



Envelope Funding for National Service Organizations

Program Guidelines

2020-2021

Published October 1, 2020

Program Overview

1. Program objective is to increase the creation of and access to a diversity of Canadian music for audiences everywhere by enhancing the ability of national service organizations (NSO) to compete in domestic and international markets.
2. Program helps to ensure that NSO support Canadian music entrepreneurs to build a strong and competitive industry capable of contributing to the Canadian musical experience over the long term through a diverse range of compelling Canadian choices.
3. National Service Organizations increase collective promotional activities for Canadian music content and artists as well as to develop the Canadian music industry expertise.
4. Applicant is to submit a year-long business plan of activities designed to enhance Canadian artists, songwriters, and music entrepreneurs.
5. Funding is up to 75% of eligible expenses up to a maximum of \$650,000 per fiscal year.
6. Review of the application may take up to 12 weeks from the application deadline.
7. Funding for this program is provided by the Department of Canadian Heritage's Canada Music Fund.

Application Deadlines

8. Deadline is **November 2, 2020** for activities taking place from April 1, 2021 – March 31, 2022

Who Can Apply?

9. Canadian not-for-profit organizations are eligible to apply. At the time of the application, and through to the end of the term of any funding agreement, the Applicant must:
 - be incorporated as a Canadian not-for-profit organization under the laws of Canada or a province;
 - have completed at least two years of continuous operation;
 - manage an annual budget of at least \$300,000, excluding government grants and contributions (based on the information in the application form and the financial statements submitted with the application);
 - serve Canadian artists and entrepreneurs working in the music industry, namely, as sound recording producers, music publishers, songwriters, distributors, artistic agents and agents of the music industry;
 - be engaged in activities at the national level;
 - deliver activities involved in at least two segments of Canada's music industry, such as production, publishing, distribution or marketing or promotion of artists or artistic works; and
 - demonstrate its capacity to manage the proposed projects.
10. The following entities are not eligible:
 - Organizations, and their affiliates, predominantly representing a specific musical genre;
 - Organizations, and their affiliates, whose main purpose relates to the organization of galas and award shows or conferences;
 - Copyright collectives and funding organizations;
 - Organizations, and their affiliates, representing persons predominantly involved in technical activities related to the music industry;

- Organizations, and their affiliates, that are in default with FACTOR or the Government of Canada from agreements entered with Canadian Heritage or any other government department.
11. New Applicants need to contact FACTOR to discuss Applicant eligibility before applying. See [How This Program Works](#) below.
 12. Meeting the eligibility criteria does not guarantee funding.
 13. FACTOR welcomes and encourages applications from people with disabilities. Please contact your Project Coordinator to discuss options for accommodations throughout the application process, as well as our [Application Accessibility Support Fund](#).

Project Eligibility

14. Eligible activities must benefit a group of Canadian artists or music entrepreneurs and be linked to one of the two following categories:
 - a) Promotion and increased visibility for Canadian music content or artists and the Canadian music industry
 - i. Music showcases;
 - ii. Artist recognition events;
 - iii. Promotion and marketing of artists and music content;
 - iv. Positioning of Canadian music content, including on digital platforms.
 - b) Development of services for the Canadian music industry
 - i. Training and professional development;
 - ii. Analysis and monitoring of evolving industry trends and issues;
 - iii. Development of communication tools;
 - iv. Web site development and digital adaptation;
 - v. Organization, management and operation of kiosks (stands) at trade shows.

Eligible Expenses

15. Eligible expenses are for activities undertaken between April 1, 2021 and March 31, 2022.
16. The eligible expenses may include costs related to:
 - consultant fees;
 - holding an event and its location;
 - travel (transportation and accommodations) that are directly related to activities in your business plan. These costs must not exceed the rates permitted for [travel on government business](#);
 - training and professional development;
 - promotion and communication;
 - salaries and benefits of employees who directly participate in the proposed activities in your business plan;
 - equipment for the activity;
 - overhead costs will be calculated at a maximum of 15% of total Project eligible expenses. Overhead costs include rent, internet access charges, Web related costs, printing and photocopying, couriers, project management fees, etc.

