

Ontario Music Fund

Music Company Development
Guidelines: 2016-17

CONTENTS

Introduction: Overview and Goals of the Ontario Music Fund	3
OMF Program Streams	4
OMF General Applicant Eligibility Requirements	4
Music Company Development Stream Guidelines	7
Objectives	7
Funding Assistance Available	8
Applicant Eligibility by Category and Class	8
Eligible Activities & Costs	15
Ineligible Expenses	19
Budget and Financing Requirements	21
Application Process	24
Application Assessment	27
Obligations of Successful Applicants	28
Appendix 1: Outcomes	31
Appendix 2: Glossary	33

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

175 Bloor Street East,
 South Tower, Suite 501
 Toronto, Ontario M4W 3R8
 T: 416-572-0436 OR
 T: 416-642-6696
 F: 416-314-6876

OMF@omdc.on.ca
 www.omdc.on.ca

Ontario Music Fund - Music Company Development

Application Deadline: Tuesday, May 17, 2016, by 5:00 pm

Information Session Date: Friday April 15, 2016
Time: 2:30 pm – 4:00 pm

Webinar Date: Monday April 25, 2016
Time: 2:00 pm – 3:30 pm

Registration is required. [Click here to register for Information Session](#) or [click here to register for Webinar](#).

Eligible Timeline for Activities and Costs: August 1, 2016 – July 31, 2017

Eligible Applicants: Domestic music companies (record labels, music publishers, music managers, artist entrepreneurs); multinational record labels.

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 and can save information as it is entered, and can go back to edit and/or add information up until the time the application is actually submitted.

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/>

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

Introduction: Ontario Music Fund Overview

*The following general information is applicable to **all** program streams of the OMF. Specific Music Company Development 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 OMF was made permanent in the 2015 Ontario Budget. 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, aboriginal and culturally diverse communities and musical genres.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

OMF Program Streams

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

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

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

Beyond these program streams, the OMF will consider strategic support for non-conforming projects that are time-limited and have a high impact on the broader Ontario music industry. Interested applicants should contact the OMO 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/presenters, music managers, booking agents, festivals/industry conferences, not-for-profit music organizations, industry associations, music industry training organizations, artist entrepreneurs, and other not-for-profit organizations with a planned music-related activity. Eligibility is determined via membership base (in the case of the Music Industry Development stream) and/or primary business activity which must be oriented towards the music industry.

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

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

- Be incorporated in Canada, or in the process of incorporating;
- Have a permanent establishment in Ontario which serves as 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);

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

- Have key management personnel who are Canadian citizens or permanent residents of Canada living in Ontario;
- Be financially solvent and an ongoing entity;
- Be in operation for at least two years prior to application*; and
- Be in good standing with OMDC at time of application.

* Companies with less than two years of operation may be considered eligible if they are managed/controlled by individuals with at least three years of experience in a senior role in the music industry. Companies in this situation should contact the OMO at least 3-4 weeks ahead of the application deadline to discuss their eligibility.

Exceptions

Exceptions to the eligibility requirements stated above may be considered for applications from culturally diverse, Aboriginal, 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 presenter meets the requirements outlined above
- Federal, provincial, municipal governments and/or their agencies
- Universities or Colleges
- Unincorporated or unregistered artists and organizations
- Venues and Clubs (unless acting in capacity of promoter for more than one venue)

Eligible Costs

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

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

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.

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.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

Music Company Development 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 Company Development stream.

Objectives

The Music Company Development program stream of the OMF is intended to encourage investment and build competitive, sustainable, music companies in Ontario. It will provide Ontario-based music companies with funding towards new or expanded business activities that:

- Assist companies in expanding their artist rosters, investing in professional recording and production, increasing sales and building market share;
- Provide an incentive for the foreign-owned multinationals to increase their investment in and development of Canadian artists in Ontario;
- Grow company capacity by investing in financial management and business planning, and other business development activities;
- Facilitate job and revenue growth;
- Support export development activities by investing in international marketing and promotional initiatives and encouraging alliances with international partners; and/or
- Facilitate digital and organizational innovation and related efficiencies that assist companies in streamlining their activities.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

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 50% of the total eligible costs of activities.

