

Ontario Music Fund

Music Industry Development
Guidelines: 2014/15

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To receive further information on the OMF please contact the Program Coordinator, Ontario Music Office:

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Ontario Music Fund - Music Industry Development

Application Deadline: December 30, 2014 by 5 pm

Eligible Timeline for Activities and Costs: April 1, 2014 – May 31, 2015

Eligible Applicants: Recognized music industry trade associations and music service organizations; recognized music industry event organizations; music training institutions; and consortium of two or more non-associated companies and/or industry organizations.

Please note that all OMF guidelines can be found on the OMDC website at <http://www.omdc.on.ca/music/>

Information Session Dates: Information sessions and webinars will be held on June 11, 2014 at 10:30 AM and June 13, 2014 at 2:30 PM please refer to the website for registration and location.

Introduction: Ontario Music Fund Overview

*The following general information is applicable to **all** program streams of the OMF. Specific Music Industry Development program stream guidelines and eligibility requirements are detailed later in this document.*

The Ontario Music Fund (OMF), as announced on May 2, 2013, is a \$45M fund to be delivered over three years. The Ontario Music Office (OMO) is responsible for delivering the OMF. The OMO is located within the Ontario Media Development Corporation (OMDC), an agency of the Government of Ontario.

The OMF is aimed at strengthening and stimulating growth in Ontario's music companies and supporting this key culture industry sector. The Fund is designed to drive activity and investment and to support Ontario's music companies and organizations in expanding their economic and cultural footprints within Canada and around the world.

The OMF is structured to complement other public funding programs and address investment gaps at key phases of company and industry development cycles.

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Goals of the Ontario Music Fund

The OMF is based on the following four key goals:

- Increasing music production activity in Ontario and building strong, competitive and sustainable music companies;
- Strengthening Ontario's music industry by supporting institutions, organizations and initiatives that develop artists, drive revenue growth and attract audiences and increase tourism;
- Strategically advancing Ontario's Live Music Strategy and increasing opportunities for new/emerging Canadian artists to perform in Ontario, in Canada and internationally; and
- Creating opportunities for emerging artists and music businesses in francophone, aboriginal and culturally diverse communities and musical genres.

OMF Program Streams

Four program streams have been developed to support the overall OMF program goals:

1. Music Company Development
2. Music Industry Development
3. Live Music
4. Music Futures

Each program stream has specific eligibility and application requirements as set out in the individual program stream guidelines.

Beyond these program streams, the OMF will consider strategic support for non-conforming projects that are time-limited and have a high impact on the broader Ontario music industry. Interested applicants should contact the Ontario Music Office to determine if their project is eligible.

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OMF General Applicant Eligibility Requirements

The OMF is accessible to Ontario-based music companies and organizations, including independent domestic record companies and foreign owned record companies (multinationals), music promoters/presenters, music managers, booking agents, festivals/industry conferences, not-for-profit music organizations, industry associations, music industry training organizations, artist entrepreneurs, and other not-for-profit organizations with a planned music-related activity. Eligibility is determined via membership base (in the case of the Music Industry Development stream) and/or primary business activity which must be oriented towards the music industry.

The individual program stream guidelines indicate the specific sub-set of eligible applicants for the stream.

In order to be eligible, applicants must demonstrate the following general criteria:

- Be incorporated in Canada, or in the process of incorporating;
- Have a permanent establishment in Ontario which serves as the head office/base of operations;
- Have key management personnel who are Canadian citizens or permanent residents of Canada living in Ontario;
- Be financially solvent and an ongoing entity;
- Be in operation for at least two years prior to application*; and
- Be in good standing with OMDC at time of application.

* Companies with less than two years of operation may be considered eligible if they are managed/controlled by individuals with at least three years of experience in a senior role in the music industry. Companies in this situation should contact the OMO in advance to determine their eligibility.

Exceptions

Exceptions to the above may be considered for applications made by Aboriginal, Franco-Ontarian and other culturally diverse companies or organizations. Please contact the Ontario Music Office to discuss.

Other exceptions are noted within the specific program stream guidelines.

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Note: In addition to these general requirements, applicants must also meet specific eligibility criteria by program stream, as outlined in the program stream guidelines.

