

# Alberta Production Grant

## General Eligibility Requirements, Conditions and Limitations

1. Projects that have received funding from the Cultural Industry Organization Project Grant Stream of the Alberta Media Fund are not eligible.
2. Eligible organizations must be engaged primarily in film, television, and digital media production and demonstrate that their main activity is the creation of film/video productions available for public viewing.
3. All applicants must be incorporated in Alberta under the Business Corporations Act, registered as an extra-provincial company in Alberta or continued as an Albertan company through a Certificate of Continuance and be in good standing with the Corporate Registry.
4. Recipients must also be in good standing in all respects with the AMF by having no outstanding or overdue reporting documents. Should the recipient have any outstanding disputes in any other jurisdiction, the Minister reserves the right to deny eligibility.
5. Genres of production and platforms NOT eligible for funding are:
  - news, current events or public affairs programming, or a program that includes weather or market reports;
  - talk shows;
  - production in respect of a game or contest;
  - professional/franchise sporting events or activities;
  - production that solicits funds;
  - pornography;
  - advertising;
  - production produced primarily for industrial, corporate, or institutional purposes;
  - production, other than documentary, that consists of more than 25 per cent stock footage;
  - console or online video games (other than a production relating specifically to the characters and premise of a licenced and commercially distributed television program or feature film funded through the AMF);
  - software/programming applications; and
  - video distribution platforms or aggregators.
6. The amount of money spent in Alberta (Alberta Spend) for the project must be greater than \$50,000 (before GST).
7. The maximum funding available to any project is \$5 million.
8. Except with the prior approval, which may be granted with discretion solely for time-sensitive events, Alberta Production Grant applications, including all submission materials, must be received one day prior to commencement of principal photography with the exception of animation or projects that are only applying for post-production-related services in Alberta.
9. At the time of submission, applicants seeking production funding must provide written evidence of a commercial licence agreement and evidence of 75 per cent confirmed financing for projects with budgets of \$1 million or greater and evidence of 50 per cent confirmed financing for projects under \$1 million. Alberta Production Grant and federal tax credit calculations may be included as part of the confirmed financing. A commercial licence agreement is defined as an agreement issued by a third party entity whose primary business is broadcasting, distributing or disseminating film, television or digital content to the public, and who is able to demonstrate a track record of such enterprise. A commercial licence agreement does not require a licence fee, however agreements in which the applicant has purchased airtime will not be eligible.
10. In order to meet the confirmed financing requirement, the applicant must present, at the time of application, documentation which adequately demonstrates the funds available to the production.
11. Applications for projects with budgets exceeding \$1 million and who have not demonstrated 100 per cent confirmed financing may be required to have a completion bond in place.
12. Grants must be used for the purposes outlined in the grant agreement.
13. Applications that are deemed complete will be handled on a first-in, first-out basis for production funding.
14. In addition to other deliverables outlined in Grant Recipient Obligations contained within this document, recipients will be required to submit third-party audited financial statements for projects with budgets of \$200,000 or greater; or an uncertified Final Production Cost Report supported by a Statutory Declaration (available online) for projects with budgets under \$200,000.

## Specific Eligibility Requirements and Funding Levels by Production Type

For the purposes of this grant, screen-based productions are classified into two categories based on percentage of ownership:

- **Stream I - Indigenous/Co-Production:**
  - 29 per cent of all eligible Alberta costs.
  - Between 50 and 100 per cent Albertan ownership and control (i.e. Shareholders and Directors) of production and proportionate financial and creative control as well as proportionate profit participation. Exceptions will be made for International Treaty Co-Productions.
  - A minimum of eight Albertans must be employed in Head of Department positions. Two trainee positions in eligible departments may be substituted for one Head of Department position to a max of four trainees in instances where qualified Alberta defined Head of Departments are not available, and in consultation with the appropriate union, guild or labour association as applicable.
  - For shoots of more than 30 days, or 300 person hours for animation/digital projects, one per cent additional funding will be granted to a maximum of 30 per cent total funding.
  