***NEW:**

Funding caps are as follows:

Domestic Record Labels, Multinational Record Labels, Music Managers and Music Publishers (or companies associated by ownership or control) with eligible revenues of \$100,000 or more may apply for up to \$750,000 per funding cycle.

Artist-Entrepreneurs with eligible revenues of \$100,000 or more may apply for up to \$150,000 per funding cycle.

In some cases the program will consider additional requests by Domestic Record Labels, Multinational Record Labels, Music Managers and Music Publishers (or companies associated by ownership or control) with eligible revenues of more than \$5,000,000 (excluding public funding and grants, and based on reviewed or audited financial statements for the most recent fiscal year) for an additional funding enhancement of up to \$250,000, to be used for strategic activities intended to increase the company's growth and market share in Canada and/or internationally.

No grant to any company during the program year may exceed \$1 million.

The activities must be separately detailed, must not have been previously undertaken by the company, and approval may be conditional on further conditions regarding minimum company investment required.*

** Companies in this category must contact the OMO at least 3-4 weeks prior to application deadline to discuss eligibility.*

Applicant Eligibility by Category and Class

Business activities eligible for Music Company Development support vary between **Domestic Music Companies** and **Multinational Record Labels**, as described below.

Category A : Domestic Music Companies

Funding may be provided towards the costs of carrying out eligible recording, editing, mixing and mastering (in an Ontario facility), marketing and promotion

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

activities by Canadian or foreign artists signed to the applicant company, and/or eligible business and market development activities identified by the applicant and placed in the context of the company's overall business plan for the time period for which funds are requested.

Category B : Multinational Record Labels

Funding may be provided towards the costs of carrying out eligible recording, editing, mixing, mastering (in an Ontario facility), marketing and promotion activities for new recordings by Canadian artists signed to the applicant company, or for the recording, editing, mixing and mastering (in an Ontario facility) costs for new recordings by non-Canadian artists signed to the label's roster or the roster of its international parent company, using local talent where possible.

This section provides a brief definition of the eligible applicant classes and the specific eligibility requirements for each. The applicant classes fall into two categories.

Category A: Domestic Music Companies

Applicants in this category must be Canadian-controlled.

Domestic Record Labels

A domestic record label is a Canadian-controlled corporation 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.

Eligibility Requirements

To be eligible, a domestic record label must:

- Have minimum annual eligible revenues of \$100,000 from core business activities;
- Have core business activities that include recording, marketing and selling sound recordings and artist development;
- Have existing distribution for the Canadian market;

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

- Hold the master copyright, or license, for a minimum of four Canadian-artist releases or four Canadian releases as defined by CRTC Canadian Content regulations;
- Have released at least one Canadian-artist recording within the last 12 months;
- Must demonstrate the capacity to contribute a minimum financial investment (non recoupable) of 50% of the project's total budget; and
- Be Ontario-based with permanent establishment in Ontario. (See OMF General Applicant eligibility requirements listed on page 4.)

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); and
- Revenue from commissions and fees from related activities.

Applicants must submit proof that all of the above criteria have been met.

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). As the objective of the Music Company Development stream is to increase overall music production and build competitive companies, applications supporting a sole artist or group must demonstrate a significant industry impact.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

Eligibility Requirements

To be eligible, an artist-entrepreneur must:

- Be an incorporated entity;
- Be Ontario-based with permanent establishment in Ontario;
- Reside in and be eligible to pay taxes in Ontario;
- Have minimum annual eligible revenues of \$100,000 from core business activities;
- Have a minimum two-year track record in the music industry;
- Have had at least one commercial release within the last 24 months; and
- Must contribute to the Ontario economy as a job-creator, e.g., through hiring musicians to tour.

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); and
- Revenue from commissions, fees and performances.

Applicants must submit proof that all of the above criteria have been met.

NEW: Artist-Entrepreneurs may apply for up to \$150,000 per funding cycle. Please note that the OMF objective with respect to this applicant class is to support overall business development growth and expansion for the corporate entity, and, as such, Artist-Entrepreneur applicants proposing a broad slate of activities will be assessed more favourably than those focusing on a single activity (e.g. tour support only).