Ineligible Applicants

Applicants who do not meet the criteria outlined above are ineligible. The OMF will also not accept applications from the following:

- Festivals, except where music is the primary activity and the festival presenter meets the requirements outlined above
- Federal, provincial, municipal governments and/or their agencies
- Universities or Colleges
- Unincorporated or unregistered artists and organizations
- Venues and Clubs (unless acting in capacity of promoter for more than one venue)

Eligible Costs

Each of the program stream guidelines includes a section on eligible program costs. OMF contributions will be directed towards project plans.

Associated Corporations

Associated Corporations must apply to the fund under a single application. The annual eligible revenue from each company must be combined to establish an aggregate annual eligible revenue figure for the group of Associated Corporations. Please see glossary in Appendix 2 for the definition of an Associated Corporation.

Related Party Transactions

Any funding that is being paid to a related-party must be declared on the Declaration of Related Party Transactions (RPT). Please see glossary in Appendix 2 for the definition of a Related Party Transaction.

As demand for funding may be high in this program, Applicants must demonstrate – using metrics and year-over-year comparisons – clear, sustainable project outcomes which align with OMF Goals and the Objectives of the specific stream in which the application is made.

Applicants are required to demonstrate that their primary business is music-related and sources of revenue are derived from music-related activities. The OMF reserves the right to deem ineligible any applicant that does not sufficiently demonstrate this in their application.

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Music Industry Development Stream Guidelines

This section outlines the eligibility requirements and application details for the Music Industry Development stream.

Objectives

The Music Industry Development stream of the Ontario Music Fund is designed to strengthen and develop the support structures and systems that contribute to economic and cultural growth of the music industry in Ontario.

The objectives of this stream of the OMF are to:

- Strengthen Ontario's music industry through co-ordinated, joint initiatives that expand skills, business capacity, market share, export (sales) and innovation;
- Collectively showcase Ontario's music and music sector; and
- Support Ontario's diverse music community to expand its capacity and resources.

The Music Industry Development stream will provide funding to music-related associations, organizations, training institutions and/or company consortiums, to engage in strategic initiatives with long-term impacts on the growth and sustainability of Ontario's music industry.

Please refer to Appendix 1 of these guidelines for full definitions of eligible Applicants

Funding Assistance Available

The maximum annual contribution available through this stream of the OMF is \$350,000 per Applicant. A minimum request of \$10,000 is required. (Note: Exceptions to the minimum request level may be considered). The contribution is non-refundable. For specific information please see the Budget and Financing section of this guideline.

Applicant Eligibility

To be eligible for the Music Industry Development stream, an Applicant must meet all General Eligibility Criteria as described in the Introduction section of this

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document. In addition, an Applicant in the Music Industry Development stream must be:

- a recognized music industry trade and music service organization;
- a recognized music organization such as a music industry event organization;
- a music training institution;
- a not-for-profit organization with a music-related, planned activity that will meet the objectives of the program; or
- a consortium of two or more non-associated companies and/or industry organizations, including participants from other industries, provided that the primary purpose of the project activity is music industry-related.
 - At least one member of the consortium must be a music industry organization or primarily a music company.
 - Each member of a consortium must have minimum annual revenues of \$35,000.00.
 - Public educational institutions and municipalities and their agencies may participate in a consortium as secondary Applicants, but may not be a lead Applicant.
 - The specific role, responsibilities and financial participation of each partner must be disclosed and described in the application.
 - The activities must deliver an appropriate benefit to the Ontario music industry through (e.g.) knowledge transfer, promotional profile or new resources.
 - The specific role, responsibilities and financial participation of each partner must be disclosed and described in the application.

Not-for-profit organizations, industry associations or training institutions will have their eligibility determined via their membership base (i.e., at least 50% of the membership must be Ontario-based) and their primary business or activity, which must be oriented towards the music industry.

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Applicants interested in forming a consortium for the purpose of applying to the Music Industry Development stream must contact the Ontario Music Office (OMO) in advance to ensure eligibility.

An Applicant may apply to the Music Industry Development stream, either as part of a consortium or on their own.

- All Applicants must be able to demonstrate capacity and expertise to carry out the proposed activity.

Interested Applicants should refer to **Definitions of Eligible Applicants** in Appendix 1 of these guidelines.

Ineligible Applicants

Applicants who do not meet the criteria outlined above are ineligible. The OMF will not accept applications from the following:

- Music festivals
- Municipal, provincial and federal governments and agencies
- Universities or colleges
- Unincorporated or unregistered artists and organizations
- Venues and clubs

Eligible Activities

The Music Industry Development stream of the OMF will support new activities, and expanded and/or enhanced approaches to activities that contain the following elements:

- **Music Education/Training:** support for skills development and training initiatives delivered by music industry associations and/or music education organizations and targeted at professional artists, technical or business staff and owner/managers.
- **Professional Development:** support to develop and implement business learning opportunities for the music sector. This could include activities such as developing new components to existing conferences; running a new regional industry conference; providing online training resources.

