



Sound Recording Component Guidelines 2020-2021

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Eligible Artists

1. To be eligible for funding under the Sound Recording component across all programs, the artist must be Canadian.

Funding Limits

2. The funding limit for the Sound Recording component varies by each program. Please see the [Program Guidelines](#).

Eligible Sound Recordings

3. Funding under the Sound Recording component must always be used to produce a qualifying album, and under some programs, to license an already produced but unreleased qualifying album. To be considered a qualifying album, the final sound recording must
 - a. Be performed by a Canadian artist and meet FACTOR's MAPL criteria for Canadian content (see [Business Policies: MAPL Certification](#));
 - b. Be a full-length album or [track equivalent album](#) of at least six tracks, or include at least 20 minutes of recorded material;
 - c. Be comprised of all new sound recording masters that, as of the date of application, have not been previously [Commercially Released](#); and
 - d. Have no more than 50% French lyrics. The lyrics may otherwise be in English or any language other than French. French-language sound recordings may be supported by [Musicaction](#).
4. It is a condition of funding in all full-length sound recording programs that the funded sound recording must be commercially released according to the terms of the General Agreement, subject to any extensions explicitly approved by FACTOR.
5. If you are working in a genre such as hip hop, dance, electronica, or reggae, and the music production involves samples, beats, riddims, dubplates, multiple producers or guest artists, please see [the Specialized Information tip sheet](#) for more information regarding eligible projects and costs.

Eligible Costs - Sound Recordings

6. The eligible costs in this section are specific to the Sound Recording component. Please also review the Eligible Costs section in the [Program Guidelines](#) for the program under which you are applying. Applicants are strongly advised to read and understand these sections, and to contact FACTOR prior to submitting an application to ensure eligibility of the proposed costs.
7. FACTOR funding under the Sound Recording component will cover either 50% or 75% of the total eligible budget, to the program maximum. Please see the [Program Guidelines](#) for the program under which you are applying.
8. FACTOR will only recognize the costs which it deems eligible and will remove ineligible costs from the budget. The FACTOR contribution may be reduced accordingly. If you have any questions about the eligibility of a particular cost, please contact FACTOR in advance.

9. Sound Recording component funding can be used to pay for the cost of recording and producing a high-quality qualifying album. Eligible costs can include
 - Studio time,
 - Hiring an engineer, producer and musicians,
 - Renting recording equipment,
 - Mixing and mastering, and
 - Graphic design for album artwork.
10. Ineligible costs for sound recordings include, but are not limited to:
 - a. Most expenses paid for in cash (see [Business Policies: Cash Payments](#));
 - b. Duplication and manufacturing expenses;
 - c. Management and legal fees;
 - d. Purchases of equipment, musical instruments and related supplies;
 - e. Transportation, per diem, food, hotel and hospitality expenses for local recording activities. These costs may be considered for out-of-town personnel (i.e. personnel based more than 300 km/3 hours ground travel from artist's home city) on a case-by-case basis. When approved by FACTOR, per diems for out-of-town personnel are capped at \$50/day.
 - f. Any [in-kind or donated services](#);
 - g. Fees and expenses for non-Canadian musicians and personnel (except as noted for members of the artist group);
 - h. Distribution costs, including fees and set-up costs;
 - i. Mechanical royalties and associated costs; and
 - j. Vocal lessons and instrument training.
11. Under some programs, record label Applicants rated 2 or higher may use the Sound Recording component funding to license an already-produced qualifying album.
12. Generally, costs must be paid to Canadian companies located in Canada or paid to Canadian citizens/permanent residents for work performed within Canada, the exception being non-Canadian members of the artist group. (See [Business Policies: Eligible Costs – General Terms](#)).
13. **Recording outside of Canada:** If you intend to record outside of Canada, you are encouraged to discuss it with your Project Coordinator in advance of making an application and provide a thorough explanation in your application. If approved, FACTOR may allow artist fees, travel costs and per diems for Canadian musicians (including non-Canadian artist members) and personnel traveling outside of Canada, on a case-by-case basis.
14. **Bringing a non-Canadian producer to Canada:** On a case-by-case basis, FACTOR may allow the costs of a non-Canadian producer coming to work in a Canadian recording studio located in Canada, provided that the majority of tracking and production occurs in Canada in a Canadian studio. Such costs may include travel, accommodation and producer fees. If you intend to request non-Canadian costs, you are encouraged to discuss it with your Project Coordinator in advance of making an application, and provide a thorough explanation in your application.
15. Costs to complete partially finished productions and remixes will be considered. Recorded but unfinished masters may qualify for funding to finish production of the sound recording, such as mixing, mastering, and artwork.
16. FACTOR will not recognize any costs related to songwriting or composition of music and lyrics, or any other costs related to the underlying copyrights in the compositions. Arranger fees may be recognized when they are paid to a third party (not the Artist) who is hired on a fee-for-service basis to create an arrangement specifically for the funded sound recording and where that arranger does not have ownership in any of the resulting copyrights.
17. Pre-production costs, such as rehearsal space fees or rentals, must be paid to third parties and may not exceed 25% of eligible costs in the Sound Recording component. FACTOR does not recognize any in-house costs for pre-production. Please note that FACTOR will only recognize pre-production costs incurred after the date of application.
18. Producer fees for projects produced by related parties will be capped to 25% of total eligible costs and a maximum producer fee of \$20,000/FACTOR contribution of \$10,000. For example: where the Applicant is a record label and the producer is an owner of the record label, FACTOR will contribute a maximum of \$10,000 to the producer fee.

