



LOW-BUDGET INDEPENDENT FEATURE FILM ASSISTANCE PROGRAM

GUIDELINES FOR 2002-2003

These Guidelines are specific to the terms and conditions of the program for the fiscal year of 2002-2003 (which ends on March 31, 2003).

Telefilm Canada may make adjustments to these guidelines from time to time as the need arises.

Please read the guidelines carefully. This document contains essential information on eligibility criteria and the application process.

All applications, complete with all required support material, must be submitted no later than the deadline date. See Section 5 for information related to deadlines and Section 7 for a description of how to apply.

1) PROGRAM OBJECTIVES

The *Low Budget Independent Feature Film Assistance Program* is a national, federal government initiative administered by Telefilm Canada. Announced by the Minister of Canadian Heritage in October 2000, this Program encourages greater opportunities for creative renewal and professional development. In addition to fostering excellence and innovation in independent filmmaking, it seeks to ensure that Canada's cultural diversity, linguistic duality and shared values are reflected in film.

The Program supports the production and post-production/completion of high quality, original and culturally relevant director-driven low budget feature films from both emerging and established filmmakers. The Program supports films where the director is the driving force behind the proposed project.

In conjunction with the other elements of the *Canada Feature Film Fund*, the Low Budget Program is an important component of the federal government's Canadian Feature Film Policy that has the objective to increase the quality, diversity and accessibility of Canadian feature films.

2) ELIGIBLE APPLICANTS

Eligible applicants must meet all of the following basic criteria. They must:

- a) Be a Canadian citizen as defined in the Citizenship Act, or permanent resident of Canada as defined in the Immigration Act; and,
- b) Have directed and completed at least one independent short drama, non-student film that has been publicly exhibited in Canada.

While this Program is open to both established and emerging filmmakers, only directors will be considered eligible (i.e., producers are *not* eligible).

Applicants may hire and work with a producer, but the director must own and control 100% of the creative and editorial rights of the project.

Students currently enrolled at a school, college or university *are not* eligible to apply.

All Telefilm Canada programs are accessible to Aboriginal filmmakers and filmmakers from diverse cultural and regional communities of Canada.

3) ELIGIBLE PROJECTS

To be considered eligible, a project must meet all of the following basic criteria. It must:

- a) Be director-driven. The director must own and control 100% of the creative and editorial rights over the work. Contracts with other funding sources must not require the director to give up such control;
- b) Be a dramatic theatrical feature film over 75 minutes duration;
- c) Be eligible for certification as a "Canadian Production" pursuant to the criteria of the Canadian Audio-visual Certification Office (CAVCO) or satisfy the definition of a Canadian program as set out by the Canadian Radio-Television and Telecommunications Commission (CRTC);
- d) Achieve a minimum of 8 out of 10 Canadian content points using the CAVCO scale, unless the project is an official treaty co-production;
- e) Be completed on digital video, 16mm or 35mm;
- f) Have a production budget of no less than \$300,000 and no more than \$750,000. The budget cap of \$750,000 may be exceeded by up to \$150,000 in deferrals.

Eligible projects seeking production financing do not need to have a distribution agreement with a Canadian distributor. However, Telefilm Canada encourages applicants to seek out distribution deals and broadcast pre-sales with Canadian distributors and/or Canadian broadcasters.

A Canadian company must hold the Canadian distribution rights to the eligible project.

Applicants that propose to have the eligible project distributed outside Canada by a non-Canadian company must be able to demonstrate that such distribution rights were first offered to appropriate Canadian foreign-sales companies on terms at least as favourable, and that the Canadian companies declined the offer.

4) NON-ELIGIBLE PROJECTS

The following types of projects *are not* eligible for support:

- a) Projects done on contract for, or produced by, a government agency or private company;
- b) Instructional projects;
- c) Promotional projects;
- d) Student projects;
- e) Pilots for television;
- f) Projects using film as a tool to record or document existing artworks;
- g) Documentary or non-drama projects;
- h) Conventional forms of television entertainment, such as “movies-of-the-week” and news reports; and,
- i) Projects deemed to be direct-to-video movies.