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- Digital Innovation: support for new initiatives that provide resources, develop tools, or leverage digital platforms to raise the profile and economic impact of Ontario music.
- Market Development: support for new opportunities to showcase Ontario artists at domestic and international festivals and events, engage in trade missions and expand export activities at global industry marketplaces.
- Strategic Development: support to music organizations to develop new strategic initiatives to address challenges and opportunities for their stakeholder groups, and/or to address specific environmental changes.
- Group Marketing: support to organizations or consortiums undertaking new strategies and approaches to access new markets, overcome barriers or enter a high potential new niche. Possible activities could include marketing through new channels, targeting niche markets, exploiting new geographic targets, and promotional focus of specific genres.
- Research activities to support business development opportunities

Other considerations:

- Activities for this application deadline must be completed by May 31, 2015. Applicants may apply for a slate of activities to support strategic initiatives as part of a business plan or may apply on an activity by activity basis. A separate activity plan must be submitted for each activity in the slate.
- Annual events may be applied for one year at a time.
- Joint development of proprietary products, technologies and services by consortiums and organizations will be considered where the applicant can demonstrate a clear benefit to the wider Ontario music industry that is not based on normal commercial exploitation.

Ineligible Activities

This stream of the OMF will not support activities that:

- have been undertaken by the Applicant prior to April 1, 2014

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Budget and Financing Requirements

A detailed budget and financing plan is required.

Financing Plan Parameters

The eligible Activities Budget must contain a financing plan with complete information as to how the applicant will pay for the new or enhanced activities. The total amount of financing must therefore match the total cost of eligible activities. Specifically, the financing component of the Activities Budget will indicate all sources and amounts from corporate investment (cash in the bank), financed investment (e.g., Line of Credit, investor), projected revenue (derived from execution of the project), confirmed funding from government or other private funding bodies and anticipated funding from government or other funding agencies – including the request for OMF Music Industry Development funding.

- Applicants will be required to fund a minimum of 25% of the total activity costs using non-government sources (e.g. Applicant and partnership contributions, sponsorships, donations, earned revenues and fees). Applicants bringing a higher percentage of non-government funding will be considered more favourably.
- Applicant contribution of activity financing may include cash and in-kind. Up to 25% of the Applicant's contribution may be in the form of in-kind costs, provided these are reasonably valued.
- The maximum amount of funding available through the Music Industry Development stream of the OMF is \$350,000.
- A minimum funding request of \$10,000 is recommended. Note: Exceptions may be considered; Applicants should contact OMO to discuss.

Note: Industry associations and not-for-profit organizations that are exclusive to Ontario participants may be able to access a higher percentage of OMF funding. Applicants should contact OMO to discuss in advance of application submission.

Applicants are obligated to advise the OMO if other public funding is awarded to their project/initiative after application to the OMF. Should confirmation of additional government funding occur after OMO approval, the total amount of 75% of government funding and the OMF's contribution will be reconciled at the time of the final report. If that additional government funding puts the Applicant's total government support over the approved limit of 75%, the Applicant may be required to return the excess funding to the OMO.

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Administration and Capital Cost Limitations:

- Administration costs are capped at 15% of the total budget for all eligible activities. Administrative expenses should be attributed to and included in the cost breakdowns of each individual activity.
- Budget allocations towards capital expenditures such as equipment purchases may be eligible depending on the type of activity (such as Digital Innovation and Infrastructure), but may not exceed 15% of the total budget. In such cases:
 - Equipment and Materials: if purchased, amortization expense using the straight-line method with a prescribed useful life of 24 months; if rented, actual rental cost.
 - Software: 50% of cost or amortization expense using the straight-line method with a prescribed useful life of 12 months (whichever is less).

Other Important Information:

- All budgeted items outside of staff and administration costs must be paid to third parties, unrelated to the applicant.
- Staff time directly related to the activity at the current wage rate is eligible, provided that the company incurs additional costs related to re-allocation of staff resources.
- Confirmed funding from other sources should be supported by appropriate documentation.
- Unconfirmed funding from other sources should be supported by information and documentation to substantiate the likelihood of receiving such funding.

