

# Ontario Music Fund

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Music Futures Guidelines: 2017-18

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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 Futures

*This program stream has two deadline dates as follows:*

**Application Deadline #1: Thursday, May 4, 2017, by 5:00 pm**

**Note: The May 4 deadline is ONLY for eligible Domestic Record Labels, Artist-Entrepreneurs, Music Managers, and Music Publishers**

Eligible Timeline for Activities and Costs for Application Deadline #1:  
August 1, 2017 – July 31, 2018

**Application Deadline #2: Wednesday, October 4, 2017 by 5:00 pm**

**Note: The October 4 deadline is ONLY for eligible Domestic Music Promoters/Presenters and Booking Agents**

Eligible Timeline for Activities and Costs for Application Deadline #2:  
December 1, 2017 - November 30, 2018

Interested applicants are strongly encouraged to attend the upcoming OMF Music Futures Information Sessions.

Webinar Date #1: Thursday, July 20, 2017  
Time: 2:30 pm - 4:00 pm

Webinar Date #2: Wednesday, August 23, 2017  
Time: 2:30 pm - 4:00 pm

Information Session Date: Thursday, September 7, 2017  
Time: 2:30 pm - 4:00 pm

**Registration is required.** [Click here to access online registration form for Webinar #1;](#) [Click here to access online registration form for Webinar #2](#) **or** [Click here to access online registration form for Information Session.](#)

Please note that all applications must be submitted through OMDC's Online Application Portal (OAP) at <https://apply.omdc.on.ca>. There is flexibility for completing the application form online – you may begin it at any time, save information as it is entered, and go back to edit and/or add information up until the time the application is actually submitted.

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Applicants are strongly encouraged to begin the application process early to allow for ample time to complete the necessary information.

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

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## Introduction: Ontario Music Fund Overview

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

The Ontario Music Fund (OMF) provides \$15M annually Ontario's music industry. 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.

## 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, Indigenous and culturally diverse communities and musical genres.

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## 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 must contact the OMO in advance of applying to determine if their project is eligible.

## OMF General Applicant Eligibility Requirements

The OMF is open to Ontario-based music companies and organizations, including independent domestic record companies and foreign owned record companies (multinationals), music promoters and presenters, music managers, booking agents, music 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 primary business activity which must be music-based.

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 head office and base of operations (i.e. applicant is eligible to pay corporate income taxes in Ontario; and Ontario address is listed as head office in T2 filing) ;
- Have key management personnel who are Canadian citizens or permanent residents of Canada living in Ontario;

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- 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 at least 3-4 weeks ahead of the application deadline to discuss their eligibility.

### **Exceptions**

Exceptions to the eligibility requirements above may be considered for applications from culturally diverse, Indigenous, and Franco-Ontarian companies or organizations. If applicable, please contact the Ontario Music Office at least 3-4 weeks prior to the application deadline to discuss.

Other exceptions are noted within the specific program stream guidelines.

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 promoter/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)

### **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.

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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 OMO reserves the right to deem ineligible any applicant that does not sufficiently demonstrate this in their application.

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## Music Futures Stream Guidelines

Eligible companies and their affiliates may submit only one application per funding cycle. This section outlines the eligibility requirements and application details for the Music Futures stream.

**Please see page 23 for important information on insurance and contract requirements for successful applicants.**

### Objectives

The Music Futures stream of the Ontario Music Fund is aimed at stimulating entrepreneurship and providing support to develop businesses in Ontario's diverse and emerging music industry, particularly music companies and artist-entrepreneurs that demonstrate the potential to grow professionally if provided with mentoring, skills development and/or working capital to expand their business activities.

The objectives of the Music Futures stream are to:

- Increase the business capacity of small music companies with strong potential;
- Support Ontario's musical diversity, particularly with respect to music from culturally diverse, Indigenous, and Franco-Ontarian communities; and
- Support and strengthen Ontario's production of music from under-represented but high-potential genres.

### Funding Assistance Available

Funding is provided in the form of direct grants towards a share of the costs of eligible activities. Contributions are non-refundable except in the case of recipient default. Funding may not exceed 75% of the total eligible costs of activities. For specific information, please see the Budget and Financing Requirements section.

Total funding to a single company (or companies associated by ownership or control) may not exceed **\$50,000** per funding cycle.

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## Applicant Eligibility

To be eligible for the Music Futures stream, an applicant must meet all General Applicant Eligibility Requirements as described in the introduction section of this document, and be a Canadian-owned record label, music publisher, music manager, music promoter/presenter, booking agent or artist-entrepreneur (definitions below) with annual eligible revenues between \$30,000 and \$100,000. Exceptions to this eligible revenue threshold requirement may be considered. Applicants in this situation are advised to contact the Ontario Music Office at least 3-4 weeks in advance of the application deadline to determine their eligibility.

While incorporation is encouraged, a Master Business License (official Government of Ontario business registration documentation) will be accepted for Music Futures applicants.

Exceptions may be granted for emerging companies without a business history longer than two years that can demonstrate high growth potential. Such applicants may wish to obtain and submit letters of endorsement from recognized music industry leaders, mentors, educators, established entrepreneurs or community leaders with direct knowledge of the Applicant's history and business activities. Letters of endorsement will be considered by the OMO for the Music Futures stream as evidence of the Applicant's potential for success. Letters should clearly state the credentials of the writer, their relationship to the Applicant, and should include contact information.

### **Eligible Applicants for Deadline #1 (May 4, 2017):**

#### **Record Labels, Artist-Entrepreneurs, Music Managers, and Music Publishers**

#### **Record Labels**

A record label is a company that is primarily engaged in record production. These establishments contract with musical artists, and arrange and finance the production of original master recordings. Establishments hold the copyright to the master recordings and derive most of their revenue from the exploitation of these recordings. Record labels may also produce master recordings themselves, or obtain reproduction and/or distribution rights to master recordings produced by record production companies or other integrated record companies.

#### *Eligible Revenue*

- Revenue from physical products (CD/DVD/merchandise) sold net of trade discounts for returns and allowances
- Revenue from digital sales and streaming services

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- Revenue from licensing and sale of rights and permissions (domestic and international)
- Revenue from commissions and fees from related activities

### **Artist-Entrepreneurs**

Artist-entrepreneurs are in control of their career and hold and control the majority of their copyright and intellectual property. Artist-entrepreneurs manage their day-to-day business, including but not limited to contract negotiations, managing or organizing financial affairs, and arranging and financing the production of original master recordings. Artist-entrepreneurs derive revenue from the exploitation of their recordings, and from live performance, licensing, royalties, merchandise or other product sales and other fees paid to them. Artist-entrepreneurs may be individuals or groups of individuals, (e.g. solo act or group).

#### *Eligible Revenue*

- Revenue from physical products (CD/DVD/merchandise) sold net of trade discounts for returns and allowances
- Revenue from digital sales and streaming services
- Revenue from licensing and sale of rights and permissions (domestic and international)
- Revenues from commissions, fees and performances

### **Music Managers**

Music managers are primarily engaged in representing or managing musicians and musical groups. These establishments represent their clients in contract negotiations, manage or organize the client's financial affairs, and generally manage the careers of their clients.

#### *Eligible Revenue*

- Revenue from physical products (CD/DVD/merchandise) sold net of trade discounts for returns and allowances
- Revenue from digital sales and streaming services
- Net revenue from licensing and sale of rights and permissions (domestic and international)
- Net revenue from commissions and fees from related activities

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### **Music Publishers**

Music publishers are primarily engaged in acquiring and registering copyrights in musical compositions, and promoting and authorizing the use of these compositions in recordings, on radio and television, in motion pictures, live performances, print, multimedia or other media. These companies represent the interests of songwriters or other owners of musical compositions by exploiting such works, generally through licensing agreements. Music publishers may own the copyright or act as administrator of the music copyrights on behalf of copyright owners.

#### *Eligible Revenue*

- Revenue from licensing and sale of rights and permissions (international and domestic)
- Revenue from commissions and fees from related activities

### **Eligible Applicants for Deadline #2 (October 4, 2017):**

#### **Music Promoters/Presenters and Booking Agents**

#### **Music Promoters/Presenters**

Music promoters/presenters are primarily engaged in the development and delivery of live music events, concerts and tours in more than one venue in Ontario, for which they have primary responsibility for music programming. They take the primary risk of programming, promoting and producing live music performances. They contract with musical artists and owners of performance venues, arrange for marketing, promotion and ticketing, and stage the events, either supervising directly or through subcontractors.