Music Managers

Music managers are primarily engaged in representing or managing musicians and musical groups. These establishments represent their clients in contract

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

negotiations, manage or organize their clients' financial affairs, and generally manage the careers of their clients.

Eligibility Requirements

To be eligible, a music manager must:

- Be an incorporated entity;
- Be Ontario-based with permanent establishment in Ontario;
- Have artistic management as the core business activity;
- Have minimum annual eligible revenues of \$100,000 from core business activities;
- Be managing at least two artists (although exceptions may apply to managers with one artist should the artist's career be at an advanced, international level);
- Be guiding the professional careers of artists in the domestic and international entertainment industry by overseeing their day-to-day business affairs;
- Be advising and counseling the artists concerning professional matters, long-term plans and strategic decisions which may affect their careers;
- Undertake marketing, promotion and consulting on all facets of the artists' careers; and
- Have a current artist roster that is at least 50% Canadian.

In addition, the music manager must meet **two** or more of the following criteria:

- At least one artist has commercially released an album within the last 24 months;
- A minimum of 50 paid engagements from artist roster over the last 24 months;
- At least one artist on roster has sold a minimum of 5,000 album units, 30,000 single tracks or a combination of albums and single tracks where six individual tracks is the equivalent one album unit; and

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

- At least one artist on roster is either signed to a record label or has licensed a product to a record label with a distribution deal in place.

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); and
- Net revenue from commissions and fees from related activities;

Applicants must submit proof that all of the above criteria have been met.

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.

Eligibility Requirements

To be eligible, a music publisher must:

- Have minimum annual eligible revenues of \$100,000 from core business activities;
- Have an active roster of at least two Canadian songwriters in addition to any principals in the company;
- Own a minimum of 100 original works in the catalogue with at least 50% or equivalent of those works created by Canadian songwriters (a publisher with a catalogue exceeding 1,000 titles need not meet the 50% threshold, however must demonstrate that its catalogue contains a significant portion of Canadian content); and

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

- Have published a minimum of 10 new complete Canadian works or equivalent, per year for the past two years, by two or more songwriters who are not shareholders or owners of the publishing firm, deemed by the publisher to be worthy of commercial exploitation, and with consequent demonstrable efforts to do so.

Eligible Revenue

- Revenue from licensing and sale of rights and permissions
- Revenue from commissions and fees from related activities

Applicants must submit proof that all of the above criteria have been met.

Category B:

Multinational Record Labels

A multinational record label is a company, primarily engaged in record production that is owned and controlled by non-Canadian interests. 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 companies 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.

Eligibility Requirements

To be eligible, a multinational record label must:

- Have minimum annual eligible revenues of \$100,000 from core business activities;
- Have core business activities that include recording, marketing and selling sound recordings and artist development;
- Have existing distribution for the Canadian market;
- Hold the master copyright, or license, for a minimum of four Canadian-artist releases or four Canadian releases as defined by CRTC Canadian Content regulations;
- Have released at least one Canadian-artist recording within the last 12 months; and

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

- Must demonstrate the capacity to contribute a minimum financial investment (non recoupable) of 50% of the project's total budget.
- Be Ontario-based with permanent establishment/head office in Ontario. (See OMF General Applicant eligibility requirements listed on page 4.)

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)
- Revenue from commissions and fees from related activities

Applicants must submit proof that all of the above criteria have been met.

Eligible Activities & Costs

The following is a list of activities that are eligible for support through the Music Company Development stream. The activities are grouped by applicant category and class.

Note: The Fund will not support activities that:

- Have not been undertaken between the eligible activity window of August 1, 2016 through July 31, 2017; or
- Are receiving support through other Ontario Music Fund streams.

Category A:

Domestic Music Companies (all classes)

Recording & Production:

Recording, editing, mixing and mastering of music performances by a Canadian or foreign 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*.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

- Eligible Costs may include, but are not limited to: studio rental costs (in Ontario only); remuneration to Canadian staff*, recording engineers and session musicians (all of whom must be employed in Ontario); recording supplies, mixing, mastering, master license fees for recordings**, art and copy costs; and costs of preparing music recordings for digital distribution. All sound recording costs must be incurred in Ontario.