Expenses incurred between April 1, 2014 and May 31, 2015 are eligible.

Ineligible Expenses

The following expenses are ineligible:

- expenses incurred outside of the program funding cycle;
- expenses incurred over the course of the activity that were not in the original budget and which did not receive pre-approval by OMO;

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- salaries and wages of staff not directly related to activity;
- staff benefit costs;
- occupancy costs, unless otherwise stated in program stream guidelines;
- real estate costs and leasehold improvements;
- capital costs related to permanent structures (e.g., materials, labour, land acquisition, purchase of equipment for project construction, any rehabilitation or retrofit of existing infrastructure assets);
- alcoholic beverages;
- fees relating to the compilation (notice-to-reader), review, or audit of applicant financial statements; and
- general business liability insurance (event insurance for specific performances is eligible).

Application Process

There is no set application deadline for this program. Applications may be submitted at any time from program launch, throughout the year, up until **December 30, 2014 by 5 pm**. Applications will be based on activity plans as defined below.

Activity Plans - Overview

Activity Plans provide a detailed description and case for OMF contribution towards an Applicant's activities.

Activity plans must be targeted towards specific new initiatives and fresh approaches, and need to demonstrate the impact of these activities for the Applicant and for Ontario's music industry and economy.

Activity plans must contain the following components:

- Applicant profile;
- Detailed financial and qualitative information on the initiative including financial estimates;
- The plan must make a business case for funding demonstrating how the OMF contribution will be leveraged to meet the objectives of the initiative and ROI; and

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- Milestones, measures, and anticipated outcomes. (Please refer to Appendix 2 for a master list of potential OMF anticipated outcomes)

Corporate Financial Statements

The Applicant's corporate financial statements must be submitted as part of the application to the Music Industry Development stream of the OMF. At minimum, the applicant corporation's financial statements must include a Balance Sheet and Income Statement for the two most recently completed fiscal years. Applicants must also include a breakdown of eligible revenue along with their financial statement submission.

For OMF requests of \$150,000 or more, review engagement or audited financial statements are required.

For OMF funding requests below \$150,000, Notice-to-Reader financial statements are sufficient, if review engagement or audited financial statements are not available.

Review engagement and audited financial statements must be conducted by an independent public accountant. Notice-to-Reader financial statements must be prepared and signed by an accountant who is a member in good standing of a provincial branch of the Chartered Accountants (CA), Certified General Accountants (CGA) or Certified Management Accountants (CMA).

Other application materials may be required and Applicants should refer to the application form.

Note: Applicants to the Music Industry Development stream of the OMF must designate a **Key Contact** who is a full time key decision maker of the Applicant. This individual will act as the project manager and oversee the applicant company's or consortium's participation in the program. The Key Contact will be the point of contact for all communications with OMO during application adjudication and if the application is successful, for the duration of the activity. OMO will not discuss potential or actual applications with external grant writers or practitioners.

All applications must be submitted electronically through the Online Application Portal (OAP) at <https://apply.omdc.on.ca/>

Applicants that do not have a user account on OAP, should go to <https://apply.omdc.on.ca> and click on "Register". For assistance, please see

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OMDC's website for the "OAP Quick Start Guide".

Applicants are encouraged to register on the OAP well in advance of submitting an application to the stream.

Applicants that are already registered will see the OMF program stream deadline in their dashboard. To start the application, click on "Start New Application" and follow the directions through the five step wizard to access the application form. For technical assistance, please contact the OAP Helpdesk at applyhelp@omdc.on.ca.

A complete list of required application materials is outlined in the application form on the OAP. It is imperative that applications include all requested documentation. Incomplete applications may not be considered.

Application Assessment

Applications will be reviewed and evaluated by OMO. Some evaluation functions may be outsourced to experts as appropriate.

In some cases, Applicants may be required to provide clarification or to make changes to their activities before a decision is made. OMO is not obligated to provide Applicants with the opportunity to include additional information or to adjust their application.

It is anticipated that Applicants will receive a response within 8 weeks of submission.

All funding decisions are final. OMO reserves the right to alter program guidelines with general public notice to all potential Applicants and to refuse any application for any reason. The OMO is not required to make any minimum number of awards. Subject to the Freedom of Information and Protection of Privacy Act, all information contained in the application will remain strictly confidential. All inquiries pertaining to the Ontario Music Fund are to be directed to OMO staff only.