- **Stream II - Foreign/Service:**
  - 25 per cent of all eligible Alberta costs.
  - Less than 50 per cent Albertan ownership or control of production.
  - A minimum of four Albertans must be employed in Head of Department positions. Two trainee positions in eligible departments may be substituted for one Head of Department position to a max of four trainees in instances where qualified Alberta defined Head of Departments are not available, and in consultation with the appropriate union, guild or labour association.
  - For shoots of more than 30 days, or 300 person hours for animation/digital projects, one per cent additional funding will be granted to a maximum of 26 per cent total funding.

Grant percentage will be deducted by 0.5 per cent for each Head of Department position below the minimum stream requirement.

**IMPORTANT:** If an applicant is unable to provide the required documentation supporting their eligibility the application will be returned to the applicant for completion.

## Definitions

- **"Albertan"** means a lawful resident of Canada for the purposes of the Income Tax Act (Canada) who:
  - (i) was a resident of Alberta on December 31 of the year preceding the one in which principal photography of the production commences or commenced; and
  - (ii) files an Alberta Income Tax return as a resident of Alberta and did so for the previous income tax year immediately preceding the one in which photography of the production commences or commenced.

Applicants may request that individuals be considered Albertan if they have filed an Alberta Tax Return in any of the four prior taxation years. Only those individuals approved in an advanced ruling will be considered. This practice will be reviewed on an annual basis and, pending crew development in Alberta, may be discontinued.

- **"Producer"** means in relation to a production, an individual:
  - (i) whose primary business is developing, producing, marketing and exploiting digital/interactive content, theatrical films and/or television and/or web series programs;
  - (ii) who controls and is a central decision-maker in respect to the production;
  - (iii) who is directly responsible for the creative and financial control and exploitation of the production; and
  - (iv) who does not work on the production in any technical, administrative or creative "below the line" capacity, except for productions with budgets of \$1 million or less.

The functions of line producer and production manager, in and of themselves, are not sufficient to confer producer status.

- **"Co-Producer"** means in relation to a production, an individual who shares with one or more others decision-making and creative and financial control and exploitation of the production, but otherwise meets the previous definition of "Producer", and:
  - (i) is directly responsible for negotiating and securing Canadian production financing and exploitation agreements;
  - (ii) is contractually entitled (whether through a corporate entity or otherwise) to reasonable and demonstrable monetary participation in budgeted producer fees/corporate and revenues of exploitation, in each case commensurate with ownership of and financial participation in the production;
  - (iii) receives an on-screen producer credit and on-screen corporate credit as a co-producing partner and credits in all promotion and publicity, both written and electronic, in respect of the production commensurate with the Alberta producer's financial participation; and
  - (iv) who does not work on the production in any technical, administrative or creative "below the line" capacity, except for productions with budgets of \$1 million or less.
- **"Distributors"** are defined as any entity or undertaking that control sales rights to a production that has been funded by the AMF.
- The level of Alberta Ownership in a production will be determined:
  - (i) proportionate to the degree that the Albertan producer(s) exercises creative and financial control over the production; and,
  - (ii) proportionate to the degree that the Albertan producer(s) shares in the profits arising through the exploitation of the production. Back-end participation must be commensurate with the Alberta producer's financial participation in the project.

It will be the responsibility of the applicants to affirmatively establish **"Albertan Ownership of Production"** including:

- supplying all documentation required to establish the percentage of "Albertan Ownership of Production" based on the above criteria;
- responding to any further requests for documentation or other confirmation as required; and
- if so requested, supplying one or more duly sworn statutory declarations attesting to specific facts or circumstances.

In the event that there is an issue not covered by the published criteria, the Minister shall determine whether an applicant has satisfactorily established the degree of "Albertan ownership of production."

- **Head of Department Positions**

The 17 eligible "Head of Department" positions recognized by the AMF for the purposes of determining eligibility status are: writer, director, production manager, art director, production designer, editor, director of photography, composer, wardrobe, key hair, key make-up, interactive developer, location sound mixer, visual effects artist and up to three Albertan performers in lead or supporting roles.

The employment of two qualified trainees in any eligible department may be substituted for one Head of Department position, to a maximum of four trainees per production. Trainees must be able to provide either evidence of completion of a recognized accredited educational program or a letter of reference from an accredited mentor prior to being employed on the production. Training must be conducted by an established professional in the field. Applicants who substitute trainees for eligible Head of Department positions must submit a detailed training plan for each trainee. The plan must identify trainee skills to be developed and include specific goals relevant to their position.

