



Loan Repayment Guide

How to complete your Loan Repayment Report & Make a Payment

Version 1.0 / Published February 1, 2017

1. Getting Organized

- a. Introduction**
- b. Deadlines & Reporting Periods**
- c. How to Pay FACTOR**
- d. Minimum Payments**

2. Starting Your Loan Repayment

3. Adding & Filling out a New Report

4. Making a Payment

- a. Pay by Credit Card**
- b. Pay by Interac Online**

5. Appendix 1: Frequently Asked Questions (FAQ)

6. Appendix 2: Definitions

1. Getting Organized

a. Introduction

Juried Sound Recording, Comprehensive Artist, and Comprehensive Music Company loans are calculated at 25% of total funding paid. Your Max Potential Loan amount will appear on the Project page in the Portal. It will show the Max Potential Loan calculated at 25% of the overall Project Maximum, and also the Actual Loan (25% of the Amount Paid). The Actual Loan amount will recalculate when you receive a payment from FACTOR, and/or when you submit a loan repayment.

Important tips for using the FACTOR online system:

- Ensure that your pop-up blocker is disabled or set to allow pop-ups from FACTOR. Instructions are available in the [Pop-Up Blocker Tutorial](#).

b. Deadlines & Reporting Periods

You will be reporting on your Gross Revenue for the following reporting periods:

- January 1st – June 30th, and;
- July 1st – December 31st

The deadline to submit your reports and payments are as follows:

- For our Jan 1 to June 30 reporting period, the last business day of September, and;
- For our July 1 to Dec 31 reporting period, the last business day of March.

Our notification dates are as follows:

- For our January 1 to June 30 reporting period, we send out the notifications on the last business day in July, and;
- For our July 1 to December 31 reporting period, we send out the notifications on the last business day in January.

You are required to report until the reporting period following the two-year anniversary of your first commercial release date.

c. How to Pay FACTOR

FACTOR accepts VISA, MasterCard and Interac Online payments only.

d. Minimum Payments

If you owe less than \$25 on a project, you don't have to pay until such a time when you owe more than \$25:

1. Round 1: you owe \$10 – no payment
2. Round 2: you owe \$10 + the previous \$10 = \$20 – no payment
3. Round 3: you owe \$5 + the previous \$20 = \$25 – payment of \$25 due.
4. Round 4: you owe \$2 – no payment
5. File closed.

2. Starting Your Loan Repayment

Go to www.factor.ca and sign in with your User Profile. Remember, your username is simply your email address.





THE FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS
WITH SUPPORT FROM CANADA'S PRIVATE RADIO BROADCASTERS

SIGN IN

Existing User?

Please sign in.

USERNAME

PASSWORD

☒ Remember Me

SIGN IN


[Forgot password?](#)


New User?

Please create a new user profile to apply for funding or apply to become a juror.

CREATE PROFILE


Navigate to the Projects page from the top menu bar and click on your Project Number.






THE FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS
WITH SUPPORT FROM CANADA'S PRIVATE RADIO BROADCASTERS

Contact

FACTOR 

Go to 

User Profile

Projects

Artist Profiles

Applicant Profiles


Jury


Board

Help

Project Dashboard



Select Projects

Active 



119291 

Create New Project

Project Number	Project Name	Applicant	Artist
119291	Loan Repayment Guide Test App	Test Artist (Applicant)	Test Artist Rated 1

1

Page: 1 of 1

Go

1 record(s) found

Create New Project

This will open a new window. To open the Loan Repayment report, you must hover over the Project menu in the top right hand corner. At the bottom of the list there is a link labeled Loan Repayment Reports. Select that option from the drop down menu.

Project

Project Save Close

Project Number

119291

Requested Amount

Total Offer

Project Name

Loan Repayment Guide Test App

Last Day To Submit New Components

Actual Loan

Applicant

Test Artist (Applicant)

Loan Repaid

Artist

Test Artist Rated 1

Project Coordinator

Eryka MacLean

Status

Active

Date Submitted

November 22, 2016

Date Approved

November 22, 2016

Date Offer Accepted

November 23, 2016

Date Closed

Project Name

Loan Repayment Guide Test App

Notes to Applicant

3. Adding & Filling out a New Report

You will find two tables on this page. The first table is for Loan Repayment Reports and the second is for Payments. First, you'll need to fill out your report. Please note that the Amount Owing field in the summary will remain at 0.00 until you've successfully filled out your Loan Repayment Report.