Decision Criteria

It is anticipated that this will be a highly competitive program and that the total request for funding will be greater than the funding available. Applicants are advised to ensure that they meet all eligibility requirements before submitting an application. Applicants should also ensure that their application material clearly conveys the strengths of their application with respect to the program guidelines. The number of applicants that will receive funding and the amount of funding awarded is dependent on the quantity and quality of the activities selected, and the submission needs of each Applicant.

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Once Applicant and activity eligibility have been confirmed, applications will be assessed according to the following criteria:

- Track record of the Applicant, including financial stability and experience of the leadership;
- Expected results and opportunity for enhanced growth and revenues;
- Benefit to the music industry in Ontario;
- Demonstration of innovation and creative approach;
- Feasibility of the activity with respect to budget, financing, timeline and overall scope;
- Viability of the partnership in the case of an application by a consortium;
- Leveraging of other contributors; and
- Long-term sustainability and results of the activity.

Further to the above, applicants are required to provide targets for measurable outcomes (see “Ontario Music Fund Anticipated Outcomes” in Appendix 2).

Obligations of Successful Applicants

Successful Applicants will receive a non-refundable contribution of up to \$350,000. A minimum of 50% of the total amount awarded will be triggered on execution of the OMDC agreement. Subsequent program payments will be determined based on the length and nature of the activity.

Funding Agreement

On acceptance into the program, the Applicant will be required to sign an agreement covering the terms of their participation in the program including authorizing OMO to publicly release the name of the Applicant and a description of the funded activities and deliverables. The agreement will outline payment dates based upon activity milestones and deliverables (see below) set out in the application.

Insurance

Participating applicants will be required to carry Commercial General Liability Insurance on an occurrence basis for Third Party Bodily Injury, Personal Injury and Property Damage, to an inclusive limit of not less than \$2,000,000 per occurrence, \$2,000,000

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products and completed operations aggregate. OMDC needs to be named as an additional insured on all policies. Please budget accordingly. Additional information on requirements is available on request. Note: Insurance is not an eligible expense under the OMF.

Weeks of Work

Successful Applicants will be required to provide an estimate of the jobs created or retained for Ontario residents in total paid weeks of work (35 hour week).

Reporting and Deliverables

Successful Applicants will prepare interim written reports on the progress of their activities and a final report upon conclusion of their activities. Since activity-related deliverables will vary, certain delivery requirements will be negotiated on a case by case basis at contract signing. However all participants will be required to provide, in the final report, measurable outcomes of the activity's success, including: short term actual measurable results against projected original targets; year over year net sales gains; strategy for capturing longer results and sustainability of the activity; where appropriate, the number and company list of participants, with identification of Ontario participants.

Recoupable Recording Costs

In cases where costs that are ordinarily recoupable are being claimed, the participant must supply either a) artists contracts including a clause indicating that expenses funded by the OMF will not be recouped from the artist or another source, or b) where artist contracts are not available, the OMO will accept a "certificate and undertaking" signed by the company principals, confirming that the artist is being compensated and undertaking that expenses funded by the OMF will not be recouped from the artist or any other source. A signed acknowledgement must be provided by the artist, or his or her legal representative, attesting that artist and management are aware of the terms of OMF participation in their recording activities.

Cost Report

A final cost report and financing statement will be required for all activities supported by the Ontario Music Fund. Successful Applicants receiving over \$100,000 from OMF will be required to have an audit of project expenses conducted by an independent public accountant. Note: the cost of the audit may be included in the activity budget as an eligible expense.

Corporate Financial Statements

Successful applicants receiving over \$100,000 from the OMF will be required to have an audit or review engagement conducted on the applicant corporation's next annual financial statements. The audit or review engagement must be performed by an independent public accountant. The financial statements must be forwarded to

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OMO upon completion. Depending on the applicant corporation's fiscal year, this may be required throughout the term of the funding agreement with the OMDC.

Changes to the Activities

OMO must be notified of any significant changes to the activities as defined in the contract and will require consent of OMO.

Confirmation of Additional Government Funding

Successful applicants will be required to inform OMO immediately in writing of any government funding decisions made after the OMO funding decision. Notification must be submitted for unconfirmed funding that was included in the original financing plan of the application and any new applications made to funding bodies not included in the financing plan.

Credit

The Ontario Music Fund support is to be acknowledged with an OMDC credit and logo on suitable elements and all related publicity and promotional materials. Other acknowledgement of the support of the Government of Ontario may be required.

These guidelines are current for this deadline only. This document is subject to change for future deadlines.

