



Sound Recording Component Guidelines 2024-2025

Eligible Artists

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

Eligible Sound Recordings

2. 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](#).
3. 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.
4. 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

5. 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.
6. FACTOR funding under the Sound Recording component will cover 50% of the total eligible budget.
7. 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.
8. 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,
 - Distribution costs, including fees and set-up costs.
9. 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). 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. Mechanical royalties and associated costs; and
 - i. Vocal lessons and instrument training.
10. Costs must be paid to Canadian companies located in Canada or paid to Canadian citizens/permanent residents for work performed within Canada. (See [Business Policies: Eligible Costs – General Terms](#)).
 11. **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.
 12. **Bringing a non-Canadian producer to Canada:** 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.
 13. 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.
 14. 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.
 15. 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.
 16. Session musicians' rates will be recognized at the maximums set out in the [Program Guidelines](#) under Eligible Costs.
 17. 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).
 18. 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.
 19. **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.
 20. 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.
 21. 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.

22. 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](#)).
23. Artists may claim the Self-Production Allowance and third-party producer fees and mastering fees.
24. Production costs for tracks exceeding the Self-Production Allowance maximum of 10 can be claimed separately if completed by a third-party provider.
25. [The Sound Recording Cost Report](#) includes a Self-Production Allowance tab to guide you through claiming the allowance upon completion.

Component Completion

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

26. 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).
27. 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.
28. 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.
29. 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, a link to your commercially release sound recording (i.e. Spotify, Apple Music) and a digital copy of the final, as-released album artwork clearly showing the required logos and acknowledgments (i.e. FACTOR logo and acknowledgement text, Canada wordmark, Government of Canada acknowledgement).