maintain and ultimately increase the level of total independent film and sound recording production and expenditure in Yukon;
2. Maximize Yukon employment opportunities resulting from film and sound recording production in Yukon;
3. Encourage sustainable growth in the Yukon film and sound recording production sector resulting in a stronger infrastructure of skills and services.

## PROGRAM RESTRICTIONS

Program restrictions are intended to:

1. Encourage productions that genuinely benefit the Yukon economy;
2. Encourage sustainable growth in the Yukon film and sound recording production and production services sector;
3. Extend the number of productions that may participate by limiting the access any one production has to program funds;
4. Ensure accountability by requiring a full reporting of Yukon expenditures from each participating production.

To ensure that the funds paid out by this program best serve the purposes of the program, the Yukon Film & Sound Commission may, by means of a written statement to the applicant and the Deputy Head, reduce or decline an application on the basis that:

- A. In the case where there is – for whatever reason - a substantial difference between the information provided in the approval process and what later occurred;
- B. The situation being applied for is – in spirit or in specifics – clearly different from what the program was intended to accomplish.

## DEFINITIONS

### **BROADCAST COMMITMENT:**

Either one of a Broadcast development agreement or a Broadcast license.

### **BROADCAST DEVELOPMENT AGREEMENT:**

A “broadcast development agreement” is a commitment by a licensed broadcaster or broadcasters to participate financially in the development of the project, and to broadcast the program within two years of completion at a time appropriate to its genre. The broadcaster participation must be in the form of a cash contribution. Service contributions, such as studio equipment or any other form do not constitute a cash contribution in order to fulfill the license fee requirements.

### **BROADCAST LICENSE:**

A “broadcast license” is a commitment by a licensed broadcaster or broadcasters to participate financially in the production of the project. The broadcaster’s participation must be in the form of a cash contribution. Service contributions, such as studio equipment or any other form will not be accepted in order to fulfill the license fee requirements.

All licensed broadcasters are permissible. This includes all private, public and education broadcasters, as well as all specialty, pay and pay-per-view broadcasters.

### **CONTROLLING INTEREST:**

“Controlling interest” means having, owning and maintaining throughout the course of the project or production, managerial, financial, logistical and creative influence in all production decisions.

### **DEPUTY HEAD:**

“Deputy Head” means a member of the public service responsible for the Department of Economic Development.

### **DISTRIBUTION ARRANGEMENT:**

A financial commitment from an approved distribution company in the form of a distribution advance or distribution guarantee for release in a major territory (e.g. Canada, US, UK, Germany, Japan or Australia).

### **DISTRIBUTION COMPANY**

Any distributor recognized by Telefilm Canada unless otherwise approved by the Yukon Film & Sound Commission.

### **DOCUMENTARY:**

A non-fiction representation of subject matter.

### **ELIGIBLE YUKON LABOUR:**

Employment of Yukon labour as a member of the production crew; includes the dedicated labour component of production services hired by the production (such as the pilot’s wage on a helicopter rental, but not incidental labour such as hotel staff).

### **FILM:**

Film includes television. Except where specifically indicated otherwise, film refers to any technology or method of capture that is universally accepted as being of broadcast quality.

### **MATCHED LABOUR:**

Where a foreign production brings in their own crew persons and the Human Resources Development Canada’s Foreign Workers Office requires them to hire a Canadian equivalent. This person must have appropriate experience in the same department at the task. Where a Yukon crewmember is given the “matching position,” it will be considered a career development – and hence training – opportunity.

### **MINISTER:**

An Executive Council member designated as the Minister of Economic Development.

## **REALITY TELEVISION:**

A dramatic, unscripted production that follows real people in real or artificial context for a period of time.

## **REBATE CLAIM:**

Application made to the Yukon Film & Sound Commission for rebate under the Film and Sound Incentive Programs.

## **TRAVEL REBATE:**

Payment made to a production company as partial reimbursement for travel costs between Vancouver or Edmonton or Calgary and Whitehorse.

