

FACTOR Canada

SUPPORT TO MUSIC VENUES AND CONCERT PROMOTERS

(Via Canada Arts and Culture Recovery Program, CACRP)

Program Guidelines, Glossary, and FAQ

Published June 27, 2022

As part of the Canada Arts and Culture Recovery Program (CACRP), \$14 million is to be delivered through the Canada Music Fund (CMF) in 2022-2023 as Support to Music Venues and Concert Promoters. This new CMF funding will be delivered by FACTOR and Musicaction for the Anglophone and Francophone markets respectively.

The Intent of This Program

This initiative aims to keep Canadian-owned music venues and concert promoters operating during this time of socio-economic uncertainty, ensuring Canadian artists may continue to perform to audiences across Canada. This temporary financial support will allow companies and organizations in Canada's live music sector to continue i) to produce and promote a diversity of Canadian music in a world of choice ii) to be competitive at home and abroad and iii) to contribute to Canada's creative economy.

Who This Program Is For

Given the limited budget, priority will be given to Canadian-owned music venues and concert promoters who are not regular recipients of the CMF, in recognition of the essential nature of the live music sector in achieving the objectives of this program.

Applicants receiving funding under the CMF's regular programs in 2022-23 may apply for this initiative; however, their eligibility and possible funding levels will be reviewed alongside their regular funding and demonstration of the impact of the pandemic on their live music revenue.

The Deadline to Apply is: July 25, 2022, at 5:00pm ET.

1. WHEN TO APPLY

Applications can be submitted at any time from program launch to deadline. Late or incomplete applications will not be considered.

2. FUNDING

- a) Submitting an application does not guarantee funding.
- b) Funding will be available for fiscal year 2022-2023 and is subject to availability of funds and number of applicants.
- c) Funding cannot exceed 100% of eligible expenses.

- d) Funding is conditional on respecting all applicable statutes, laws, bylaws, regulations, orders, codes, standards, directives, and guidelines governing the activities for which funding is being sought, including those related to public health and safety due to the COVID-19 pandemic, including the Public Health Agency of Canada (PHAC) guidelines. Applicants must attest to meeting this requirement before receiving funding and will report it in their results.

3. APPLICANT ELIGIBILITY

Eligible Companies and Organizations

Those specializing in live music and which:

- a) Are [Canadian-owned and -controlled](#),
- b) Support the career development of [Canadian artists](#) and / or offer musical programming by Canadian artists (i.e. applicants must demonstrate that they play an essential role in the development of the careers of Canadian artists),
- c) Have been in operation for a full year and have presented concerts by Canadian artists before March 2020,
- d) Do not receive CACRP funding from other participating programs, including the Canada Arts Presentation Fund (CAPF), the Museums Assistance Program (MAP) as well as the Canada Council for the Arts (CAC) and Telefilm Canada, and
- e) Pay fees and salaries to artists, technicians, and cultural workers.

Specific Criteria by Type of Company and Organization

Live Music Venues

- Must be permanent spaces, with infrastructure for musical performances, such as a stage, sound and lighting system, etc.
- A minimum of 25% of the 2019 programming was live musical performances featuring original commercial material (musicals, tribute bands, dinner-theatre, charity, or corporate shows are not eligible activities for the CMF).
- At least 50% of the 2019 musical programming was performances by Canadian artists and / or the venue must demonstrate that it is essential in the development of Canadian artists.

Concert Promoters

- At least 50% of revenues from the last fiscal year completed before the pandemic (or March 2020) *came from live music activities* related to **Canadian artists** and/or demonstrate having been essential in the ecosystem i.e. in the development of **Canadian artists**.

Ineligible Music Entrepreneurs and Organizations

- a) Foreign-owned music companies (firms not owned and controlled by Canadians) operating in Canada and their related associations.
- b) Service companies (lighting, sound, staging, catering, transportation, security, ticketing)
- c) Radio and television broadcasters and music streaming services, including online streaming platforms.
- d) Venues whose primary live music programming does not feature individual artists or help develop the careers of Canadian artists, such as, musicals, retrospective/tribute shows, dinner theatre, charity, or corporate shows, etc.
- e) Venues whose capacity is greater than 3,500.

- f) Venues associated with a city/municipality or an educational institution.
- g) Artist-entrepreneurs
- h) Artist managers and booking agents
- i) Music festivals
- j) All other applicants supported by other PCH programs through this initiative (the CACRP).

Note: A recipient who received support from previous emergency measures (Support for Live Music Events, Stream 1 Emergency Funds and Stream 2 Support for Live Concerts) but has not completed the final completion reporting requirements with FACTOR will not be able to create an application for this new initiative.

4. EXPENSES

Eligible Expenses

This financial assistance will cover the Canadian portion of activities for following expenses:

- a) Salaries and benefits, professional fees as well as artists' fees (the Emergency Fund does not replace nor supplement the maximum financial aid provided through the Canada Emergency Wage Subsidy)
- b) Administration expenses
- c) Fixed operating costs (rent, electricity, insurance, etc.)
- d) Contractual and financial obligations related to tours and other canceled musical events
- e) All other contractual and financial obligations related to live music activities.

Eligible expenses must be made between April 1, 2022, and March 31, 2023.

Ineligible Expenses

While this initiative recognizes that applicants continue to face challenges generating revenue as the pandemic continues into 2022-23, funding must be used for the expenses listed above. **This financial assistance may not be used to compensate for revenue losses**, and more specifically, this support is not intended to fully compensate for each loss incurred nor to allow companies or organizations to achieve the anticipated (or desired) profitability rate prior to the pandemic. Also, the **financial assistance cannot be used to cover expenses for which other government support was already received** (other federal or provincial/municipal aid).

