

Funding for National Service Organizations

Program Guidelines

2023-2024

Published April 2023

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 (NSOs) to compete in domestic and international markets.
2. Program helps to ensure that NSOs 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 and help develop Canadian music industry expertise.
4. Applicant is to submit a year-long business plan of activities designed to further the careers of Canadian artists, songwriters, 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 and Canada's Private Radio Broadcasters.

Application Deadline

8. **December 15, 2022** for activities taking place from April 1, 2023 – March 31, 2024

Who Can Apply?

9. Canadian not-for-profit organizations. 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 or territory;
 - At least half of the members of its Board of Directors are Canadian.
 - 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);
 - Be a membership-based organization with active members across the country;
 - Serve Canadian artists and music entrepreneurs working in 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 recording production, publishing, live shows, 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 must contact FACTOR to discuss Applicant eligibility before applying. See [How This Program Works](#) below.
 12. FACTOR welcomes and encourages applications from people with disabilities. Please contact your Project Coordinator or our [general information account](#) to discuss options for accommodations throughout the application process, as well as our [Application Accessibility Support Fund](#).
 13. All Applicants should read [FACTOR's Business Policies](#) before starting an application.

Project Eligibility

14. Eligible activities must benefit a group of non-related 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 for it's members;
 - 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 starting April 1, 2023. The eligible expenses may include costs related to:
 - Consultant fees;
 - Holding an event in-person or virtually;
 - Travel (transportation and accommodations) that are directly related to activities in the business plan. These costs must not exceed the rates specified in the [Government of Canada Travel Directive](#).
 - Training and professional development;
 - Promotion and communication of event;
 - Salaries of employees who directly participate in the proposed activities in the business plan;
 - Equipment rental for the activity;
 - Overhead costs will be calculated at a maximum of 15% of third-party expenses. Overhead costs include rent, internet access charges, web related costs, printing and photocopying, couriers, project management fees, etc.

Ineligible Expenses

16. Ineligible expenses include:
 - Members' representations expenses;
 - Hospitality expenses for participants;
 - Capital expenditures, depreciation, amortization;
 - Internal Company Strategy Plans
 - Hiring and Training of Staff
 - Internal training
 - Taxes on goods and services for which the recipient is eligible to claim reimbursement;
 - In-kind expenses;
 - Legal fees;

- Interest charges;
- Expenses incurred before receiving written confirmation of your funding approval.

How This Program Works

17. Applicant must meet all eligibility requirements and submit a complete application package to be considered for funding. Incomplete applications will be rejected.
18. A complete application package includes the application form and the following supporting documents:
 - Audited financial statements covering the most recently completed reference year, which must end on or after June 30, 2021.
 - A business plan for 2023-2024 activities with clear objectives and measurable results, including revenue sources;
 - All grant revenue confirmed or pending for the organization
 - Details of organization structure, board of directors, and membership;
 - A resolution from the Board of Directors authorizing the submission of the application;
 - Current membership list
 - Company and Board of Directors diversity and inclusion policy;
 - Company by-laws
19. The business plan 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, including a 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, 2023 and March 31, 2024 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 component, with measurable outcomes;
 - Plan to include members of diverse groups within your project's participants and contract workers. Note that you will be reporting on the participation of priority groups in your project completion.
 - 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 (using 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).
20. New Applicants must also provide the organization's incorporation documents (Letters Patent, Special Rules and Resolutions)
21. Please contact CI@factor.ca to receive the application form. Application to be uploaded to a new project in the FACTOR portal.
22. The Recipient shall take measures conducive to creating events and a workplace free from harassment, abuse, and discrimination.

How Applications are Assessed

23. 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. Note that meeting the eligibility criteria does not guarantee funding.
24. The financial viability of your organization will be determined based on the information in your application form and financial statements.
25. FACTOR will evaluate all eligible applications using the following criteria:
 - The degree to which the proposed activities in your business plan contribute to the strategic priorities of your organization and the program objective;

- Your organization's capacity to implement the business plan within the allotted timeframe, e.g., experience, human and financial resources;
 - Membership demographics list;
 - The degree to which the expected outcomes are measurable;
 - The impact of the project on the music community.
26. 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.
27. Please note that decisions regarding eligibility and funding amounts are final.
28. FACTOR reserves the right to deem ineligible any activities and expenses that are not in the spirit of the program.

Funding and Payments

29. Upon receipt of signed project agreement, the Applicant will receive an advance of up to 80% of the offer.
30. You may be required to submit interim reports during your project.
31. Additional conditions may apply and will be included in your funding agreement.

Completion

32. Applicants must submit a report detailing actual activities and results for the participants, final budget, description, and reason of any variances.
33. 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 2023-2024 contribution exceeds \$100,000.
34. FACTOR may request specific invoices and proofs of payments.

With funding and services designed to assist the spectrum of musical expressions and talent, FACTOR is committed to reflecting the diversity of the Canadian population in its programs and operations while also promoting inclusiveness within the broader Canadian music sector.