## **YUKON EXPENDITURE:**

Monies paid to a Yukon person or business for goods or services related to the Yukon portion of a film or sound production.

## **YUKON RESIDENT:**

A person who has resided in Yukon for at least one year (365 days) prior to the date of application and maintains a valid Yukon Health Care Insurance Plan registration.

## **YUKON BUSINESS:**

The definition of Yukon Business shall be the same as is defined in the Contract Regulations and Contracting Directive.

## **YUKON FILM & SOUND COMMISSION:**

The Yukon Film & Sound Commission is a unit within the Department of Economic Development's that seeks to develop indigenous and location filmmaking and sound recording in an environmentally, socially and economically responsible manner.

## **YUKON LABOUR:**

Dedicated labour by a person who resides in the Yukon and has maintained a valid Yukon Health Care Insurance Plan registration for at least ninety (90) days.

## **ROLES AND RESPONSIBILITIES**

### **MINISTER OF ECONOMIC DEVELOPMENT**

The Minister may table a copy of the annual report at the next ensuing session of the Legislative Assembly.

### **DEPUTY HEAD OF ECONOMIC DEVELOPMENT:**

The Deputy Head shall receive from the Yukon Film & Sound Commission, by June 30th each year:

- An annual report on the status of the Yukon Film and Sound Incentive Programs (including names and number of applicants, project information, approved amount and project status);
- Recommendations regarding any proposed changes to the Yukon Film and Sound Incentive Programs;

The Deputy Head shall receive an appeal regarding a decision made pursuant to this policy.

- Upon receipt of an appeal, the Deputy Head shall seek the guidance of the Yukon Film & Sound Commission or any professional organization as may be necessary to assist with the decision making.
- The Deputy Head shall make the decision regarding the appeal and shall give written notice of that decision to the appellant and to the Yukon Film & Sound Commission. The decision of the Deputy Head will be final.

### **YUKON FILM & SOUND COMMISSION:**

The Yukon Film & Sound Commission shall administer and maintain the Yukon Film and Sound Incentive Programs.

Within the approved policy framework the Yukon Film & Sound Commission shall determine application procedures and time frames for establishing payment procedures for funding under the programs.

## PROGRAM FRAMEWORK

### PURPOSE

The purpose of this program is to encourage the growth and development of the Yukon Film industry through the provision of non-repayable financial contributions to assist with the costs of development of film projects in Yukon.

Development is the work necessary to get a project ready to be put on film, and may include acquiring the property, writing script drafts, budgeting, packaging of talent, director and other creative personnel, and obtaining production financing.

### OBJECTIVES

The objectives of the Film Development Fund are:

- Development of film projects that have potential for commercial production.
- Development of domestic producers' skills and experience (such as property acquisition, script writing, budgeting, packaging of talent, director and other creative personnel, and obtaining production financing) required for the development of film projects in Yukon.
- Development of the Yukon film Industry into an internationally competitive industry.

### ELIGIBLE APPLICANTS

The following are eligible to apply to the Film Development Fund:

- An individual who is a Yukon resident and who owns at least 51% of the project.
- A Yukon corporation which owns at least 51% of the project and film production is a major, not peripheral activity of their business.

For this fund, a Yukon corporation is defined as a corporation that is a Yukon registered company which is at least 51% beneficially owned by Yukon residents.

Recipients under this program are not eligible to apply for rebates of Yukon expenditures under the Yukon Film Location Incentive Program.

### INELIGIBLE APPLICANTS

Distributors, broadcasters and broadcast affiliates are not eligible to apply.

### ELIGIBLE PROJECTS & ACTIVITIES

Eligible projects may include acquiring the property, writing script drafts, budgeting, packaging of stars, director and other creative personnel, and obtaining production financing.

#### The following activities are eligible:

- All development cash expenses expended in Yukon consistent with the standards established by Telefilm Canada;
- Research, script writing, and costs associated with casting, scheduling, acquisition of financing and location selection.
- Corporate overhead and producer fees directly related to the project are eligible but may not exceed 15% each of the total budget or 30% combined.
- If requested by the applicant and approved in advance by the Yukon Film & Sound Commission, expenditures for certain professional services that are not available in Yukon may in whole or in part be deemed Yukon expenditures.