To fill out your report you must select the Add button under the Loan Repayment Reports table. This will open a new window.

Applicant

Test Artist (Applicant)

Artist

Test Artist Rated 1

Project Number

119291

Outstanding Loan Balance

\$6,250.00

Amount Owing

\$0.00

* Amount Owing will calculate once the Loan Repayment Report has been completed and saved.

Loan Repayment Reports

Period Ending (Year)	Period Ending (Month and Day)	Total Gross Revenue	FACTOR Share (5%)
No records to display.			

1

Page: 1 of 1 Go

0 record(s) found

Add Edit Delete

Payments

Transaction Number	Total Amount	Transaction Date	Status
No records to display.			

1

Page: 1 of 1 Go

0 record(s) found

Submit New Payment Edit or View Selected Payment

This is the reporting form. Type in the year for the Period Ending. The year is based on which period we are asking you to report on. Select a Period Ending form the drop down. There are only 2. Then proceed to fill out all applicable fields in Canadian dollars only.

Applicant Artist Project Number Outstanding Loan Balance Amount Owing	Test Artist (Applicant) Test Artist Rated 1 119291 \$6,250.00 \$0.00	Amount Owing will calculate once the Loan Repayment Report has been completed and saved.
---	--	--

Period Ending (Year)	2016	
Period Ending (Month and Day)	<div>▼</div> <div>June 30th</div> <div>December 31st</div>	

Source	Canada	Rest of World	
Physical retail sales	\$0.00	\$0.00	
Digital retail sales	\$0.00	\$0.00	
Off stage sales	\$0.00	\$0.00	
Mail order sales	\$0.00	\$0.00	
Streaming revenue	\$0.00	\$0.00	
Master Side Sync License Fees	\$0.00	\$0.00	
Neighbouring rights royalties (e.g. Connect Music)	\$0.00	\$0.00	Record label-side only. Do not report artist-side gross revenues on this report.
License advances	\$0.00	\$0.00	
Distribution advances	\$0.00	\$0.00	
Other revenue (specify)	\$0.00	\$0.00	
Details			

The Gross Revenue, Total Gross Revenue and FACTOR Share (5%) will autofill based on the information you've added. The FACTOR Share (5%) is the amount you owe back to FACTOR.

Gross Revenue	\$ 45.00	\$ 45.00
Total Gross Revenue	\$ 90.00	
FACTOR Share (5%)	\$ 4.50	

Scroll to the bottom of the page to enter your sales and streaming information in units.

Enter unit/single sales and streams below.

	Canada	Rest of World
Physical Units	<input type="text" value="100"/>	<input type="text" value="100"/>
Digital Units	<input type="text" value="100"/>	<input type="text" value="100"/>
Digital Tracks	<input type="text" value="100"/>	<input type="text" value="100"/>
Streamed Tracks	<input type="text" value="100"/>	<input type="text" value="100"/>

After you've filled everything out, press the SAVE button in the top right hand corner. If everything has been filled out correctly a green bar will appear across the top of your window to indicate the save was successful. Then press the CLOSE button in the top right hand corner.

Loan Repayment Reports
Save
Close

Save was successful.

Complete the form below by specifying the period ending and entering the relevant gross revenue amounts. Revenue should be reported in **Canadian dollars only**.

Save and Close this form once complete. Then proceed by clicking "Submit Payment" to pay by Visa or MasterCard. The system will automatically calculate the Amount Owing.

For full details on Loan Repayments, please review section 28.2 of our [Business Policies](#).

The Loan Repayment Rate for sound recording loans funded after April 1, 2013 is 5% of Gross Revenues. Gross Revenues means all revenue actually received by the Applicant from the worldwide master exploitation of the FACTOR-funded sound recording in all media, after deduction of distributor's fees but without any further deductions. For clarity: Revenues from publishing are not included in Gross Revenues for the purpose of Loan Repayment.

Applicant	Test Artist (Applicant)	
Artist	Test Artist Rated 1	
Project Number	119291	
Outstanding Loan Balance	\$6,250.00	
Amount Owing	\$1.50	Amount Owing will calculate once the Loan Repayment Report has been completed and saved.