Trainees must:

- have industry experience/education;
- be an Albertan graduate from a recognised post-secondary institution and permanent resident of Alberta; and
- have lived in Alberta for at least six months prior to application date.

Except for performers and trainees, to be considered an eligible "Head of Department" position, the individual must receive the highest onscreen credit awarded to that position for that production. Performers and trainees must receive an appropriate industry standard onscreen credit. For trainees without an onscreen credit, the AMF must receive a signed copy of a reference letter from the Head of Department responsible for overseeing the training. It is recommended that the Head of Department is advised of this requirement before production.

To be considered an eligible "Albertan performer in a lead or supportive role," the individual must meet the following two criteria:

1. The Alberta performer must be engaged as a principal actor as defined by the Alliance of Canadian Cinema, Television and Radio Actors (ACTRA):

"Principal Actor" means a performer engaged to speak or mime six or more lines of Dialogue, or an actor engaged to perform a major role without dialogue. A line of dialogue means a line of script ten words or less, including directed but unscripted dialogue.

2. The Alberta performer's engagement must:

- for one performer, be in the top seven performer contracts issued;
- for two performers, be in the top eight performer contracts issued; or
- for three performers, be in the top nine performer contracts issued.

In the case of narration or voice-over performances, the Alberta performer's engagement must be one of the top two performer contracts issued in terms of recording days worked.

In the event of shared Head of Department positions, provided one of the individuals is Albertan and the onscreen credit is shared equally, a point will be granted. However, only one point will be awarded regardless of the number of Albertans employed in that position.

In the event that one individual Albertan serves in multiple head of department positions, only one point will be granted for that individual, regardless of the number of eligible Head of Department positions they hold.

## Eligible Alberta Costs

Eligible costs include all expenditures where the good or service is purchased and consumed in Alberta. This includes air travel that departs and arrives within Alberta Provincial borders. Air travel outside the province for an Alberta crew contracted by the production company to perform a service essential to the production is also eligible.

A list of eligible expense items is available on the Eligible Alberta Costs Worksheet. If an applicant has expenses not explicitly identified as eligible on the worksheet, they should apply for an advanced ruling. Only those expenses identified in the list of eligible expense items or that have been approved in an advanced ruling will be considered in funding calculations.

Insurance costs will be prorated to the number of Alberta production days.

In cases where a good or service is essential to the production but is not available in Alberta, an amount proportionate to the Alberta shoot days may be permitted given documented proof the good or service is not available in Alberta is submitted to the AMF.

Producers may claim reasonable fees for a maximum of three Head of Department/Performer positions. In these instances, total fees for Head of Department/Performer services payable to producers also employed in Head of Department positions will be capped at 20 per cent of the budget. Costs must be consistent and competitive with industry standards.

The value of in-kind contribution is not considered an eligible Alberta expense.

Capital items are not considered an eligible Alberta expense.

Fees for goods or services subcontracted by Alberta companies to out-of-province individuals and organizations are not considered eligible Alberta expenses. The good or service must be receipted or performed in Alberta.

## Grant Recipient Obligations

Recipients of funding are required to fulfill the obligations set out below. Specific requirements are detailed in the grant agreement and supersede information provided in these guidelines. Recipients are advised to review their grant agreement carefully prior to signing.

### 1. Credit and Promotion

The Applicant will include the Department the following in its credits:

- Onscreen Credit

"Produced with the assistance of the Government of Alberta, Alberta Media Fund" in a position, size and prominence that is proportionate to the Department's financial contribution to the Production and in relation to other financing participants, and: "Shot on location in Alberta, Canada" in the tail credits of the project (where applicable). Government of Alberta logo must also be included.

- Advertising, Publicity and/or Promotional Materials Credit

"Produced with the assistance of the Government of Alberta, Alberta Media Fund" in a position, size and prominence that is proportionate to the Department's financial contribution to the Production and in relation to other financing participation. Government of Alberta logo must also be included.

Where the Production is a series, the above credits are required for each episode.

Note: the AMF provides the Government of Alberta logo to grant recipients upon request.