19. Session musicians' rates will be recognized at the maximums set out in the [Program Guidelines](#) under Eligible Costs.
 20. FACTOR will recognize a maximum number of sessions per musician equal to the number of tracks on the final project (i.e. one track equals one session).
 21. Generally, and unless otherwise explicitly allowed by FACTOR, in-house and/or related party transactions are capped at a maximum of 25% of the total eligible costs. Applicants must disclose all in-house, related party and non-arm's length transactions in the Expense Details section of both the Application Budget and Completion Cost Report.
 22. In general, you should avoid paying for expenses in cash, as FACTOR does not reimburse all cash expenses. Please see the [Program Guidelines](#) under Eligible Costs for detailed information on cash payments.
 23. **Self-Production Allowance:** recognizes artist members who complete production work on the sound recording. To claim a Self-Production Allowance as an eligible cost in the budget:
 - a. The artist, not a record label, must be the Applicant for the project; and
 - b. Artist members must complete all tracking, including their own engineering.
 24. The Self-Production Allowance is an in-house expense calculated as up to \$500 per track for a maximum of 10 tracks (\$5,000 maximum per project). The allowance covers studio rental, tracking, mixing, and mastering provided by the artist. Note that when the artist is the Applicant for the project, an artist's producer fee is ineligible.
 25. The eligible Self-Production Allowance costs are reduced by
 - a. Third-party studio rental fees,
 - b. Third-party mixing fees, and
 - c. The in-house expense limit of 25% of total eligible costs for the sound recording component. Note that the final Self-Production Allowance is an in-house expense.
- Tip:** To find the amount of in-house expenses the applicant can claim, add up the total eligible third-party expenses and divide that number by 3. The result is the total allowable in-house amount. To qualify for the full \$5,000 Self-Production Allowance, you must have a minimum of \$15,000 in eligible third-party expenses.
26. If the reductions bring the Self-Production Allowance to zero, then no Self-Production Allowance will be available, but all third-party costs will be allowed (subject to the [Program Guidelines](#)).
 27. Artists may claim the Self-Production Allowance and third-party producer fees and mastering fees.
 28. Production costs for tracks exceeding the Self-Production Allowance maximum of 10 can be claimed separately if completed by a third-party provider.
 29. [The Sound Recording Cost Report](#) includes a Self-Production Allowance tab to guide you through claiming the allowance upon completion. FACTOR encourages you to discuss the Self-Production Allowance with your Project Coordinator prior to submitting your application.
 30. Administration fees for the Sound Recording component are calculated automatically in the online system. See [Business Policies: Schedule A – Administration Fees](#) for the maximum amounts.

Component Completion

Please review the [Completion Guide](#) for detailed instructions.

31. Applicants must compile and organize all invoices, receipts and proofs of payment; then enter the amounts being claimed into the FACTOR Cost Report, which can be downloaded from the Budget page of the Completion. Applicants must upload the Cost Report and all related expense documentation, then complete and submit all other sections of the Completion (including Budget, Results, Component Information and Public Funding).

32. Once submitted to FACTOR, the Completion will be deemed by FACTOR to be the recipient's true, accurate, and final accounting, and may not be unsubmitted, amended or deleted.
33. You are obligated as a condition of funding to include the appropriate logos and acknowledgment in all materials created in a FACTOR-funded project. Please review the [Logo and Acknowledgment Guide](#) for specific instructions. Remember, the failure to provide appropriate logos and acknowledgment could result in a loss of some or all of your funding.
34. In addition to the program completion requirements, to complete the Sound Recording component the Applicant must:
- a. Submit a copy of the finished sound recording in MP3 format, along with lyrics, songwriting and production credits. MP3s should be uploaded to the Component Information section of the Completion. See [Business Policies: Completions and Delivery of Completion Documentation](#) for details;
 - b. Upload a copy of the album artwork. This should be the finished graphics for the commercial release, and must include the required acknowledgement and logo(s);
 - c. Submit a [Supplier's Declaration and Undertaking](#) signed by the producer of the sound recording;
 - d. Submit a Studio Work Log for each production studio involved in the project. You may use the [FACTOR Studio Work Log Template](#), or any form of studio log as long as it includes: Studio Name, Studio Address, Recording Date(s), Start and End Time(s), a description of the work done, Artist Signature, Studio/Producer/Engineer Signature;
 - e. Complete the product submission of the commercially released album. After completion and no later than 30 days after commercial release of the funded sound recording (the product submission deadline) you must deliver to FACTOR via email, as a zip file or by providing a link to a preferred file sharing site (e.g. Dropbox): a digital copy in MP3 format of the final, as-released version of the funded sound recording, including the final, required metadata [thumbnail artwork, FACTOR logo and acknowledgement text (where possible), Canada wordmark (if applicable, where possible), Government of Canada acknowledgement (if applicable, where possible), track artist, track title, track time/duration, track number; and a digital copy of the final, as-released album artwork clearly showing the required logos and acknowledgments. If manufacturing physical copies for sale, a finished, retail-ready copy in any physical format may also be required.
35. Applicants who prefer to have FACTOR pay certain suppliers directly may submit up to three [Letters of Direction](#).