#### *Eligible Revenue*

- Net earned revenue from the staging of live music events
- Any other earned revenue from music-related business activities, including sponsorships, commissions and fees

#### **Booking Agents**

Companies and businesses whose primary business activity is representing and promoting musical acts and artists, under a contractual agreement, for the purpose of engaging and negotiating live performance bookings for tours, concerts and festivals.

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### *Eligible Revenue*

- Net earned revenue from the staging of live music events (in any location)
- Any other earned revenue from music-related business activities, including sponsorships, commissions and fees

### **Eligible Activities and Costs (by Applicant Type)**

#### **Eligible Activities and Costs for Domestic Record Labels, Artist-Entrepreneurs, Music Managers, and Music Publishers:**

##### **Recording and Production**

Recording, editing, mixing and mastering of music performances by a Canadian artist signed to an Ontario-based, Canadian-controlled music company in an Ontario facility, including professional services of Canadian sound engineers, producers and session musicians.

- **Eligible costs:** studio rental (in Ontario only); remuneration to Canadian staff, recording engineers and session musicians (all of whom must be employed in Ontario); recording supplies; mixing, mastering, art and copy costs; costs of preparing music recordings for digital distribution; and cost of manufacturing physical units of recorded music (CDs and vinyl). Manufacturing costs are capped at a total of \$1,500 per release. All sound recording and manufacturing costs must be incurred in Ontario.

##### **Video Production**

Production of a music video, shooting/editing of video footage for a blog, company/artist website, YouTube channel, or for other online marketing purposes, and video recording of live performance for promotion or sale. All video production costs must be incurred in Ontario.

- **Eligible costs:** direct expenses related to the production of video content including: crew costs (e.g., director, producer, videographer, editor, talent), location costs, post-production expenses, and equipment. All video production costs must be incurred in Ontario.

##### **Marketing and Promotion**

Activities to promote an artist or recording for which the applicant company has the rights. This can include advertising, point-of-sale promotion (on a fixed cost basis),

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social networking services, special events and appearances, publicity services, and radio tracking.

- Eligible costs: advertising; creation and production of promotional materials; online and mobile marketing; and event costs (e.g., facility rental, permits, fees, signage, technical services) for events that are solely intended to market the company, its artists or its releases.

### **Touring and Showcasing**

Artist touring activities where the Applicant takes the financial risk and participates financially in the tour. Note: touring and showcasing activities and costs supported through the Music Futures stream will not also be eligible for funding under the Live Music stream.

- Eligible costs: direct tour costs for an artist signed to the applicant, including marketing, promotion, audio/visual and stage design, technical services, travel, transportation, and crew employed by the artist or applicant.

### **Business Development**

Activities that contribute to the expansion of a company's capacity to sign/work with more artists (A&R development), obtain financial and business administration services or training, mentoring and other professional development activities. Activities may also support developing new revenue streams related to music, acquiring market research/intelligence, attracting investment and innovating in digital services or other technology-enabled areas.

- Eligible costs may include, but are not limited to: direct, external costs paid to consultants or other vendors/suppliers for goods and services that enhance the capacity of the company. Such costs may include industry conference attendance and business travel, IT and digital resources, or marketing data or analysis services. Such costs are eligible when they are directly related to activities which develop artists, expand marketing/promotional/export activities, gain better financial control and business planning capability, or form partnerships with other businesses in order to lower costs or expand sales.

All labour and goods must be supplied in Ontario by Ontario-based companies, and must be directly related to the new or expanded activities. Certain costs incurred outside Ontario, such as marketing and promotion in national and international

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markets, and showcasing outside Ontario, may be eligible where a business case exists to show necessity of the costs and the benefits to the applicant.

## **Eligible Activities and Costs for Domestic Music Promoters/Presenters and Booking Agents:**

### **Live Music Performances and Programming**

Activities including the direct costs of developing, producing, programming, rehearsing, and promoting live music events in Ontario by Canadian artists or groups. Events funded in this stream may include performances by non-Canadian artists and groups, provided that Canadian artists form a substantial portion of the total performance time of the event or series.

- Eligible costs may include, but are not limited to: negotiating and signing artist and venue agreements; artist fees; venue or site rental and related event costs; creating video and multimedia stage shows/onsite signage; hiring Ontario-based tech, security and other crew; and advertising and promotional activity directly related to eligible performances.

### **Business Development**

Activities that contribute to the expansion of a company's capacity to develop artists and programming; expand marketing & promotional activities; and obtain financial and business administration services or training, mentoring and other professional development activities. Activities may also support developing new music-related revenue streams, acquiring market research/intelligence, attracting investment and innovating in digital services or other technology-enabled areas.

- Eligible costs may include, but are not limited to: direct, external costs paid to consultants or other vendors/suppliers for goods and services that enhance the capacity of the company. Such costs may include industry conference attendance and business travel, IT and digital resources, or marketing data or analysis services. Such costs are eligible when they are directly related to activities which develop artists, expand marketing/promotional/export activities, gain better financial control and business planning capability, or form partnerships with other businesses in order to lower costs or expand sales.

All labour and goods must be supplied in Ontario by Ontario-based companies, and must be directly related to the activities. Certain costs incurred outside Ontario, such as marketing and promotion in national and international markets, may be

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eligible where a business case exists to show necessity of the costs and the benefits to the applicant.

## Ineligible Expenses

### *The following expenses are ineligible:*

- expenses incurred outside of the eligible activity period;
- recoupable expenses\*;
- expenses to be incurred after the completion date as set out in your timeline;
- expenses incurred over the course of the activity that were not in the original budget and which did not receive pre-approval by the OMO;
- recording costs incurred outside Ontario;
- salaries and wages of staff not directly related to the activities outlined in the application;
- staff benefit costs;
- in-kind costs for staff;
- occupancy costs, unless otherwise stated in these guidelines;
- real estate and leasehold improvement costs;
- capital costs related to permanent structures;
- cost of alcoholic beverages;
- cost of commercial General Liability insurance (however, the cost of event insurance for specific performances is eligible);
- fees relating to the compilation (notice-to-reader), review, or audit of applicant financial statements; and
- sales taxes: taxes that are recoverable by the recipient may not be claimed as an eligible cost on the Activity Budget. Examples of taxes that are recoverable include GST/HST, PST, and VAT.

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\*Note: The OMO requires that any amount of OMF grant funds provided for recoupable recording and production costs be deducted by the recipient record label from the recording artist's recoupable account. No OMF funds will be used to recoup recording and production costs from an artist "in deficit" for past activity. Please see the "Obligations of Successful Applicants" section of these Guidelines for further detail.

## Budget and Financing Requirements

### Budgets

Applicants are required to submit two distinct sets of financial information:

- **Company Budget** – an overall company financial plan outlining all corporate revenue and expenditures for a specified fiscal period. For comparative purposes, the budget must include both actual revenues and expenses for the previous fiscal period as well as a forecast of revenues and expenses that correspond to the current fiscal year, and/or to the end of the 2017-18 eligibility window; and
- **Activity Budget** – includes cost breakdowns for each of the new eligible activities in the request for funding, along with a summary of sources of financing for those activities ("Financing Plan").

The Company Budget will allow OMO to review overall expenditures and revenue, including government funding, within the eligible time period.

The Activity Budget will allow the evaluation of the OMF funding request in relation to the overall budget of the company. The Activity Budget must be completed using the template provided by the OMO.

For budgeting purposes, please note the following cost guidance for travel and accommodation:

**Travel Costs** – Air travel should be budgeted at economy rates and should reflect the costs of booking at least 30 days in advance of travel.

**Accommodation Costs** – Hotel expenses should be at moderate per night rates and should reflect the average for the travel destination/activity.

**Per Diems** – Capped at C\$75/day. Including daily meals and incidentals.

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OMDC will cover arrival the day prior to and departure the day after an event. Any additional time at an event must be addressed in the application and a rationale provided.

### **Related Party Transactions**

All Related Party Transactions (RPTs) must be declared on the Related Party Transaction template and denoted on the activity budget at the time of application. Any Related Party Costs (cash or in-kind) not approved at the time of application may be deemed ineligible. The OMO reserves the right to request supporting documentation for all RPTs. Note re: Related Party Personnel: The allocation of time devoted to the activity must be reasonable and appropriate and must be supported by documents such as T4s, employment contracts, timesheets, specifying the activity, etc.