Ineligible Expenses

17. Ineligible expenses include:
 - members' representations expenses;
 - hospitality expenses for participants;
 - capital expenditures, depreciation, amortization;
 - taxes on goods and services for which the recipient is eligible to claim reimbursement;
 - in-kind expenses;
 - legal fees;
 - audit fees;
 - interest charges;
 - expenses incurred before receiving written confirmation of your funding approval are ineligible.

How This Program Works

18. Applicant must meet all eligibility requirements and submit a complete application package to be considered for funding. Any incomplete applications will be rejected.
19. A complete application package includes the application form and the following supporting documents:
 - financial statements covering the most recently completed reference year, which must end on or after June 30, 2019. If you did not receive funding in 2020-2021, you must submit, as a minimum, financial statements in the form of a review engagement report or a notice to reader.
 - a business plan for 2021-2022 activities.
 - detailed budget for business plan including revenue sources;
 - details of organization structure, board of directors, and membership;
 - a resolution from the Board of Directors authorizing the submission of the application.
20. New Applicants must also provide the organization's incorporation documents (Letters Patent, Special Rules and Resolutions).
21. Please contact evelyn.cream@factor.ca to receive the application form.
22. Application to be uploaded to a new project in FACTOR's portal.

How Applications are Assessed

23. Applicants are to submit a Business Plan for year-long activities with clear objectives and measurable results that meet program objectives.
24. Funding decisions are based on the number and quality of applications received on the application deadline. The application will be reviewed for eligibility and then evaluated based on the criteria below.
25. The business plan that is submitted with your application must include the following elements:
 - a brief history of your organization and its achievements;
 - a profile of the members you represent;
 - a description of your activity sector: range of services offered;
 - an overview of collaborations and partnerships with other organizations or entities;
 - a description of your organization's strategic priorities for the music industry and specific activities to undertake between April 1, 2021 and March 31, 2022 and for which the financial assistance is required. The proposed activities must be clearly linked to the strategic priorities of your organization and the objective of the sub-component, with measurable outcomes;
 - a detailed budget that takes into account the revenues and expenses related to the implementation of each proposed activity in the business plan for which funding is requested (please use the template provided with the application form); and
 - an account of your organization's financial situation over the past two years and short- and medium-term financial forecasts (one to three years).
26. The financial viability of your organization will be determined based on the information in your application form and financial statements, as needed.
27. If you have failed to submit a final report for a previously funded project, this failure will be considered in the evaluation of your new application and could result in its rejection.
28. FACTOR will evaluate all eligible applications using the following criteria:
 - the degree to which the proposed activities in your business plan activities contribute to the strategic priorities of your organization and meet the program objective;
 - your organization's capacity to implement the business plan within the allotted timeframe, e.g. experience, human and financial resources;
 - the degree to which the expected outcomes are measurable.
29. A special consideration will be given to business plan activities that:
 - target a large community of artists, music content and Canadian music entrepreneurs;
 - aim to develop new niches and increase visibility in existing or new territories or on new platforms;
 - target probative opportunities that will generate revenues for artists;
 - are related to current or priority issues in the Canadian music industry.

30. Please note that decisions regarding eligibility and funding amounts are final.

Funding and Payments

31. Upon receipt of signed project agreement, the Applicant will receive an advance of up to 80% of the offer. To receive FACTOR funding, you must submit banking information for [direct deposit](#).
32. You may be required to submit interim reports during your project.
33. If you receive a contribution that exceeds \$250,000, you are required to submit audited financial statements.
34. Additional conditions may apply and will be included in your funding agreement.

Completion

35. Applicants must submit a report detailing actual activities and results for the participants, actual budget, description, and reason of any variances.
36. Financial statements prepared by a Chartered Accountant are also required. FACTOR will accept audited financial statements, review engagement reports, or notice-to-reader statements. You are required to submit audited financial statements if your 2021-2022 contribution exceeds \$250,000.
37. FACTOR may request specific invoices and proofs of payments.

FACTOR is committed to reflecting the diversity of the Canadian population in its programs and operations. We are committed to ensuring universal access to all funds and services, including all musical expressions and talent. We will also in our work encourage these values of diversity and inclusiveness within the broader Canadian music sector.