Period Ending (Year)

Period Ending (Month and Day)

Source Gross Revenue from Gross Revenue from Report revenue in Canadian dollars only

4. Making a Payment

Back on the main Loan Repayment page, you'll notice that the Amount Owing is now populated with the amount generated from 5% of your Gross Revenues. Next, you'll need to make a payment. At the bottom of the page there is a second table titled Payments. Press the Submit New Payment button.

Applicant Artist	Test Artist (Applicant)		
Project Number	Test Artist Rated 1		
Outstanding Loan Balance	119291		
Amount Owing	\$6,250.00		
	\$4.50		

Amount Owing will calculate once the Loan Repayment Report has been completed and saved.

Loan Repayment Reports

Period Ending (Year)	Period Ending (Month and Day)	Total Gross Revenue	FACTOR Share (5%)
2016	December 31st	\$90.00	\$4.50

Page: 1 of 1 Go 1 record(s) found

Add Edit Delete

Payments

Transaction Number	Total Amount	Transaction Date	Status
No records to display.			

Page: 1 of 1 Go 0 record(s) found

Submit New Payment Edit or View Selected Payment

A small summary will appear to show the amount of your payment due to FACTOR. Press Continue.

Payments Close

The payment amount is pre-populated based on the amount due to FACTOR. Press Continue to confirm the payment amount. Please be patient, it may take a minute for the next page to load.

Follow the step by step instructions to complete your payment.

A record of each payment will be kept here for future reference. A confirmation email will be sent to the project administrator for each completed payment.

Minimum Payments \$25: if the Amount Owing is less than \$25, you may defer payment until the *next reporting period*. A Loan Repayment Report is still required.

Applicant Project Number	Test Artist 119291
Outstanding Loan Balance	\$6,250.00
Amount Owing	\$9.00
Payment Amount	\$ 9.00

Continue

You'll be given two options: to pay by Credit Card (Visa or MasterCard) or to pay by Interac Online.

a. Pay by Credit Card

Select the Credit Card option. This will prompt the system to show a small form for you to fill out. Start with the Cardholder Name, Card Number and the Expiry Date. Once that information is filled out properly you can select Process Transaction.

Mandatory fields marked by *

Payment Method

Please choose a payment method.

☒  

☐  **Online**

Payment Details

Transaction Amount: \$9.00 (CAD)

Order ID: 1002442

Please complete the following details exactly as they appear on your card.
Do not put spaces or hyphens in the card number.

Cardholder Name*:

Card Number*:

Expiry Date (MMYY)*:

Click 'Process Transaction' to charge your card. Only click the button once. Using the 'Back', 'Refresh' or 'Cancel' button after you press the 'Process Transaction' button will not stop the transaction from being processed and may result in a double charge.

Process Transaction

Cancel Transaction

b. Pay by Interac Online

Select the Interact Online option. This will prompt the system to show you a summary before redirecting you to a secure page to pay your amount owing. Press Proceed to Online Banking to securely pay FACTOR from your debit account.

Mandatory fields marked by *

Payment Method

Please choose a payment method.



Payment Details

Transaction Amount: \$9.00 (CAD)

Order ID: 1002441

Click 'Proceed to Online Banking' to continue with the *Interac*® Online transaction. You will be directed to your online banking site to complete your transaction.

Proceed to Online Banking

Cancel Transaction

Proceed to Online Banking, you will be met with a page that resembles this. Follow the directions as noted to complete the transaction with FACTOR.

Should you have any questions please do not hesitate to contact your designated Project Coordinator.



PAYMENT DETAILS

HELP

PAY TO FACTOR
INVOICE NO 1002494
AMOUNT CAD1.50

FACTOR

Click to choose your Financial Institution:



RBC Royal Bank



... or a financial institution in this list:

... select an institution ...

Select >

... or a credit union in:

... select province or territory ...

...select credit union ...

Select >

To cancel and return to FACTOR:

CANCEL

Acxsys Corporation ("Acxsys") owns and operates the INTERAC® Online payment service (the "Service"). Acxsys does not charge any fees to cardholders for the use of the Service. Acxsys does not control and is not responsible or liable for any exchange rates or currency conversion rates. Additional service fees, currency conversion fees or other fees may apply and may be charged by your financial institution. Please contact your financial institution for additional details.