For more information please email: OMF@omdc.on.ca

Applicants are advised to consult the OMDC website for any relevant Frequently Asked Questions documents and Ontario Music Fund Bulletins for clarifications and alterations to these guidelines.

Ontario Media Development Corporation

An agency of the Ontario Ministry of Tourism, Culture and Sport, OMDC facilitates economic development opportunities for Ontario's cultural media industries including book and magazine publishing, film and television, music and interactive digital media industries.

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Appendix 1

Definitions of Eligible Applicants

Music Industry Trade Associations and Music Service Organizations

Incorporated organizations whose primary purpose is to provide services such as business and market development; artistic development; professional development; skills development; research; and other services to music stakeholders. Members of such organizations must be primarily music companies, musicians, songwriters, or organizations representing these groups.

In addition, Music Industry Trade Associations and Music Service Organizations must:

- Be a non-profit Canadian organization (registered in Canada with a majority Canadian board of directors);
- Serve Ontario artists and entrepreneurs working in the music industry;
- Be engaged in activities in Ontario (may also be engaged at the national level);
- Demonstrate expertise and experience in supporting the industry through the delivery of activities or programming; and
- Have a membership base that is at least 50% Ontario-based, and their primary business or activity must be oriented towards the music industry.

For new or first-time activities, the Applicant must show at least two years' related experience necessary to undertake an activity of that nature.

Music Industry Event Organizations

Music Industry Event Organizations are companies or organizations whose primary activity is to plan, develop, market and stage training events, conferences, workshops, and other events that provide educational and networking opportunities for music industry professionals in Ontario. Eligible industry event organizations must take the primary business risk in developing and staging these activities.

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Applicants in this category must:

- Be Ontario-based and Canadian controlled;
- Be incorporated (for profit or not-for-profit); and
- Have operated as an event organization for at least two years prior to the date of an application to the Ontario Music Fund.

Music Training Institutions

For purposes of the OMF, a Music Training Institution is an organization based in Ontario which provides curriculum-based training in music industry technical skills (including music recording, mixing, editing, mastering and live performance sound engineering) and/or music business skills.

The institution must:

- Be primarily focused on music industry disciplines;
- Offer career-oriented training (i.e., post-secondary programs to prepare entry-level or above individuals for professional music industry careers, including career-long learning);
- Issue certificates or diplomas; and
- Be registered with the Superintendent of Private Career Colleges of Ontario.

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Appendix 2

Ontario Music Fund Anticipated Outcomes

Anticipated outcomes for the four OMF streams may include any of the following, depending on the type of activity/project undertaken. It is not expected that each applicant will address all the outcomes listed for their program stream. Applicants should, however, provide a list all anticipated outcomes they intend to track and report on in their interim and final reports, should their funding request be successful.

Measurable Outcomes	Music Company Development	Music Industry Development	Live Music	Music Futures
# of jobs created and/or retained	x	x	x	x
Company growth: Increased gross revenue	x	x	x	x
Company growth: Increased net revenue	x	x	x	x
Return on Investment of OMF funding	x	x	x	x
Sustainability of project outcomes	x	x	x	x
Number of artists supported	x	x	x	x
Sales success of supported projects	x	x	x	x
Critical success of supported projects	x	x	x	x
Fees paid to artists	x	x	x	x
Online and social media impact (metrics)	x	x	x	x
Traditional media impact (metrics): radio spins, video plays, interviews, articles, reviews, etc.	x	x	x	x
Number of new artists being represented by professional companies: management, label, booking agent, publisher, promoter	x	x	x	x
Number of new recordings supported - domestic artists	x			x
Number of international artists recording in Ontario	x			
Amount of international investment in Ontario recording studios	x			

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Measurable Outcomes	Music Company Development	Music Industry Development	Live Music	Music Futures
Promote Ontario as a Live Music centre		x	x	
# of international markets targeted	x	x		x
Increased revenue from international sales	x	x		x
Number of new performance opportunities for artists	x	x	x	x
Number of tickets sold for performances	x	x	x	x
Number of shows/tours developed	x	x	x	x
Revenue for companies involved in developing Shows/tours	x	x	x	x
Number of business connections/leads by participants	x	x	x	x
Number of Ontario attendees/participants at events		x	x	
Activities that stimulate knowledge transfer and business opportunities		x		
Professional development opportunities created for Ontario participants		x		

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Appendix 3

Glossary

Activities Budget

The total of Eligible Costs within a Business or Project Plan. The Activities Budget must outline all sources of project financing and expenditures pertaining to the application.