Please see Appendix 2 for the definition of a RPT. For accounting and reporting rules on RPTs, please refer to the Final Cost Report Guidelines.

### **Financing Plan Parameters**

- Applicants are required to fund a minimum of 25% of the total eligible activity/project costs using non-government sources (e.g. Applicant and partner contributions, sponsorships, donations, earned revenues and/or fees).
- Up to 60% of the Applicant's contribution may be in the form of In-Kind contributions, provided that these are reasonably valued.
- OMF funding through the Music Futures stream will not exceed \$50,000 per applicant per year. Minimum activity budgets must be \$10,000 per applicant per year.

The Activity Budget must contain complete information as to how the company will pay for the new or expanded activities. The total amount of financing must match the total cost of all eligible activities. Specifically, the financing component of the Activity Budget will indicate all sources and amounts from corporate investment (cash in the bank), financed investment (e.g., line of credit, investors), projected revenue derived from execution of the activity, confirmed funding from government or other private funding bodies, and anticipated funding from government or other funding bodies – including the request for Music Futures stream funding.

If an artist is contributing in any way to the financing of a company's Activity Budget (e.g., as a partner or participant in cost-sharing), the company must declare that

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contribution. For example, if an artist receives FACTOR or Ontario Arts Council (OAC) funding for a recording, and the company requests funding for the same recording through the Music Futures stream, then that artist's funding must be declared as part of the Financing Plan, and will be a factor in determining the total government cap.

Financing from other public/private funding agencies does not need to be confirmed at the time of application. However, unconfirmed funding from other sources should be supported by information and documentation to substantiate the likelihood of receiving such funding. For example, an artist or company with a history of receiving FACTOR funding would indicate what programs have been applied to at FACTOR, the projected amount of funding and the date by which the company expects to be notified of the decision.

### **Administration and Capital Cost Limitations**

- Administrative/Overhead Costs are capped at 35% of the total budget for all eligible activities. Administrative costs should be attributed to and included in the cost breakdowns of each individual activity.
- A business rationale and detailed breakdown showing specific costs and shares of personnel time must be submitted. If new employment positions or ongoing company activities are being created which are intended to be permanent, the application should show how they will be sustained after the initial OMF-supported period (e.g. through increased sales).
- The cost of new equipment, materials and software where necessary and appropriate may be included as outlined below:
  - 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**

- Companies and businesses and their related entities may submit only one application per fiscal year to the Music Futures stream.
- To be eligible, costs must be incurred between August 1, 2017 and July 31, 2018 (for Domestic Record Labels, Artist-Entrepreneurs, Music Managers,

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and Music Publishers) or between December 1, 2017 - November 30, 2018 for Domestic Music Promoters/Presenters and Booking Agents.

## Application Process

The deadlines for applications are as follows:

### **Application Deadline #1: Thursday, May 4, 2017 by 5:00 pm**

For eligible Domestic Record Labels, Artist-Entrepreneurs, Music Managers, and Music Publishers

### **Application Deadline #2: Wednesday, October 4, 2017 by 5:00 pm**

For eligible Domestic Music Promoters/Presenters and Booking Agents

### **Late applications will not be considered.**

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

## Business Plans

A Business Plan is required for all applicants. Business Plans should include forward-looking information on plans for company growth, supported by a discussion of competitive strengths, artist development strategies, human resources, corporate financing and other key details.

Business Plans must provide a case for OMF funding and its contribution to company investment, growth and long-term potential. The OMO recommends a 12-18 month time horizon for Business Plans. If an applicant has submitted a Business Plan to the OMO in a prior year that covers multiple years, applicants need only re-submit the plan in the case of material updates. If a business plan's timeframe has expired by the time of application, a new plan must be submitted.

While applicants have the flexibility to structure their plans on the basis of their individual activities and business profiles, Business Plans submitted for review must contain, at minimum, the following components:

- Applicant profile including profile of key personnel;
- Company strategy;
- Overview of general business activities and short/long-term goals;
- Company SWOT analysis;

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- Budget for the overall business; and
- Revenue, expense and profit projections going forward for the next 12 - 18 months, compared with actual results for the most recently ended fiscal years.

### **Financial Statements**

The Applicant's Financial Statements must be submitted as part of the application. Financial statements for **two** fiscal years are required and at a minimum, must include a Balance Sheet and an Income Statement.

#### **For applicants eligible to apply to the May 4 deadline:**

You must submit your 2016 and 2015 financial statements. If your fiscal year-end is December 31, you must submit your 2016 Financial Statements no later than June 30, 2017.

#### **For applicants eligible to apply to the October 4 deadline:**

If your fiscal year-end falls between April and December, you must submit your 2016 and 2015 statements. If your fiscal year-end falls between January and March, you must submit your 2017 and 2016 financial statements.

Review engagement and audited financial statements are preferred; however, Notice-to-Reader financial statements will be accepted. Exceptions may be considered for companies with less than two years of operations. Companies in this situation must contact the OMO in advance of the application submission deadline. Applicants must also include a breakdown of eligible revenue along with their financial statement submission (using the OMDC-provided template provided in the application).

### **Summary of Application Requirements**

A complete list of required application materials is outlined in the application form on the Online Application Portal (OAP). For the Music Futures stream, the following application components are required:

- Activity Budget Template (sections to be completed for each eligible activity in order of priority);
- Activity Plan (for each eligible activity);
- Company Budget;

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- Business Plan;
- Articles of Incorporation or Master Business License (official Government of Ontario business registration documentation);
- Financial Statements for the the two most recently completed fiscal years (as outlined on page 20);
- Revenue Breakdown template (providing a breakdown of eligible revenue sources);
- Artists' contracts/certificate and undertaking (if applicable);
- Back up confirmation to support confirmed or pending financing;
- Copy of Insurance listing OMDC and Her Majesty the Queen as additional insured parties;
- Documentation indicating that eligibility requirements have been met (e.g., proof of release dates, proof of sales, management or recording/licensing agreements);
- Signed Related Party Transaction form; and
- Signed Applicant Declaration.

Applicants should refer to the application form in the OMDC Online Application Portal for other required application materials.

**Note:** Companies applying to the Music Futures 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 activity manager and oversee the applicant company's participation in the program. The Key Contact will be the point of contact for all communications with Ontario Music Office (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 OMO's website for the "OAP Quick Start Guide".

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

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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](mailto:applyhelp@omdc.on.ca).

## Application Assessment

Applications will be reviewed and evaluated by the 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 after it has been submitted.

All OMO 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

This is a competitive program. 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 who will receive funding and the amount of funding received is dependent on the quantity and quality of the applications selected and the individual needs of each applicant.

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

**Economic & Cultural Impact:** Return on Investment for the province and a demonstration of the net impact of the applicant's activities on Ontario's music industry and economy, as measured by core program objectives (i.e. job creation, critical success and commercial success).

**Activities/Proposal:** Applicant's ability to clearly explain and provide adequate documentation to support their proposed activities, including the presentation of

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feasible budgets, achievable activities and demonstrating innovation and creativity in the business plan and activity plan(s).

**Organizational Impact:** Return on Investment for the company and a demonstration of net benefits to the company as a result of OMF funding.

**Operational Capacity:** Applicant's demonstrated track record, financial stability and organizational capacity (financial, human resources) to undertake and execute the activities.

**Sustainability:** The ability of the applicant to leverage OMF funding to build on success and strengthen its profile/capital/human resources pool for future investment and growth.

## Obligations of Successful Applicants

Successful applicants will receive a non-refundable contribution to be paid out at intervals during the course of the term of activities, triggered by meeting pre-determined milestones and deliverables. The OMO will determine the deliverables and payment schedule based on the company's activities and timelines. At minimum the following will trigger payments:

- Execution of the OMDC agreement;
- Delivery of an interim report(s); and
- Delivery of the completed activities and all deliverables outlined in the contract.

### Funding Agreement

On acceptance into the program, the recipient company will be required to sign a standard Ontario government 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 business/project milestones and deliverables (see "Reporting and Deliverables" below) set out in the application. A copy of this agreement is attached for review in Appendix 3. Recipients may not amend the agreement template.