PRIVACY

Interac is a trademark of Interac Inc., used under license.

Appendix 1: Frequently Asked Questions

Q: My album didn't sell/I haven't generated any revenue on this album. Do I still need to report to FACTOR?

A: YES! If the album has been commercially released, you are required to submit a form to us, even if it is blank.

Q: What do you mean by Gross Revenue?

A: Gross Revenues means all revenue actually received by the Applicant from the worldwide master exploitation of the FACTOR-funded sound recording in all media, after deduction of distributor's fees but without any further deductions. For clarity: Revenues from publishing are not included in Gross Revenues for the purpose of Loan Repayment. *Examples: Physical retail sales, digital retail sales, off stage sales, mail order sales, streaming revenue, master side synch licenses, neighbouring rights royalties, license advances, and distribution advances.*

Q: What percentage does FACTOR take from our Gross Revenue?

A: FACTOR requires each client repay back their loan based on 5% of their Gross Revenue information, not to exceed 25% of the total amount paid to the client for the project.

Q: Can I report on negative sales numbers (returns)?

A: Yes, however we will not settle the account or repay any overpayment until the 2-year loan repayment period is over.

Q: How long am I required to report to FACTOR for my album?

A: FACTOR requires that a client report back to us for 24 months or until the 2-year anniversary of the First Commercial Release date.

Q: What if I'm unable to pay back my entire loan?

A: If, after 24 months, you were unable to pay FACTOR back the entire 25% loan that you owed, FACTOR will deem the Project closed and your Loan will revert into a grant.

Q: Where can I find the report to fill out?

A: The Loan Repayment report is located within your Full-Length Sound Recording Project. Once you've opened your Project there is a drop down menu that will appear in the top right hand corner. The last menu item on that list is the Loan Repayment Report.

Q: How do I pay FACTOR?

A: We accept VISA, MasterCard and Interac Online. You will find the section within the Loan Repayment Reports section in your Project. Please note that you cannot make an online payment for a sound recording funded in FACTOR's old system, or before April 1, 2013.

Q: How do I know that my payment was successful?

A: Once you've filled out all the information for your payment and clicked 'Save', a green message bar will appear stating: Your payment has been successfully made. You will also receive an email notification confirming the payment. If the payment is not successful you will see a red message bar, notifying you that we could not process your payment.

Q: Can I still pay by cheque for a new system sound recording?

A: We'd prefer to have all payments made online, however we will still accept a cheque. Please make sure that you clearly label the Project Number, Applicant Name, and Artist Name on the cheque that is being submitted to FACTOR.

Q: I'm also reporting on an old system sound recording; can I pay FACTOR through the online set up for this Project?

A: No! We do not accept any online payments for old system files. Instead you must send us a cheque with the correct payment amount, clearly labelling the Approved File Number from our old system. You can download a copy of the old system loan repayment form [here](#).

Appendix 2: Definitions

Negative Returns – You are allowed to report on returns as a negative number within the loan repayment report; however, we will not settle the account or repay any overpayment until the 2-year loan repayment period is over.

Outstanding Loan Balance – This field on the Loan Repayment report represents the 25% loan amount that you owe to FACTOR.

Amount Owing – This field indicates the 5% Gross Revenue amount that you owe to FACTOR. This amount is calculated based on the information you have inputted into your Loan Repayment Report.

Physical retail sales – This is revenue from sales of physical copies (CDs, vinyl, cassettes) sold through physical retailers like HMV, Walmart, Sunrise, AND online retailers that sell mail-order physical copies, like Bandcamp, Amazon, or the artist or record label directly.

↳ **Where does this money come from? How is it proven?** If you are self-distributing, you must compile the information from the sales reports you've received from retailers. If you have a distributor(s), this information will be contained in the distribution report.

Digital retail sales - This is revenue from sales of digital copies (full albums and singles in MP3, FLAC and other digital formats) sold through online retailers like iTunes, Zuniar, Bandcamp, Amazon etc. AND digital sales made directly from the artist's or record label's website.

↳ **Where does this money come from? How is it proven?** If you are self-distributing, you must compile the information from the sales reports you've received from retailers. If you have a distributor(s), this information will be contained in the distribution report. Note that we consider big online stores like iTunes to be both a retailer and a distributor.