Administrative/Overhead Costs

Currently-incurred, ongoing expenditures that support the corporate and administrative operations of the applicant company and are not directly attributable to specific activities or functions.

Annual Funding Cap

Maximum funding that an applicant can receive per Ontario Government fiscal year – April 1 – March 31. The Annual Funding Cap is based on all OMF funding paid out to an Applicant in the fiscal year. The Annual Funding Cap may also apply to other sources of government funding (see: Total Government Contribution and specific OMF Stream guidelines).

Applicant

The business entity making the application for funding. The Applicant is the entity who will enter into a binding agreement with OMDC and is responsible for fulfilling the obligations and outcomes specified in the Applicant Agreement. Upon approval of funding, the Applicant becomes the Recipient, and is the sole party responsible for fulfilling the funding agreement.

Applicant Agreement

The legal agreement between the OMDC and an Applicant that sets out the terms of the funding, deliverables, milestones and general requirements with respect to administration of funding and results.

Applicant Contribution

A direct financial contribution, investment or payment by an eligible music company towards eligible expenditures in its business plan.

Artist

One or more persons performing as a solo singer/musician, musical group or band.

Associated Corporation

One corporation is associated with another in a taxation year if, at any time in the year:

One of the corporations controlled, directly or indirectly in any manner whatever, the other;

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Audit Engagement

Audited Cost Report

Both of the corporations were controlled, directly or indirectly in any manner whatever, by the same person or group of persons;

Each of the corporations was controlled, directly or indirectly in any manner whatever, by a person and the person who so controlled one of the corporations was related to the person who so controlled the other, and either of those persons owned, in respect of each corporation, not less than 25% of the issued shares of any class, other than a specified class, of the capital stock thereof;

One of the corporations was controlled, directly or indirectly in any manner whatever, by a person and that person was related to each member of a group of persons that so controlled the other corporation, and that person owned, in respect of the other corporation, not less than 25% of the issued shares of any class, other than a specified class, of the capital stock thereof; or

Each of the corporations was controlled, directly or indirectly in any manner whatever, by a related group and each of the members of one of the related groups was related to all of the members of the other related group, and one or more persons were members of both related groups, either alone or together, owned, in respect of each corporation, not less than 25% of the issued shares of any class, other than a specified class of the capital stock thereof.

[This definition is quoted directly from Subsection 256(1) of the Income Tax Act (Canada)].

An audit engagement is the process of engaging an independent public accountant to examine the accounting records and other evidence supporting the financial statements; and to render a professional opinion that the financial statements present a fair picture of the organization's financial position and its activities during the period in which the audit was carried out.

Successful applicants in receipt of over \$100,000 must provide an audited cost report as part of the final

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Business Plan

deliverable. The audit is to include revenue and expenses for OMF-funded activities or projects. The audit of the applicant's cost report is to be conducted by an independent public accountant.

A document that outlines the short (12 months) and long-term business goals (variable – subject to Project) and revenue, including strategies for achieving these and an estimate of anticipated costs. The Business Plan must contain a strong quantitative component including financial statements and budgets. The Plan also documents the business entity's strategic priorities and potential outcomes, performance measures and milestones.

Company Budget

An overall company financial plan outlining all corporate revenue and expenditures for a specified fiscal period.

As the OMDC would like to provide as much flexibility as possible to companies, we do not have a prescribed template for the company budget and allow companies the opportunity to provide information in their preferred format. These documents, however, should provide a clear basis for the OMDC to assess the eligibility of the company, the feasibility of the activities as they pertain to the goals and objectives of the Ontario Music Fund, and how the activities relate to the company budget and business plan.

Consortium

An association between two or more Eligible Music Companies that join together for the purposes of a project. The consortium must be represented by an Applicant which will take on financial responsibility for the project.

Corporate Financial Statements

At minimum, an applicant's Corporate Financial Statements must include a Balance Sheet and Income Statement for the two most recently completed fiscal years.

Review engagement and audited financial statements must be conducted by an independent public accountant. Notice-to-Reader financial statements must be prepared and signed by an accountant who is a member in good standing of a provincial branch of the Chartered Accountants (CA), Certified General Accountants (CGA) or Certified Management Accountants (CMA).