### Insurance

Participating companies 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 \$1,000,000 per occurrence, \$1,000,000 products and completed operations aggregate. OMDC and Her Majesty

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the Queen must be named as an additional insured on all policies, and must cover the full activity window for the 2017-18 program year (August 1, 2017 – July 31, 2018).

#### 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 reports on the progress of their activities (if applicable) and a final report upon conclusion of their activities.

#### 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.

#### Financial Statements

Successful applicants will be required to have Notice-to-Reader financial statements for the applicant’s next fiscal year prepared and signed by an accountant who is a member in good standing of a provincial branch of the Chartered Professional Accountants (CPA). These financial statements must be submitted on an annual basis within six months of the company’s fiscal year-end (as part of the interim or final reporting stage). Depending on the applicant’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

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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 email: [OMF@omdc.on.ca](mailto:OMF@omdc.on.ca)

Applicants are advised to consult the OMO website for any relevant 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

### 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
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
Revenue for companies involved in developing shows/tours	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 2

### Glossary

<b>Activity Budget</b>	The total of Eligible Costs within a Business or Project Plan. The Activity Budget must outline all sources of project financing and expenditures pertaining to the application.
<b>Administrative/Overhead Costs</b>	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.
<b>Annual Funding Cap</b>	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).
<b>Applicant</b>	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.
<b>Applicant Agreement</b>	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.
<b>Applicant Contribution</b>	A direct financial contribution, investment or payment by an eligible music company towards eligible expenditures in its business plan.
<b>Artist</b>	One or more persons performing as a solo singer/musician, musical group or band.
<b>Associated Corporation</b>	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 \$150,000 or more must provide an audited cost report as part of the final

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	<p>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.</p>
<b>Business Plan</b>	<p>A document that outlines the short (12 months) and long-term business goals (variable – subject to Project) and revenue and expenditure projections. The Plan also documents the business entity's strategic priorities, including an overview of competitive strengths, artist development strategies, human resources, corporate financing and other key details.</p>
<b>Company Budget</b>	<p>An overall company financial plan outlining all corporate revenue and expenditures for a specified fiscal period.</p> <p>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.</p>
<b>Consortium</b>	<p>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.</p>
<b>Direct Costs</b>	<p>A direct payment by an eligible music company to a third party towards eligible expenditures in its business or project plan.</p>
<b>Eligible Cost/Expenditure</b>	<p>Each and every cost that is eligible to be supported by the OMF, as determined by the OMF guidelines.</p>
<b>Eligible Music Companies/Organizations</b>	<p>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.</p>
<b>Financial Statements</b>	<p>At minimum, an Applicant's Financial Statements must include a Balance Sheet and Income Statement for the two</p>

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<b>Financing Template</b>	most recently completed fiscal years.  A section of the Activity Budget outlining all sources of project financing. Financing sources include government and non-government funding.
<b>Ineligible</b>	An activity or entity that the OMF will not approve nor reimburse. See detailed program guidelines for a list of ineligible applicants and activities.
<b>In-House</b>	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.
<b>In-Kind</b>	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.
<b>Key Contact</b>	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.
<b>License</b>	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.
<b>Master</b>	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.
<b>Net Revenue</b>	Typically refers to a company's revenue net of discounts and returns. It is advised to consult generally accepted accounting principles (GAAP) and industry standards to determine whether your organization should report revenue at net or gross.
<b>Notice-to-Reader (Compilation) Engagement</b>	The compiling of unaudited financial information into financial statements, based on information provided by the accountant's client.
<b>Own or Control</b>	Refers to control of the exclusive exploitation rights flowing from copyright in a sound recording.
<b>Permanent Establishment</b>	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 Professional Accountants (CPA);
- 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, 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 Party Transaction**

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

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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.



**Ontario**

Ontario Media Development  
Corporation

Société de développement  
de l'industrie des médias  
de l'Ontario

## Appendix 3

### Contract Template

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

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**THE AGREEMENT** is effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

**B E T W E E N :**

**Her Majesty the Queen in right of Ontario  
as represented by the Minister of Tourism, Culture and Sport  
(the “Province”)**

**- and -**

**[enter the full legal name of the Recipient]  
(the “Recipient”)**

**CONSIDERATION**

In consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Province and the Recipient agree as follows:

**1.0 ENTIRE AGREEMENT**

1.1 This Agreement, including:

- Schedule “A” - General Terms and Conditions
  - Schedule “B” - Project Specific Information and Additional Provisions
  - Schedule “C” - Project Description and Timelines
  - Schedule “D” - Budget
  - Schedule “E” - Payment Plan
  - Schedule “F” - Reports, and
- any amending agreement entered into as provided for below,

constitutes the entire agreement between the Parties with respect to the subject matter contained in the Agreement and supersedes all prior oral or written representations and agreements.

## **2.0 COUNTERPARTS**

2.1 The Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

## **3.0 AMENDING THE AGREEMENT**

3.1 The Agreement may only be amended by a written agreement duly executed by the Parties.

## **4.0 ACKNOWLEDGEMENT**

4.1 The Recipient acknowledges that:

- (a) by receiving Funds it may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the *Broader Public Sector Accountability Act, 2010* (Ontario), the *Public Sector Salary Disclosure Act, 1996* (Ontario), and the *Auditor General Act* (Ontario);
- (b) Her Majesty the Queen in right of Ontario has issued expenses, perquisites, and procurement directives and guidelines pursuant to the *Broader Public Sector Accountability Act, 2010* (Ontario);
- (c) the Funds are:
  - (i) to assist the Recipient to carry out the Project and not to provide goods or services to the Province;
  - (ii) funding for the purposes of the *Public Sector Salary Disclosure Act, 1996* (Ontario);
- (d) the Province is not responsible for carrying out the Project; and
- (e) the Province is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Province in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

**- SIGNATURE PAGE FOLLOWS -**

The Parties have executed the Agreement on the dates set out below.

**HER MAJESTY THE QUEEN IN RIGHT OF  
ONTARIO as represented by the Minister of  
Tourism, Culture and Sport**

\_\_\_\_\_  
Date

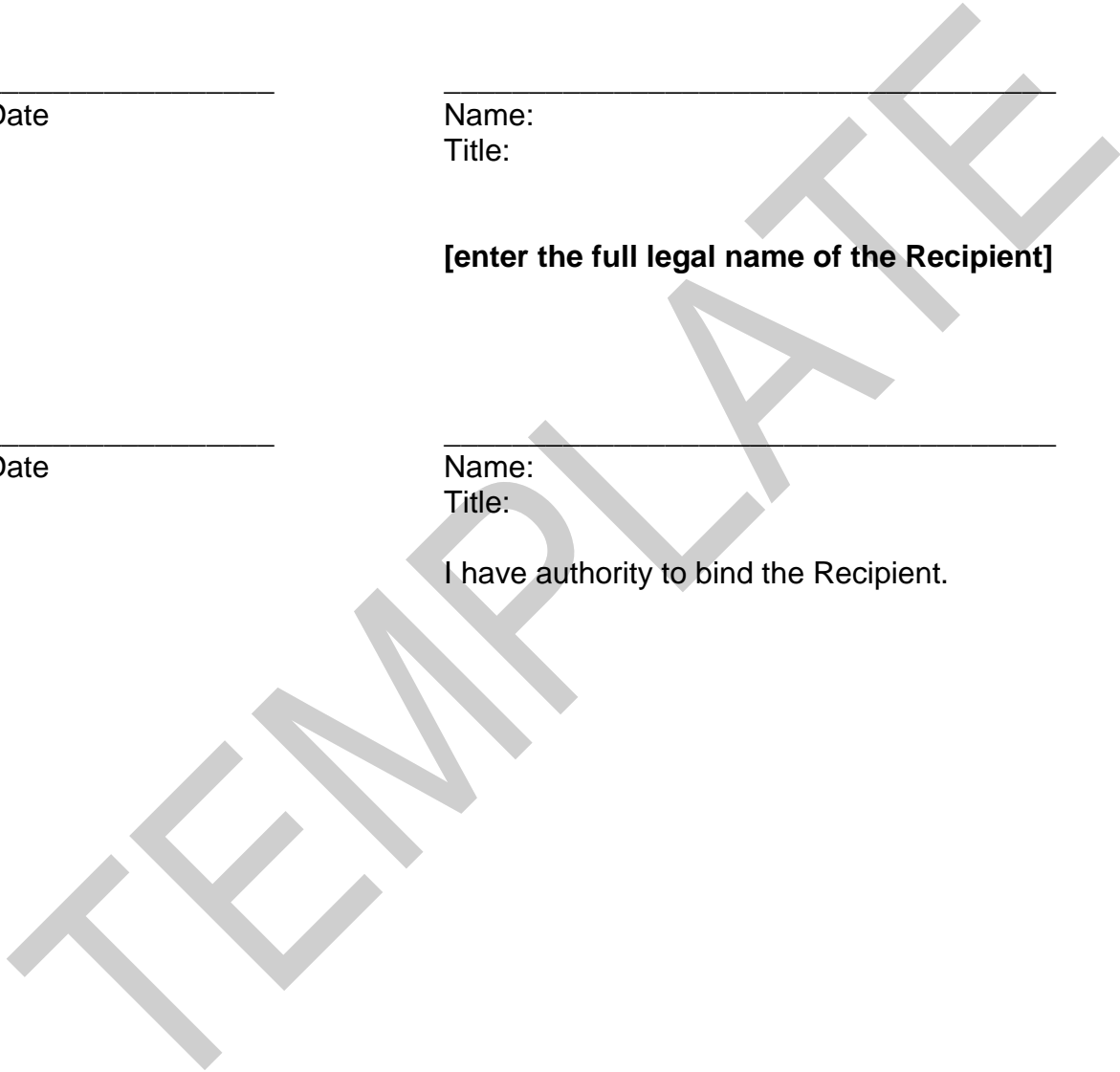
\_\_\_\_\_  
Name:  
Title:

**[enter the full legal name of the Recipient]**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:  
Title:

I have authority to bind the Recipient.



**SCHEDULE "A"**  
**GENERAL TERMS AND CONDITIONS**

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**A1.0 INTERPRETATION AND DEFINITIONS**

**A1.1 Interpretation.** For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the headings do not form part of the Agreement; they are for reference only and will not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency will be in Canadian dollars and currency; and
- (e) "include", "includes" and "including" denote that the subsequent list is not exhaustive.

**A1.2 Definitions.** In the Agreement, the following terms will have the following meanings:

**"Additional Provisions"** means the terms and conditions referred to in section A9.1 and as specified in Schedule "B".

**"Agreement"** means this agreement entered into between the Province and the Recipient and includes all of the schedules listed in section 1.1 and any amending agreement entered into pursuant to section 3.1.

**"Budget"** means the budget attached to the Agreement as Schedule "D".

**"Business Day"** means any working day, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day and any other day on which the Province has elected to be closed for business.

**"Effective Date"** means the date set out at the top of the Agreement.

**"Event of Default"** has the meaning ascribed to it in section A14.1.

**"Expiry Date"** means the date on which the Agreement will expire and is the date provided for in Schedule "B".

**“Funding Year”** means:

- (a) in the case of the first Funding Year, the period commencing on the Effective Date and ending on the following March 31; and
- (b) in the case of Funding Years subsequent to the first Funding Year, the period commencing on April 1 following the end of the previous Funding Year and ending on the following March 31.

**“Funds”** means the money the Province provides to the Recipient pursuant to the Agreement.

**“Indemnified Parties”** means Her Majesty the Queen in right of Ontario, Her ministers, agents, appointees, and employees.

**“Maximum Funds”** means the maximum amount the Province will provide the Recipient under the Agreement as provided for in Schedule “B”.

**“Notice”** means any communication given or required to be given pursuant to the Agreement.

**“Notice Period”** means the period of time within which the Recipient is required to remedy an Event of Default pursuant to section A14.3(b), and includes any such period or periods of time by which the Province extends that time in accordance with section A14.4.

**“Parties”** means the Province and the Recipient.

**“Party”** means either the Province or the Recipient.

**“Project”** means the undertaking described in Schedule “C”.

**“Reports”** means the reports described in Schedule “F”.

## **A2.0 REPRESENTATIONS, WARRANTIES, AND COVENANTS**

**A2.1 General.** The Recipient represents, warrants, and covenants that:

- (a) it is, and will continue to be, a validly existing legal entity with full power to fulfill its obligations under the Agreement;
- (b) it has, and will continue to have, the experience and expertise necessary to carry out the Project;



- (c) it is in compliance with, and will continue to comply with, all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules, and by-laws related to any aspect of the Project, the Funds, or both;
- (d) unless otherwise provided for in the Agreement, any information the Recipient provided to the Province in support of its request for funds (including information relating to any eligibility requirements) was true and complete at the time the Recipient provided it and will continue to be true and complete; and
- (e) it is not aware of any actions, suits, proceedings or investigations that relate to the Project that may be pending or threatened against the Recipient or any person associated with the Project.

**A2.2 Execution of Agreement.** The Recipient represents and warrants that it has:

- (a) the full power and authority to enter into the Agreement; and
- (b) taken all necessary actions to authorize the execution of the Agreement.

**A2.3 Governance.** The Recipient represents, warrants, and covenants that it has, will maintain in writing, and will follow:

- (a) a code of conduct and ethical responsibilities for all persons at all levels of the Recipient's organization;
- (b) procedures to enable the Recipient's ongoing effective functioning;
- (c) decision-making mechanisms for the Recipient;
- (d) procedures to enable the Recipient to manage Funds prudently and effectively;
- (e) procedures to enable the Recipient to complete the Project successfully;
- (f) procedures to enable the Recipient to identify risks to the completion of the Project and strategies to address the identified risks, all in a timely manner;
- (g) procedures to enable the preparation and submission of all Reports required pursuant to Article A7.0; and
- (h) procedures to enable the Recipient to address such other matters as the Recipient considers necessary to enable the Recipient to carry out its obligations under the Agreement.

**A2.4 Supporting Proof.** Upon the request of the Province, the Recipient will provide the Province with proof of the matters referred to in this Article A2.0.

### **A3.0 TERM OF THE AGREEMENT**

**A3.1 Term.** The term of the Agreement will commence on the Effective Date and will expire on the Expiry Date unless terminated earlier pursuant to Article A12.0, Article A13.0, or Article A14.0.

### **A4.0 FUNDS AND CARRYING OUT THE PROJECT**

**A4.1 Funds Provided.** The Province will:

- (a) provide the Recipient up to the Maximum Funds for the purpose of carrying out the Project;
- (b) provide the Funds to the Recipient in accordance with the Payment Plan attached to the Agreement as Schedule “E”; and
- (c) deposit the Funds into an account designated by the Recipient provided that the account:
  - (i) resides at a Canadian financial institution; and
  - (ii) is in the name of the Recipient.

**A4.2 Limitation on Payment of Funds.** Despite section A4.1:

- (a) the Province is not obligated to provide any Funds to the Recipient until the Recipient provides the certificates of insurance or other proof as the Province may request pursuant to section A11.2;
- (b) the Province is not obligated to provide instalments of Funds until it is satisfied with the progress of the Project;
- (c) the Province may adjust the amount of Funds it provides to the Recipient in any Funding Year based upon the Province’s assessment of the information the Recipient provides to the Province pursuant to section A7.1; and
- (d) if, pursuant to the *Financial Administration Act (Ontario)*, the Province does not receive the necessary appropriation from the Ontario Legislature for payment under the Agreement, the Province is not obligated to make any such payment, and, as a consequence, the Province may:

- (i) reduce the amount of Funds and, in consultation with the Recipient, change the Project; or
- (ii) terminate the Agreement pursuant to section A13.1.

**A4.3 Use of Funds and Carry Out the Project.** The Recipient will do all of the following:

- (a) carry out the Project;
- (b) use the Funds only for the purpose of carrying out the Project;
- (c) spend the Funds only in accordance with the Budget;
- (d) not use the Funds to cover any cost that has or will be funded or reimbursed by one or more of any third party, ministry, agency, or organization of the Government of Ontario.

**A4.4 Interest Bearing Account.** If the Province provides Funds before the Recipient's immediate need for the Funds, the Recipient will place the Funds in an interest bearing account in the name of the Recipient at a Canadian financial institution.

**A4.5 Interest.** If the Recipient earns any interest on the Funds, the Province may:

- (a) deduct an amount equal to the interest from any further instalments of Funds; or
- (b) demand from the Recipient the repayment of an amount equal to the interest.

**A4.6 Maximum Funds.** The Recipient acknowledges that the Funds available to it pursuant to the Agreement will not exceed the Maximum Funds.