### 1. Insurance

The Applicant will provide evidence of a certificate of industry standard insurance prior to the first day of principal photography.

### 2. Deliverables

Upon completion of the Production, the Applicant shall provide the following deliverables:

- A completed copy of the Production Statistics Form.
- A DVD of the completed Production.
- The final list of Head and Tail Credits as they actually appear on the completed Production, as per section 7.1 of the Agreement.
- Subject to current statutory and existing contractual obligations to, and approval rights of, third parties, if available and requested by the AMF, a full electronic press kit including, but not limited to, a minimum of two cast shots and two "behind the scenes" production shots, submitted on CD ROM or DVD, as well as any additional publicity/promotional materials available (i.e. posters).
- When requested, a licence granting the Government of Alberta (GOA) the right to use, at no cost and subject to industry restrictions pertaining to release times, the press kit, the name of the Production, excerpts from the Production, stills and other materials to publicly promote, publicize and advertise the AMF and Alberta as a filming location.
- A Statutory Declaration (available online) verifying that all Albertans in Head of Department positions satisfy a minimum of 50 per cent of the function of each Head of Department position.
- If trainees were substituted towards eligible Head of Department positions, the Applicant must submit a final report for each trainee demonstrating that objectives outlined in the training plan have been successfully met. Trainees must also submit a report detailing the impact of the position on the trainee's professional development and the achievement of their training objectives.
- Such other documentation listed in the grant Agreement or that the Department advises the Applicant may be required.
- Where the final cost of the Production exceeds \$200,000 an audited Production Cost Statement prepared by a certified accountant with a CGA, CA, CMA or CPA designation. The audit requires schedules detailing the total production cost, total Alberta cost, balance sheet, detailed listing of Accounts payable remaining unpaid, audit report stating the audit opinion, list of Albertans in Head of Department positions including the amount they were paid. All schedules must be audited in accordance with the terms noted in the signed contract and Alberta Production Guidelines.
- Where the final cost of the production is equal to or less than \$200,000 an uncertified Final Cost Report supported by a Statutory Declaration (available online).
- AB has the right to audit the books and records of any company that receives an Alberta Production Grant. These records may include, but are not limited to, the following: invoices, bank statements, cancelled cheques, audited financials, agreements, contracts with individuals and companies, proof of Albertan residency for Head of Department personnel.
- Retention of records is required for a period of seven years.

Notes: The following must be included as a schedule or note to the Audited Production Cost Statement or uncertified Final Cost Report:

- a final detailed breakdown of all Eligible Alberta Costs and all other expenses related to the Production; and
- auditors are required to provide an opinion on financial compliance with program accounting and reporting requirements; and
- a list of all Albertans in Head of Department Positions.
- Alberta residency of Albertans in Head of Department Positions must be supported by a Statutory Declaration.; and
- a final detailed breakdown of any unpaid Alberta costs that are due and owing at the time of reporting.
  - An allowance of up to five per cent for unpaid Alberta costs is permitted for reasonable costs that are not able to be paid at the time of delivery.
  - Alberta expenditures exceeding the five per cent threshold that remain unpaid at the time of reporting will not be included towards the final grant calculation unless approved in an advanced ruling. (Producer Fees and Corporate Overhead are excluded from this condition)

The Minister reserves the right to require that an audit be performed regardless of the final cost. Stream II projects have the option of reporting against only the Alberta spend portions of the final costs.

## Production Funding Process

- A complete application submission must be received by the Department before any projects will be considered for funding. Incomplete submissions will be returned to the applicant. A complete application submission consists of a completed Application Form and accompanying documentation.
- An eligibility assessment test will be conducted on complete submissions. The Assessment of the application is reviewed and approved by the Minister.
- Applicant notification of funding decision.
- Letter of Intent issued from the Department to applicants of eligible projects.
- Execution of grant agreement, including notification of project deliverables and reporting requirements.
- Receipt of all project deliverables including production costs financial reports.
- Release of grant funding as per grant agreement.

NOTE: Assignment and Direction of grant funds may only be assigned to a recognized financial or lending institution.

Funding for the Alberta Media Fund is provided through the Alberta Lottery Fund. Information regarding successful applicants is posted on the Department website at [www.albertamediafund.ca](http://www.albertamediafund.ca).