Contact Telefilm Canada before submitting your application if you have any questions about the eligibility of your project. Telefilm Canada’s decisions with respect to eligibility of applicants and their projects will be final.

5) APPLICATION DEADLINES

With a view to encouraging a competitive environment in the provision of financial support to eligible applicants and projects one national application deadline has been established per fiscal year.

Please contact the Telefilm Canada office in your region or visit the Telefilm Canada Website at www.telefilm.gc.ca for specific deadline dates.

6) NATURE AND TERMS OF PARTICIPATION

a) Linguistic and Regional Balance

Approximately one-third of the Program's budget will be earmarked in support of French-language projects and approximately two-thirds to assist English-language projects. The allocation will be made according to the original language of the production. Telefilm Canada shall seek to maintain an appropriate balance, so as to encourage projects in both official languages in all regions of Canada.

b) Financial Participation

Financial assistance is available for:

- i) Production, and/or
- ii) Post-production/completion.

Assistance is provided in the form of a non-interest bearing advance.

Assistance will not exceed 65% of the total project budget, up to a maximum of \$200,000 per project.

Telefilm Canada will expect a production budget to be based on industry norms and market rates.

The project's financial structure must identify other sources of financing, confirmed and pending, such as other agencies, broadcasters, distributors, etc. In addition to outlining the financial structure of the project, the applicant will be required to submit commitment letters, deferral and investment agreements, and all other relevant material, if the Project is selected.

c) Terms of Participation

Terms of payment: The schedule for payment of advances shall be negotiated with the successful applicant in accordance with a mutually agreed upon cash flow. Generally, production financing will be made available in four instalments (i.e., drawdowns); completion financing will be paid in two instalments.

Terms of reimbursement: On a pro rata basis, up to 10% of the revenues received by the applicant from the exploitation of the film in the marketplace will be payable to Telefilm Canada until its full advance is recouped. Thereafter, Telefilm Canada's participation will be reduced to 5% of such revenue.

d) Preservation Requirements

The budget (for either production or post-production/completion requests) must include the following preservation material for the National Archives of Canada:

- i) One broadcast quality video master, preferably in digital betacam, or beta SP format;
- ii) One ½” VHS copy and/or one DVD copy;
- iii) Optional: One 35mm print – unwaxed, on cores, without added cue marks, leaders intact.

A copy of the receipt issued by the National Archives of Canada must be included in the Applicant’s submission to Telefilm of the final audited cost report for the project.

7) HOW TO APPLY

An applicant may only submit one application per deadline.

Unsuccessful projects in a particular year may be resubmitted at the next year’s deadline if there have been significant and substantial changes to the script or if major new elements (e.g. principal cast) have been incorporated. All re-submissions must be accompanied by a full explanation of those changes.

Applicants who have received production assistance for a particular project may not subsequently re-apply for post-production/completion assistance for that same project. As such, applicants applying for production assistance must include post-production/completion costs as part of their production budget.

Applicants must submit a completed Application Form, including all requested application material, to the Telefilm Canada office in their region (See annex I) to the attention of the Feature Film Coordinator.

Application Forms are available from any Telefilm Canada office or by visiting Telefilm’s Web site at <http://www.telefilm.gc.ca>.

Applications that are incomplete as of the deadline date will be withdrawn from consideration. Applicants are encouraged to apply well in advance of the deadline in order that Telefilm Canada may have the opportunity to advise of any deficiencies in the application package and have them addressed before the deadline date.

Only the audiovisual material will be returned to applicants. All other material submitted with the application will be retained by Telefilm Canada.

Originals should not be submitted. Telefilm Canada is not responsible for the loss or damage, whatever the cause, of support material.

8) EVALUATION OF APPLICATIONS

a) Evaluation Method

This Program seeks to support films of a high quality that demonstrate innovative and original creative elements. In addition to the basic elements of the application, the applicant will also need to present a convincing vision for their project, in terms of its overall creative direction, financing and audience potential.