Off stage sales – This is revenue from sales of physical copies sold at the merch table at the artist's live shows.

↳ **Where does this money come from? How is it proven?** This money typically goes into your pocket at the end of the night, except for large festivals where it is sometimes reported or "settled" with you later, or through your record label. If you are unsigned and are manufacturing your own units for sale, we would look to the Off-Stage Sales form for proof, or if you are using a merch service we would look to the merchandiser's report. If you are buying copies from your record label or distributor, the number of units purchased will be reported in your record label or distributor's report.

Streaming revenue – This is revenue from streams of the music on licensed semi-interactive and interactive services like Spotify, CBCmusic, YouTube etc..

↳ **Where does this money come from? How is it proven?** If you are self-distributing, you must compile the information from the reports you've received from streaming services. Much more likely is that there is a digital distributor and/or content aggregator placing the music with these services. In that case, this information will be contained in the distribution report. In the US, the organization SoundExchange licenses and collects performance rights royalties from online streaming; those revenues can go either here or under Neighbouring Rights.

Master Side Synch License Fees – This is revenue from the placement of the sound recording master in a film, TV show, video game, TV commercial etc.

↳ **Where does this money come from? How is it proven?** Synch licenses are typically done by publishers, record labels, distributors, music supervisors and synch agencies. But the master-side revenue from the placement flows through to the party that controls the synch rights for the masters, and this is going to be either the distributor or record label or, if there's no distributor or record label, the artist. If the distributor or record label controls those rights, then the revenue should be reported in the distribution or record label report. If the deal was done by the artist

directly then the information should be reported in the synch license agreement. Sometimes the deal for both publishing and master sides is done by the publisher, in which case the revenue should be in the publisher's report.

Neighbouring rights royalties – A.k.a. “performance royalties”. In Canada and a few other jurisdictions, the sound recording master earns royalties when it is “publicly performed” (meaning: in a public medium like broadcast, or on the PA at the gym, as opposed to played privately by someone). The royalties go into two pots: one for the “maker” (party that controls the sound recording exploitation rights e.g. the record label, or the artist if self-releasing); and one for the performers on the sound recording. We only require loan repayment reporting on the maker's share.

↳ **Where does this money come from? How is it proven?** In Canada, the maker's share is collected by Re:Sound and distributed by Connect Music Licensing (formerly AVLA) and SOPROQ; the performers' share is distributed by MROC, ACTRA-RACS, and Artisti. These same organizations also distribute **private copying royalties** on the same basis. Typically, the maker's share is paid to either the distributor or the record label and would be itemized in the distributor's or record label's report. If the maker's share is being paid direct to the artist, the artist would receive a report from the licensing agency. In the US, the organization SoundExchange licenses and collects performance rights royalties from online streaming; those revenues can go either here or under Streaming. Typically, the maker's share of SoundExchange is paid to either the distributor or the record label and would be itemized in the distributor's or record label's report. However, SoundExchange now has a deal with Re:Sound, and if the maker has chosen to assign the rights, the maker's share will flow through Re:Sound first.

License advances – When a sound recording is licensed to record label in a new territory, often the licensor is paid a license fee. Usually it is recoupable against future royalties. Sometimes (rarely) it is not recoupable. In either case, enter it here.

↳ **Where does this money come from? How is it proven?** The licensee pays the licensor directly. If the license deal was done by the record label, the revenues will turn up in the record label report; if by a distributor, then in the distributor's report. If the artist did the deal directly, then you could provide us with the license agreement.

Distribution advances – As above. When a sound recording is picked up by a distributor in a new territory, sometimes the record label is paid a license fee. Usually it is recoupable against future royalties. Sometimes (very rarely) it is not recoupable. In either case, enter it here.

↳ **Where does this money come from? How is it proven?** The distributor pays the record label or artist directly. If the distribution deal was done by the record label, the revenues will turn up in the record label report; if by the artist, then you could provide us with the distribution agreement.

Any Other revenue – One rare example would be revenue from legal settlements. For example, the record label might have received a share of copyright infringement damages from a class-action suit against Napster or YouTube...Or, it could be damages from a private lawsuit related to exploitation of the masters.

Reference (this covers US revenues): <http://www.futureofmusic.org/article/article/music-and-how-money-flows>