**A4.7 Rebates, Credits, and Refunds.** The Recipient acknowledges that the amount of Funds available to it pursuant to the Agreement is based on the actual costs to the Recipient to carry out the Project, less any costs (including taxes) for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit, or refund.

#### **A5.0 RECIPIENT'S ACQUISITION OF GOODS OR SERVICES, AND DISPOSAL OF ASSETS**

**A5.1 Acquisition.** If the Recipient acquires goods, services, or both with the Funds, it will:

- (a) do so through a process that promotes the best value for money; and
- (b) comply with the *Broader Public Sector Accountability Act, 2010* (Ontario), including any procurement directive issued thereunder, to the extent applicable.

**A5.2 Disposal.** The Recipient will not, without the Province's prior written consent, sell, lease, or otherwise dispose of any asset purchased or created with the Funds or for which Funds were provided, the cost of which exceeded the amount as provided for in Schedule "B" at the time of purchase.

## **A6.0 CONFLICT OF INTEREST**

**A6.1 No Conflict of Interest.** The Recipient will carry out the Project and use the Funds without an actual, potential, or perceived conflict of interest.

**A6.2 Conflict of Interest Includes.** For the purposes of this Article, a conflict of interest includes any circumstances where:

- (a) the Recipient; or
- (b) any person who has the capacity to influence the Recipient's decisions, has outside commitments, relationships, or financial interests that could, or could be seen to, interfere with the Recipient's objective, unbiased, and impartial judgment relating to the Project, the use of the Funds, or both.

**A6.3 Disclosure to Province.** The Recipient will:

- (a) disclose to the Province, without delay, any situation that a reasonable person would interpret as an actual, potential, or perceived conflict of interest; and
- (b) comply with any terms and conditions that the Province may prescribe as a result of the disclosure.

## **A7.0 REPORTS, ACCOUNTING, AND REVIEW**

**A7.1 Preparation and Submission.** The Recipient will:

- (a) submit to the Province at the address referred to in section A18.1, all Reports in accordance with the timelines and content requirements provided for in Schedule "F", or in a form as specified by the Province from time to time;
- (b) submit to the Province at the address referred to in section A18.1, any other reports as may be requested by the Province in accordance with

the timelines and content requirements specified by the Province;

- (c) ensure that all Reports and other reports are completed to the satisfaction of the Province; and
- (d) ensure that all Reports and other reports are signed on behalf of the Recipient by an authorized signing officer.

**A7.2 Record Maintenance.** The Recipient will keep and maintain:

- (a) all financial records (including invoices) relating to the Funds or otherwise to the Project in a manner consistent with generally accepted accounting principles; and
- (b) all non-financial documents and records relating to the Funds or otherwise to the Project.

**A7.3 Inspection.** The Province, any authorized representative, or any independent auditor identified by the Province may, at the Province's expense, upon twenty-four hours' Notice to the Recipient and during normal business hours, enter upon the Recipient's premises to review the progress of the Project and the Recipient's allocation and expenditure of the Funds and, for these purposes, the Province, any authorized representative, or any independent auditor identified by the Province may take one or more of the following actions:

- (a) inspect and copy the records and documents referred to in section A7.2;
- (b) remove any copies made pursuant to section A7.3(a) from the Recipient's premises; and
- (c) conduct an audit or investigation of the Recipient in respect of the expenditure of the Funds, the Project, or both.

**A7.4 Disclosure.** To assist in respect of the rights provided for in section A7.3, the Recipient will disclose any information requested by the Province, any authorized representatives, or any independent auditor identified by the Province, and will do so in the form requested by the Province, any authorized representative, or any independent auditor identified by the Province, as the case may be.

**A7.5 No Control of Records.** No provision of the Agreement will be construed so as to give the Province any control whatsoever over the Recipient's records.

**A7.6 Auditor General.** For greater certainty, the Province's rights under this Article are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

## **A8.0 COMMUNICATIONS REQUIREMENTS**

**A8.1 Acknowledge Support.** Unless otherwise directed by the Province, the Recipient will:

- (a) acknowledge the support of the Province for the Project; and
- (b) ensure that the acknowledgement referred to in section A8.1(a) is in a form and manner as directed by the Province.

**A8.2 Publication.** The Recipient will indicate, in any of its Project-related publications, whether written, oral, or visual, that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Province.

## **A9.0 FURTHER CONDITIONS**

**A9.1 Additional Provisions.** The Recipient will comply with any Additional Provisions. In the event of a conflict or inconsistency between any of the requirements of the Additional Provisions and any requirements of this Schedule “A”, the Additional Provisions will prevail.

## **A10.0 INDEMNITY**

**A10.1 Indemnification.** The Recipient hereby agrees to indemnify and hold harmless the Indemnified Parties from and against any and all liability, loss, costs, damages, and expenses (including legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits, or other proceedings, by whomever made, sustained, incurred, brought, or prosecuted, in any way arising out of or in connection with the Project or otherwise in connection with the Agreement, unless solely caused by the negligence or wilful misconduct of the Indemnified Parties.

**A10.2 Recipient’s Participation.** The Recipient will, at its expense, to the extent requested by the Province, participate in or conduct the defence of any proceeding against any Indemnified Parties and any negotiations for their settlement.

**A10.3 Province’s Election.** The Province may elect to participate in or conduct the defence of any proceeding by providing Notice to the Recipient of such election without prejudice to any other rights or remedies of the Province under the Agreement, at law, or in equity. Each Party participating in the defence will do so by actively participating with the other’s counsel.

**A10.4 Settlement Authority.** The Recipient will not enter into a settlement of any proceeding against any Indemnified Parties unless the Recipient has obtained the prior written approval of the Province. If the Recipient is requested by the

Province to participate in or conduct the defence of any proceeding, the Province will co-operate with and assist the Recipient to the fullest extent possible in the proceeding and any related settlement negotiations.

**A10.5 Recipient's Co-operation.** If the Province conducts the defence of any proceedings, the Recipient will co-operate with and assist the Province to the fullest extent possible in the proceedings and any related settlement negotiations

## **A11.0 INSURANCE**

**A11.1 Recipient's Insurance.** The Recipient represents, warrants, and covenants that it has, and will maintain, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out a project similar to the Project would maintain, including 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 the amount provided for in Schedule "B" per occurrence. The policy will include the following:

- (a) the Indemnified Parties as additional insureds with respect to liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, the Agreement;
- (b) a cross-liability clause;
- (c) contractual liability coverage; and
- (d) a 30-day written notice of cancellation.

**A11.2 Proof of Insurance. The Recipient will:**

- (a) provide to the Province, either:
  - (i) certificates of insurance that confirm the insurance coverage as provided for in section A11.1; or
  - (ii) other proof that confirms the insurance coverage as provided for in section A11.1; and
- (b) upon the request of the Province, provide to the Province a copy of any insurance policy.

## **A12.0 TERMINATION ON NOTICE**

**A12.1 Termination on Notice.** The Province may terminate the Agreement at any time without liability, penalty, or costs upon giving at least 30 days' Notice to the Recipient.

**A12.2 Consequences of Termination on Notice by the Province.** If the Province terminates the Agreement pursuant to section A12.1, the Province may take one or more of the following actions:

- (a) cancel all further instalments of Funds;
- (b) demand the repayment of any Funds remaining in the possession or under the control of the Recipient; and
- (c) determine the reasonable costs for the Recipient to wind down the Project, and do either or both of the following:
  - (i) permit the Recipient to offset such costs against the amount the Recipient owes pursuant to section A12.2(b); and
  - (ii) subject to section A4.7, provide Funds to the Recipient to cover such costs.

#### **A13.0 TERMINATION WHERE NO APPROPRIATION**

**A13.1 Termination Where No Appropriation.** If, as provided for in section A4.2(d), the Province does not receive the necessary appropriation from the Ontario Legislature for any payment the Province is to make pursuant to the Agreement, the Province may terminate the Agreement immediately without liability, penalty, or costs by giving Notice to the Recipient.

**A13.2 Consequences of Termination Where No Appropriation.** If the Province terminates the Agreement pursuant to section A13.1, the Province may take one or more of the following actions:

- (a) cancel all further instalments of Funds;
- (b) demand the repayment of any Funds remaining in the possession or under the control of the Recipient; and
- (c) determine the reasonable costs for the Recipient to wind down the Project and permit the Recipient to offset such costs against the amount owing pursuant to section A13.2(b).