Priority will be given to projects with the highest proportion of Canadian creative elements.

With regard to applications seeking post production/completion financing, priority will be given to eligible projects that have a letter from a Canadian theatrical distributor; Canadian broadcaster, major festival, or other recognized means of exhibition.

The evaluation of all projects will be conducted by Telefilm Canada in its regional offices and by using external readers who are sensitive to independent filmmaking.

b) Evaluation Criteria

Projects will be evaluated on both their creative merit and financial feasibility, according to the following criteria:

i) Creative Elements

For production requests:

- Quality and level of achievement of script and production plans;
- Originality of the project;
- Director's vision and intentions for the film;
- Track record of the director, screenwriter, production team and cast.

For post-production/completion requests:

- Quality and level of achievement of the production to date;
- Distribution, broadcast, festival, and other pertinent exhibition arrangements.

ii) Financial Elements

- Production budget in relation to scope of project;
- Post-production budget in relation to ability to complete the production successfully;
- Viability of financial structure.

9) NOTIFICATION OF DECISION

Applicants will receive written notification of the results of their application. Every effort is made to advise applicants of results with the least possible delay. The decision date is available on the website, along with deadline information. Decisions are final.

If the project is selected Telefilm Canada will issue a Decision Letter outlining the major terms and conditions of the financing agreement, the signing of which shall be subject to the completion of any other financing arrangements and outstanding conditions.

10) TERMS AND CONDITIONS OF TELEFILM CANADA'S FINANCIAL SUPPORT

When the application is successful, and if the director does not have an incorporated company, the applicant will be requested to incorporate as a Canadian-controlled company as determined pursuant to the *Investment Canada Act* and as defined in Section 1106(1c) of the Regulations under the *Income Tax Act*. As a general rule, eligible companies must operate or be headquartered in Canada. Telefilm Canada will request that the costs of such incorporation be included in the film's budget.

When financing from other sources is necessary to undertake the project, Telefilm Canada will release its funds only upon receipt and approval of documentation confirming the additional financing, and in accordance with an agreed cash flow.

Applicants who are unable to begin the proposed activities within the fiscal year (ending March 31) in which a positive Decision Letter has been issued must notify Telefilm Canada.

Successful applicants agree to carry out the activities described in their application. Any and all changes to the proposed project must be brought to the attention of Telefilm Canada for consideration and approval before they are carried out.

11) CONFIDENTIALITY OF INFORMATION

Telefilm Canada is required to act in accordance with the *Privacy Act* and the *Access to Information Act*. The *Privacy Act* protects the personal information of individuals and provides them with a right of access to such information about themselves. All other information may be accessible under the *Access to Information Act*.

ANNEX I

Telefilm Canada's web site: <http://www.telefilm.gc.ca>

TELEFILM CANADA'S OFFICES

Quebec Region (head office)

Telefilm Canada
Feature Film Coordinator
360 St-Jacques Street
Suite 700
Montreal, Quebec
H2Y 4A9
Phone: (514) 283-6363
Toll-free: 1 800 567-0890
Fax: (514) 283-8212

Atlantic Region

Telefilm Canada
Feature Film Coordinator
1684 Barrington Street
3rd floor
Halifax, Nova Scotia
B3J 2A2
Phone: (902) 426-8425
Toll-free: 1 800 565-1773
Fax: (902) 426-4445

Ontario Region

Telefilm Canada
Feature Film Coordinator
2 Bloor Street West
22nd floor
Toronto, Ontario
M4W 3E2
Phone: (416) 973-6436
Toll-free: 1 800 463-4607
Fax: (416) 973-8606

Western Region

Telefilm Canada
Feature Film Coordinator
#310-440 Cambie Street
Vancouver, British Columbia
V6B 2N5
Phone: (604) 666-1566
Toll-free: 1 800 663-7771
Fax: (604) 666-7754