Direct Costs	A direct payment by an eligible music company to a third party towards eligible expenditures in its business or project plan.
Eligible Cost/Expenditure	Each and every cost that is eligible to be supported by the OMF, as determined by the OMF guidelines.
Eligible Music Companies/Organizations	The OMF is accessible to Ontario-based music companies, including independent domestic record companies and foreign-owned labels (majors), music promoters, music managers, agents, festivals, and not-for-profits, including music education organizations and industry associations.
Financing Template	A section of the Activities Budget outlining all sources of project financing. Financing sources include government and non-government funding.
Ineligible	An activity or entity that the OMF will not approve nor reimburse. See detailed program guidelines for a list of ineligible applicants and activities.
In-House	Goods or services that are provided, or an activity that is undertaken, by the Applicant itself rather than outsourcing to a third party. In-house expenditures must be booked at market rates or lower.
In-Kind	A non-cash item identified in the budget. In kind costs are limited to a maximum percentage of the total Eligible Budget. Please consult the OMF guidelines for details on financing requirements.
Key Contact	The individual at the applicant company responsible for the delivery and day-to-day operations of the project. This person will be the key contact with OMO staff.
License	An agreement by which a party (the licensor) who controls certain exploitation and other rights in a sound recording and/or its underlying composition, grants limited rights to another party (the licensee) in exchange for a license fee and other consideration.
Master	The primary recording that serves as the basis from which other copies are made. The owner of the Master Recording holds the copyright for that particular recording over its legal life.
Net Revenue	Typically refers to a company's revenue net of discounts and returns. It is advised to consult generally accepted

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Notice-to-Reader (Compilation) Engagement

accounting principles (GAAP) and industry standards to determine whether your organization should report revenue at net or gross.

The compiling of unaudited financial information into financial statements, based on information provided by the accountant's client. For OMF purposes, Notice-to-Reader financial statements must be prepared and signed by an accountant who is a member in good standing of a provincial branch of the Chartered Accountants (CA), Certified General Accountants (CGA) or Certified Management Accountants (CMA).

Own or Control

Refers to control of the exclusive exploitation rights flowing from copyright in a sound recording.

Permanent Establishment

Generally refers to a fixed place of business. However, whether a fixed place of business is a "permanent establishment" is a question of fact which must be determined on a case-by-case basis. Further information on what constitutes a permanent establishment can be found at Subsection 400(2) of the Income Tax Act (Canada).

Project Plan

A document that outlines an Applicant's project for a specific initiative or a slate of activities over a given year. Projects include all of the eligible activities intended to be undertaken by the Applicant and that are proposed under the eligible expenditures for a particular OMF stream.

Public Accountant

A person with the following qualifications:

Is a member in good standing of a provincial branch of the Chartered Accountants (CA), Certified General Accountants (CGA) or Certified Management Accountants (CMA); has any provincial licenses required to conduct an audit or review engagement in the province where the engagement will take place; and

Is independent of the applicant corporation.

Recipient

An applicant receiving OMF funding as the result of an approved Application.

Recoupable

An amount of money, and/or the cost of goods or services that is offered to an artist in a recording, license, publishing, performance or any service agreement; the recoupable amount is then paid back to the record label or publisher,

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Related Party Transaction

usually at the rate of the artist's share of royalties and/or other form of earnings. Recoupable amounts are generally paid back to the offerer in first position, meaning that the artist receives no royalties until recoupment.

Applicants will be required to clearly state recoupable expenditures where applicable. OMF funding provided to eligible Applicants for artist expenditures and investment may be non-recoupable in certain cases.

Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint or common significant influence. Related parties also include management and immediate family members.

A related party transaction is a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

Control of an enterprise is the continuing power to determine its strategic operating, investing and financing policies without the cooperation of others.

Joint control of an economic activity is the contractually agreed sharing of the continuing power to determine its strategic operating, investing and financing policies.

Significant influence over an enterprise is the ability to affect the strategic operating, investing and financing policies of the enterprise.

[This definition is quoted directly from the CICA Standards & Guidance Collection paragraph 3840.03.]

Review Engagement

A review engagement is the process of engaging an independent public accountant to prepare financial statements on a review basis. The accountant will not

express an opinion on the fairness of the financial statements, but will provide a limited assurance that the financial information is plausible and conforms to generally accepted accounting principles.

Showcase

A performance for a target audience of music industry professionals more so than the general public; the goal of a Showcase is to attract interest of potential industry partners and buyers such as booking agents, music managers, record labels, publishers. A showcase can be a component of a tour or event.

Tour

A Tour is a continuous series of public engagements, taking place at different venues, for a contracted performance fee.

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