**A13.3 No Additional Funds.** For greater clarity, if the costs determined pursuant to section A13.2(c) exceed the Funds remaining in the possession or under the control of the Recipient, the Province will not provide additional Funds to the Recipient.

#### **A14.0 EVENT OF DEFAULT, CORRECTIVE ACTION, AND TERMINATION FOR DEFAULT**



**A14.1 Events of Default.** Each of the following events will constitute an Event of Default:

- (a) in the opinion of the Province, the Recipient breaches any representation, warranty, covenant, or other material term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:
  - (i) carry out the Project;
  - (ii) use or spend Funds; or
  - (iii) provide, in accordance with section A7.1, Reports or such other reports as may have been requested pursuant to section A7.1(b);
- (b) the Recipient's operations, or its organizational structure, changes such that it no longer meets one or more of the eligibility requirements of the program under which the Province provides the Funds;
- (c) the Recipient makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or a creditor makes an application for an order adjudging the Recipient bankrupt, or applies for the appointment of a receiver; or
- (d) the Recipient ceases to operate.

**A14.2 Consequences of Events of Default and Corrective Action.** If an Event of Default occurs, the Province may, at any time, take one or more of the following actions:

- (a) initiate any action the Province considers necessary in order to facilitate the successful continuation or completion of the Project;
- (b) provide the Recipient with an opportunity to remedy the Event of Default;
- (c) suspend the payment of Funds for such period as the Province determines appropriate;
- (d) reduce the amount of the Funds;
- (e) cancel all further instalments of Funds;
- (f) demand the repayment of any Funds remaining in the possession or under the control of the Recipient;
- (g) demand the repayment of an amount equal to any Funds the Recipient

used, but did not use in accordance with the Agreement;

- (h) demand the repayment of an amount equal to any Funds the Province provided to the Recipient; and
- (i) terminate the Agreement at any time, including immediately, without liability, penalty or costs to the Province upon giving Notice to the Recipient.

**A14.3 Opportunity to Remedy.** If, in accordance with section A14.2(b), the Province provides the Recipient with an opportunity to remedy the Event of Default, the Province will provide Notice to the Recipient of:

- (a) the particulars of the Event of Default; and
- (b) the Notice Period.

**A14.4 Recipient not Remediating.** If the Province has provided the Recipient with an opportunity to remedy the Event of Default pursuant to section A14.2(b), and:

- (a) the Recipient does not remedy the Event of Default within the Notice Period;
- (b) it becomes apparent to the Province that the Recipient cannot completely remedy the Event of Default within the Notice Period; or
- (c) the Recipient is not proceeding to remedy the Event of Default in a way that is satisfactory to the Province,

the Province may extend the Notice Period, or initiate any one or more of the actions provided for in sections A14.2(a), (c), (d), (e), (f), (g), (h), and (i).

**A14.5 When Termination Effective.** Termination under this Article will take effect as provided for in the Notice.

## **A15.0 FUNDS AT THE END OF A FUNDING YEAR**

**A15.1 Funds at the End of a Funding Year.** Without limiting any rights of the Province under Article A14.0, if the Recipient has not spent all of the Funds allocated for the Funding Year as provided for in the Budget, the Province may take one or both of the following actions:

- (a) demand the return of the unspent Funds; and
- (b) adjust the amount of any further instalments of Funds accordingly.

**A16.0 FUNDS UPON EXPIRY**

**A16.1 Funds Upon Expiry.** The Recipient will, upon expiry of the Agreement, return to the Province any Funds remaining in its possession or under its control.

**A17.0 REPAYMENT**

**A17.1 Repayment of Overpayment.** If at any time the Province provides Funds in excess of the amount to which the Recipient is entitled under the Agreement, the Province may:

- (a) deduct an amount equal to the excess Funds from any further instalments of Funds; or
- (b) demand that the Recipient pay an amount equal to the excess Funds to the Province.

**A17.2 Debt Due.** If, pursuant to the Agreement:

- (a) the Province demands the payment of any Funds or an amount equal to any Funds from the Recipient; or
- (b) the Recipient owes any Funds or an amount equal to any Funds to the Province, whether or not their return or repayment has been demanded by the Province,

such Funds or other amount will be deemed to be a debt due and owing to the Province by the Recipient, and the Recipient will pay or return the amount to the Province immediately, unless the Province directs otherwise.

**A17.3 Interest Rate.** The Province may charge the Recipient interest on any money owing by the Recipient at the then current interest rate charged by the Province of Ontario on accounts receivable.

**A17.4 Payment of Money to Province.** The Recipient will pay any money owing to the Province by cheque payable to the “Ontario Minister of Finance” and delivered to the Province as provided for in Schedule “B”.

**A17.5 Fails to Repay.** Without limiting the application of section 43 of the *Financial Administration Act* (Ontario), if the Recipient fails to repay any amount owing under the Agreement, Her Majesty the Queen in right of Ontario may deduct any unpaid amount from any money payable to the Recipient by Her Majesty the Queen in right of Ontario.

## **A18.0 NOTICE**

**A18.1 Notice in Writing and Addressed.** Notice will be in writing and will be delivered by email, postage-prepaid mail, personal delivery, or fax, and will be addressed to the Province and the Recipient respectively as provided for Schedule “B”, or as either Party later designates to the other by Notice.

**A18.2 Notice Given.** Notice will be deemed to have been given:

- (a) in the case of postage-prepaid mail, five Business Days after the Notice is mailed; or
- (b) in the case of email, personal delivery, or fax, one Business Day after the Notice is delivered.

**A18.3 Postal Disruption.** Despite section A18.2(a), in the event of a postal disruption:

- (a) Notice by postage-prepaid mail will not be deemed to be received; and
- (b) the Party giving Notice will provide Notice by email, personal delivery, or fax.

## **A19.0 CONSENT BY PROVINCE AND COMPLIANCE BY RECIPIENT**

**A19.1 Consent.** When the Province provides its consent pursuant to the Agreement, it may impose any terms and conditions on such consent and the Recipient will comply with such terms and conditions.

## **A20.0 SEVERABILITY OF PROVISIONS**

**A20.1 Invalidity or Unenforceability of Any Provision.** The invalidity or unenforceability of any provision of the Agreement will not affect the validity or enforceability of any other provision of the Agreement. Any invalid or unenforceable provision will be deemed to be severed.

**A21.0 WAIVER**

**A21.1 Waivers in Writing.** If a Party fails to comply with any term of the Agreement, that Party may only rely on a waiver of the other Party if the other Party has provided a written waiver in accordance with the Notice provisions in Article A18.0. Any waiver must refer to a specific failure to comply and will not have the effect of waiving any subsequent failures to comply.

**A22.0 INDEPENDENT PARTIES**

**A22.1 Parties Independent.** The Recipient is not an agent, joint venturer, partner, or employee of the Province, and the Recipient will not represent itself in any way that might be taken by a reasonable person to suggest that it is, or take any actions that could establish or imply such a relationship.

**A23.0 ASSIGNMENT OF AGREEMENT OR FUNDS**

**A23.1 No Assignment.** The Recipient will not, without the prior written consent of the Province, assign any of its rights or obligations under the Agreement.

**A23.2 Agreement Binding.** All rights and obligations contained in the Agreement will extend to and be binding on the Parties' respective heirs, executors, administrators, successors, and permitted assigns.

**A24.0 GOVERNING LAW**

**A24.1 Governing Law.** The Agreement and the rights, obligations, and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement will be conducted in the courts of Ontario, which will have exclusive jurisdiction over such proceedings.

**A25.0 FURTHER ASSURANCES**

**A25.1 Agreement into Effect.** The Recipient will provide such further assurances as the Province may request from time to time with respect to any matter to which the Agreement pertains, and will otherwise do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

**A26.0 JOINT AND SEVERAL LIABILITY**

**A26.1 Joint and Several Liability.** Where the Recipient is comprised of more than one entity, all such entities will be jointly and severally liable to the Province for the fulfillment of the obligations of the Recipient under the Agreement.