#### The following expenses are not eligible:

- Goods and Services Tax
- Capital costs
- Non-cash expenditures, such as, in-kind contributions, contributed labour, materials or services and deferred expenses
- Prizes, awards, rewards and gifts

### INELIGIBLE PROJECTS

Ineligible productions include sport broadcasts, instructional programs, game shows, news, current affairs programming, infomercials, infotainment, commercials, industrials, amateur video, and pornography.

## OUTCOMES

The intended outcomes of Film Development Fund include:

- Development of domestic producer skills.
- Development of the Yukon film industry into an internationally competitive industry.

## FUNDING / CONTRIBUTION LEVELS

The level of assistance will be determined by the Yukon Film & Sound Commission but is limited to 50% of the actual Yukon expenditures to a maximum of \$35,000 or 33% of total project expenses (whichever is the lesser) that includes the following four phases:

- Phase I Concept to Fully Developed Treatment
- Phase II Treatment to First Draft Script
- Phase III First Draft Screenplay to Final Draft Script
- Phase IV Polish/Re-writes and pre-production that includes, but is not limited to acquisition of financing, schedule development, casting and location selection.

When stipulated in the broadcast development agreement and at the discretion of the Film & Sound Commission, an additional contribution of up to \$10,000, above the \$35,000 level, may be awarded for costs associated with mentoring and training of a Yukon scriptwriter or producer.

The total contribution from all Government of Yukon sources in respect of the same project may not equal more than 75% of the total project costs.

## INTAKES

Applications will be accepted on an on-going basis throughout the year, but application should be made prior to commencement of the project. Expenditures made prior to the date of application will not be considered. Only one application at a time will be considered from an applicant.

Applications must include:

- A completed and signed application form
- A description of the company, its structure and ownership and if applicable incorporation documents, including the names and addresses of shareholders, demonstrating to the Commission's satisfaction that the company meets all company and eligibility requirements;
- A synopsis of the proposed production;
- A list of key creative personnel proposed to be engaged for the project including their biographies and primary residence addresses;
- Commitments from broadcasters and/or distributors;
- Completion schedule, including the final report date requested by the applicant. (The final report cannot be more than 12 months after the comfort letter has been issued);
- The total development budget in the Telefilm format;
- The financing plan, indicating which sources are confirmed to date;
- The Yukon budget in Telefilm format.

All costs supported by other Yukon Government programs must be reported in the application.

Applications must be complete and include all necessary documentation at time of submission.

Processing of applications will be conducted as expeditiously as considerations of due diligence allow.

## ASSESSMENT CRITERIA

Applications will first be screened on the basis of the following mandatory criteria:

- The applicant is an eligible applicant as described in Eligible Applicant above.
- The proposed activities comply with the criteria for eligible activities set out in Eligible Projects and Activities above.
- The applicant is required to have a broadcast development agreement with a licensed broadcaster or a distribution arrangement, unless otherwise approved by the Film & Sound Commission.
- Applicants must provide evidence that the total financing required for the film development will be in place prior to the start development. Approval of funding under the Yukon Film Development program will be conditional until all the required financing has been secured.
- Any financial obligations to the Government of Yukon by the applicant must be in good standing.

The criteria against which an application will be assessed will include:

- Written demonstration of how the project will achieve one or more of the stated objectives of the Film Development Fund;
- Written demonstration of how the applicant proposes to use and / or develop Yukon talent, personnel, services and facilities.
- Success of previous projects undertaken by the same applicant assisted by the Film Development Fund or any other fund administered by the Department of Economic Development.