5. APPLICATION PROCESS

Step One: Complete the Application Spreadsheet

- [Access the Application spreadsheet here](#)

Step Two: Collect the Following Documentation

- Financial statements (audited, or review engagement or notice to reader) from the last completed fiscal year - ****As an exception, a statement of revenues and expenses from the last completed fiscal year is acceptable, only for those who do not have a financial statement.**
- Financial statements for the last fiscal year completed before the pandemic for those submitting an application for emergency support for the first time.

Step Three: Submit your application online

- [Access the application via clicking this link.](#)

- Provide your applicant information
- Upon submission, you will receive an email with a unique application link. Follow the link, enter your reference code, and proceed to answer the questions displayed. Some of the information requested will be a summary of details you've included in the Application Spreadsheet from Step One. Progress will be saved and the form may be accessed at any time using the link provided.

6. FINAL REPORT REQUIREMENTS

Following the completion of the project, recipients of this program will be required to provide a final report including:

- A report on activities carried out,
- A final financial report of eligible expenses and revenues,
- Other statistical information.

FACTOR will require the applicant to submit invoices and proofs of payment. Accepted proof of payment include:

- The back and front of cancelled cheques;
- **Electronic and debit card payment:** bank statement showing the name of the payee;
- **Credit card payment:** monthly statement showing the name of the payee;
- Money order and postal order receipts, wire transfer and online transfer receipts.

Additional requirements could be set out in related forms, agreements, and FACTOR's [Business Policies](#).

If you have questions about the application process, please contact live@factor.ca.

Please review the Glossary and FAQ which follow below.

GLOSSARY

Canadian artist

A Canadian artist is defined as follow: a citizen within the meaning of the Citizenship Act or a permanent resident of Canada within the meaning of the Immigration and Refugee Protection Act; The term «Artist» refers to an artist solo performer, a musical group or collective. In the case of music publishing activities, an «artist» refers to a songwriter or composer. A group or a musical collective is considered Canadian if at least 50% of its members, including the lead singer are Canadians. In the case of an orchestra featuring no principal artist, the orchestra must be based in Canada.

Canadian-owned and -controlled firm

A firm:

- a) that is a sole proprietorship, partnership, cooperative or corporation established under the laws of Canada or a province;
- b) whose activities are based primarily in Canada;
- c) whose firm's headquarters is based in Canada;
- d) whose chairperson or presiding officer and more than half of whose directors and other similar officers are Canadian;
- e) 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 50 per cent plus 1 of all the issued and outstanding votes;
- f) if a corporation without share capital, of which Canadians beneficially own or control, directly or indirectly, interests representing in monetary value at least 50 per cent plus 1 of the total value of the assets;
- g) if a partnership, trust or joint venture, of which a Canadian or Canadian corporation or any combination of the two, beneficially own or control, directly or indirectly, interests representing in value at least 50 per cent plus 1 of the total value of the assets of the partnership, trust or joint venture, as the case may be, and of which the Chairperson or other presiding officers and more than half of the directors or other similar officers are Canadian.

If at any time one or more persons that are not 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 firm, the firm is deemed not to be Canadian-owned and-controlled.

FREQUENTLY ASKED QUESTIONS

1. Do I have to demonstrate meeting criteria related to Canadian artists?

Yes. Applicants must attest that they meet the 2022-2023 Continuation of Emergency Support guidelines, this includes the minimum requirements by each type of company and organization related to Canadian artists which are detailed in the eligibility criteria.

2. If a supporting act / opening artist is Canadian, does that performance count towards the 50% minimum criteria for performances by Canadian artists?

Yes. When assessing whether you meet this criterion, take into account every Canadian artist that performed, regardless of if they were the headliner or support.

3. How should I estimate the cash flow given the COVID-related uncertainty and what details should I include?

Cash flow expenditures must be over the period from April 1, 2022, to March 31, 2023, regardless of the applicant's actual fiscal year. The cash flow must include all expenses incurred for the period from April 1, 2022, until May 31, 2022, and the planned expenses for the period from June 1, 2022, to March 31, 2023.

Cash flow expenditures must include all administrative expenses, all fixed operational costs, all salaries and benefits as well as professional fees. The costs relating to the contractual and financial obligations must be for the Canadian portion of eligible activities related to the music of Canadian artists. Considering the circumstances, we understand that it is difficult to predict your activities until March 31, 2023. We suggest that you make an estimate of your expenditures to the best of your knowledge. We also understand that this estimate is dependent on the evolution of the situation relating to resumption of activities.

Note: It is important that you ensure not to apply to any other participating program under this initiative.

4. How will the funding of the initiative be distributed?

Funding will be allocated according to the eligible revenues from the last completed fiscal year prior to the pandemic of companies or organizations. At the deadline date, all applications will be assessed to determine contribution amounts by thresholds. The funding amounts will depend on the number of eligible applications received as well as the size of companies and organizations. Thresholds will be established based on the revenues from the last completed fiscal year prior to the pandemic.

Submitting an application does not guarantee funding.

5. What are the reporting requirements for funding under this initiative?

Recipients will have to present an activity report and a final financial report, which will make it possible to assess the use and impact of the financial contribution received (expected results). This report should include a confirmation of the use of funds (ex. Funding was used to carry out XYZ activities), a cash flow of expenses incurred and revenues for the financial year 2022-2023, and the number of employees employed at the time of application, March 31, 2023, and March 31, 2024.

Note: A recipient of funding support from previous emergency measures who has not completed the reporting requirements with FACTOR will not be able to create an application for this new initiative.