**A27.0 RIGHTS AND REMEDIES CUMULATIVE**

**A27.1 Rights and Remedies Cumulative.** The rights and remedies of the Province under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

**A28.0 FAILURE TO COMPLY WITH OTHER AGREEMENTS**

**A28.1 Other Agreements.** If the Recipient:

- (a) has failed to comply with any term, condition, or obligation under any other agreement with Her Majesty the Queen in right of Ontario or one of Her agencies (a “**Failure**”);
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
- (d) such Failure is continuing,

the Province may suspend the payment of Funds for such period as the Province determines appropriate.

**A29.0 SURVIVAL**

**A29.1 Survival.** The following Articles and sections, and all applicable cross-referenced sections and schedules, will continue in full force and effect for a period of seven years from the date of expiry or termination of the Agreement: Article 1.0, Article 3.0, Article A1.0 and any other applicable definitions, sections A4.2(d), A4.5, section A5.2, section A7.1 (to the extent that the Recipient has not provided the Reports or other reports as may have been requested to the satisfaction of the Province), sections A7.2, A7.3, A7.4, A7.5, A7.6, Article A8.0, Article A10.0, sections A12.2, sections A13.2, A13.3, sections A14.1, A14.2(d), (e), (f), (g) and (h), Article A16.0, Article A17.0, Article A18.0, Article A20.0, section A23.2, Article A24.0, Article A26.0, Article A27.0, Article A28.0 and Article A29.0.

**- END OF GENERAL TERMS AND CONDITIONS -**

**SCHEDULE "B"**  
**PROJECT SPECIFIC INFORMATION AND ADDITIONAL PROVISIONS**

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<b>Maximum Funds</b>	\$
<b>Expiry Date</b>	
<b>Amount for the purposes of section A5.2 (Disposal) of Schedule "A"</b>	\$1,000.00
<b>Insurance</b>	\$1,000,000
<b>Contact information for the purposes of Notice to the Province</b>	<b>Name:</b> <b>Address:</b> <b>Attention:</b> <b>Fax:</b> <b>Email:</b>
<b>Contact information for the purposes of Notice to the Recipient</b>	<b>Name:</b> <b>Address:</b> <b>Attention:</b> <b>Fax:</b> <b>Email:</b>

**Additional Provisions:**

1. The following definition is hereby added to Section A1.2 of Schedule "A" to this Agreement:

**"Online Application Portal (OAP)"** means the database through which an application under this Agreement must be submitted.

2. Subsection A4.1(c) of Schedule "A" to this Agreement is hereby deleted and replaced with the following:

(c) provide the Funds to the Recipient by cheque and the Recipient will

deposit the Funds into an account designated by the Recipient provided that the account:

- (i) resides at a Canadian financial institution; and
- (ii) is in the name of the Recipient.

3. Article A8 of Schedule “A” to this Agreement is hereby deleted and replaced with the following:

**A8.0 CREDIT, PUBLICITY AND DISCLOSURE**

A8.1 Acknowledge Support. Unless otherwise directed by the Province, the Recipient shall, in a form approved by the Province, acknowledge the support of the Province in any publication of any kind, written or oral, relating to the Project.

A8.2 Prominent Credit. As appropriate, the Province shall receive a prominent credit on Project materials and in paid advertising, press releases, publicity and promotional material for the Project as follows or in a substantially similar form: “Made possible with the support of the Ontario Media Development Corporation [LOGO]” (or the French version thereof). In all material respects (including size of type and placement), such credit is not to be less prominent than credit accorded to any and all other financial participant(s) in the Project, where applicable, taking into consideration the respective size of the contribution.

A8.3 Final Approval. The Province shall have the final approval right over the credit proposed for the Province by the Recipient in accordance with section A8.2, including the right to elect that no such credit is to be provided after the date of such election. The Recipient shall provide the Province with draft materials incorporating the credit that the Recipient proposes 14 Business Days in advance of the date when final approval is required from the Province.

A8.4 Public. The Recipient agrees that the Province may make public the name and business address of the Recipient, the amount of Funds, and the purpose for which such Funds are being provided to the Recipient under the Agreement.

A8.5 Promotion. The Province reserves the right to use the Recipient’s name, Project title and key art or images to promote the Province’s involvement in the



Project. While this right is to be exercised at the discretion of the Province, due consideration is to be given to the appropriate timing of such promotion as it relates to the Project.

4. The reference to the “Ontario Minister of Finance” in Section A17.4 of Schedule “A” to this Agreement is deleted and replaced with the “Ontario Media Development Corporation”.
5. The references to Her Majesty the Queen in right of Ontario in Section A17.5 of Schedule “A” to this Agreement are deleted and replaced with the Province.
6. Section A18.1 of Schedule “A” to this Agreement is hereby deleted and replaced with the following:

A18.1 **Notice in Writing and Addressed.** Notice will be in writing and will be delivered by electronic means on the Online Application Portal (OAP), email, postage-prepaid mail, personal delivery or fax, and will be addressed to the Province and the Recipient respectively as set out in Schedule “B”, or as either Party later designates to the other by Notice.

7. Article A30.0 is hereby added to Schedule “A” of the Agreement as follows:

#### A30.0 BUDGET REALLOCATION

A30.1 **Where No Formal Amendment Required.** Notwithstanding section 3.1 of the Agreement, the reallocation of Funds between line items within the Budget will not constitute a change to the Budget requiring a written amendment to the Agreement duly executed by the Parties, unless the reallocation of such Funds on one or more occasions represents a cumulative amount of reallocated Funds equalling over 10% of the total Funds within the Budget.

**SCHEDULE "C"**  
**PROJECT DESCRIPTION AND TIMELINES**

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To be completed at time of contracting.

TEMPLATE

**SCHEDULE "D"  
BUDGET**

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To be completed at time of contracting.

TEMPLATE

**SCHEDULE "E"  
PAYMENT PLAN**

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To be completed at time of contracting.

TEMPLATE

## **SCHEDULE "F" REPORTS**

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### **The Company/Organization will deliver an interim report including:**

1. A detailed outline of the progress on approved activities, including any measurable success to date, both financially and other.
2. An updated/revised activities plan and timeline if/as required.
3. An interim cost report; including, sources of funds used to finance the project and total costs incurred to date relative to approved budgets.
4. Number of employee hours required to date for execution of activities; indicate whether staff and/or freelance hours.
5. Copies of products/media coverage (e.g. recordings, promotional items, ads, flyers, press reviews etc.) resulting from or produced to support the funded activities.

### **The Company/Organization will deliver a final report including:**

1. Comparison of execution with the original Activities Plan/Business Plan
2. A final cost report; including total costs incurred and sources of funds used to finance the project. See Ontario Music Fund Cost Report Guidelines for more information.
  - a. Successful applicants awarded \$150,000 or more must have the Final Cost Report audited by a licensed public accountant.
  - b. Successful applicants awarded less than \$150,000 must have a duly authorized notarized affidavit attesting to the true and fair representation of the Final Cost Report. Upon request from the Ontario Music Office, copies of invoices & proofs of payments must be submitted.
3. Copies of products (e.g. recordings promotional items, ads, flyers, press reviews etc.) resulting from or produced to support the funded activities subsequent to ones provided in the interim report.
4. Actual total results to date, including the measurable results in dollar terms, and other non-financial results (e.g. ticket/record sales and/or critical success of supported projects, fees paid to artists, traditional/online media metrics, growth in Company/Organizational capacity, investments in recording etc.)
5. Total number of employee hours required for supported activities; indicate whether staff and/or freelance hours.
6. Outline/describe any digital or organizational innovation achieved as a result of funded activities (if applicable).
7. The Company/Organization's strategy for any continuing execution of the activities as may be appropriate, and how the activities undertaken have helped support the long-term viability and business growth of the Company/Organization.
8. Estimate of jobs, opportunities created/supported for Company/Artist/Organization and revenue growth (if applicable) as a result funded activities.
9. Assessment of Company/Organization's experience in the Ontario Music Fund.

Financial Statements for the company's next fiscal year-end must be submitted within six months of the company's fiscal year-end (as part of the interim or final reporting stage). Depending on the applicant corporation's fiscal year, this may be required throughout the term of the funding agreement with the OMDC.

These financial statements must be prepared by an accountant who is a member in good standing of a provincial branch of the Chartered Professional Accountants (CPA).

A follow-up report may also be required six months to one year after the conclusion of the program that summarizes subsequent results of your company's activities, including measurable results in dollar terms, and other non-financial results. This report is not tied to a payment to the company, but failure to respond to requests for this report will have an impact on the company's eligibility to receive further support from OMDC programs.

TEMPLATE