## APPROVAL AUTHORITIES

### PROJECT OFFICERS

- Project officers are the first point of contact for all applicants. They will be available year round and provide support and advice on the funding program. Each application will be assigned to a project officer who will work with clients to ensure that all the information has been provided for full project consideration
- Since some projects may impact government operations, or the applicants are client groups of other YG departments, project officers may involve other departments. YG departments who have an interest in specific projects will be requested to verify information and provide their perspective on projects on an 'as-needed' basis.

The project officers will be responsible for preparing an assessment of the application including a recommendation for approval/disapproval.

### APPROVAL AUTHORITIES

The Film & Sound Commissioner will be the approval authority for applications within the Departmental signing authority of the Commissioner's position. For applications above that signing authority, the approval authority will be the Minister of Economic Development.

The Film & Sound Commissioner may convene a panel as required, with membership as appropriate to provide advice to the Commissioner or the Minister, regarding application approval.

- A letter of commitment, also known as a letter of comfort, will be issued confirming eligibility and will provide an estimated contribution amount based on the budget. The letter will detail any terms and conditions that must be satisfied prior to the approval becoming effective. The letter can be used by the producer to support applications for financing from financial institutions and federal programs.
- Once all conditions of a conditional commitment or approval have been satisfied a contribution agreement or funding contract will be issued for acceptance by the applicant.

## ACCOUNTABILITY FRAMEWORK

### BASIC REPORTING REQUIREMENTS

Reporting requirements for funding recipients are intended to obtain information necessary to meet Government financial obligations while recognizing the costs that such reporting place upon recipients. Project financial reporting requirements will be relevant to the level of funding received and will not place unnecessary burdens on recipients. All funding recipients shall provide a final report recording:

- All expenditures for the project including a detailed list of Yukon expenditures supported by copies of paid receipts and invoices and a copy of the final script; and more specifically:
  - A list of all personnel engaged on the project, including job titles and proof of residency.
  - A declaration confirming that the applicant and the production still meets all eligibility requirements for the program.

The Yukon Film & Sound Commission will conduct internal verifications on projects that receive funding under this program.

### ADDITIONAL / FOLLOW-UP REPORTING REQUIREMENTS

Funding recipients shall:

- Maintain all project financial, personnel, and performance information records for a minimum of three years following the completion of the project.
- Upon written request, and with appropriate notice, provide authorized representatives of the Yukon Government with access to the project work site(s), for up to one-year following completion of the project and with access to relevant records for a minimum of three years following the completion of the project.
- Participate in interviews, focus groups, or other reasonable information gathering activities, in conjunction with a program evaluation of the Film Development Fund.

Verification and evaluation reports shall be made public, within a reasonable time of completion, with the exception of any information protected under the Access to Information and Protection of Privacy Act.

### FINANCIAL PROCEDURES

Projects funds will be disbursed according to the following conditions:

- The funding must be used solely for the purposes described in the application, and approved by the Yukon Film & Sound Commission. If the funding is used for any other purpose or if there is a major change in the project the recipient may be required to return all the funds unless the new use of funds or the change is submitted in writing and approved by the Yukon Film & Sound Commission prior to the change.
- The Yukon contribution to the project is non-repayable except upon default by the contracted applicant or if the rights to the project are assigned, transferred and/or optioned to a non Yukon production company in which case, the total funds disbursed would be repayable to Government of Yukon immediately upon the optioning, sale, transfer, or assignment.
- Recipients must give funding credit in the manner prescribed by the Yukon Film & Sound Commission.
- The assistance will be paid to the applicant in accordance with a payment schedule developed with the applicant and based on the terms of the applicant's broadcast development agreement but will not exceed 75% of the approved level of assistance until the project is complete. The 25% holdback will be paid upon receipt of the final project report as stipulated in the agreement.
- Surplus funds (the excess of funding received by the proponent but not spent on an eligible activity) must be repaid in full to the Government of Yukon.
- The Yukon Film & Sound Commission may examine a recipient's financial and other records to ensure that the contribution is being, or was, used for its intended purpose.

**IF YOU HAVE ANY QUESTIONS OR NEED ADDITION INFORMATION, PLEASE CONTACT:**

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