*Note: Fees for foreign producers may be eligible where a clear rationale and value is demonstrated for using a non-Canadian producer, and where there may be potential mentorship opportunities for Ontario sound recording professionals. A cap of \$150,000 will be applied per application for foreign producer fees. It is recommended that companies applying for foreign producer fees contact the OMO at least 3-4 weeks prior to the application deadline to discuss.

**Note: While master license fees are eligible costs, applicants must provide evidence that the original recording was recorded in Ontario, within the past 24 months, and was not previously supported by the OMF. Applicants wishing to include master license fees in advance of the recording process must provide a clear explanation that validates the amount claimed, as well as assurance as to when and where the recording is anticipated to take place. OMDC reserves the right to request additional documentation as part of the reporting process, and costs may not be recognized in the event that satisfactory documentation is not provided. Companies including such costs should contact the Ontario Music Office at least 3-4 weeks prior to the application deadline to discuss.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

Marketing & 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), social networking services, special events and appearances, publicity services and radio tracking and song plugging.

- Eligible costs may include, but are not limited to: direct costs of 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 & 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 Company Development stream will not be eligible for funding under the Live Music stream.

- Eligible costs may include, but are not limited to: direct tour costs for an artist signed to the applicant company, including such costs as marketing, promotion, audio/visual and stage design, technical services, travel, transportation, and crew employed by the artist or applicant company.

Business Development:

Activities that contribute to the expansion of a company's capacity to sign/work with more artists (A&R development), increase its marketing activities, obtain financial and business administration services or training, develop new revenue streams related to music, acquire market research/intelligence, attract investment, innovate in digital services or other technology-enabled areas and create new revenue streams. Development and delivery of training programs may be considered if the applicant can demonstrate that they will benefit professionals working in the industry, are appropriate for the applicant, and do not duplicate existing industry training programs.

- 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.

Note: Costs incurred both domestically and internationally are eligible (excepting studio costs). All labour and goods must be supplied in Ontario, and must be directly related to the proposed activities. Certain costs incurred outside Ontario, such as marketing and promotion in national and international 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 company.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

Administrative and Overhead:

These costs can include staff salaries only (executive salaries are not eligible), office space and corporate services that are directly used in the delivery of the planned activities.

- Administrative and overhead costs are capped at 25% 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.
- Real estate and leasehold improvements are not eligible.

New Equipment, Materials and Software

Where necessary and appropriate, these costs may be included as noted 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).

Category B:

Multinational Record Labels

Recording & Production:

Recording, editing, mixing and mastering of music performances by a Canadian or foreign 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 may include, but are not limited to: studio rental costs; remuneration to Canadian staff*, recording engineers, and session musicians (all must be employed in Ontario); recording supplies; mixing, mastering, art and copy costs; costs of preparing music recordings for digital distribution; and master license fees** for recordings (excluded: cost of manufacturing product).

*Note: Fees for foreign producers may be eligible where a clear rationale and value is demonstrated for using a non-Canadian producer, and where

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

there may be potential mentorship opportunities for Ontario sound recording professionals. A cap of \$150,000 will be applied per application for foreign producer fees. It is recommended that companies applying for foreign producer fees contact the OMO at least two weeks prior to the application deadline to discuss.

****Note:** While master license fees are eligible costs, applicants must provide evidence that the original recording was recorded in Ontario, within the past 24 months, and was not previously supported by the OMF. Applicants wishing to include master license fees in advance of the recording process must provide a clear explanation that validates the amount claimed, as well as assurance as to when and where the recording is anticipated to take place. OMDC reserves the right to request additional documentation as part of the reporting process, and costs may not be recognized in the event that satisfactory documentation is not provided. Companies including such costs should contact the Ontario Music Office at least 3-4 weeks prior to the application deadline to discuss.

Marketing & Promotion:

Activities to promote recordings created in Ontario by a Canadian artist for which the applicant company has the rights. This can include advertising, point-of-sale promotion (on a fixed cost basis), social networking services, special events and appearances, publicity services and radio tracking and song plugging.

- Eligible costs may include, but are not limited to: direct costs of advertising, creation and production of promotional materials; online and mobile marketing; and event costs (e.g., facility rental, permits, fees, signage and technical services) for events that are solely intended to market the company, its artists or releases (excluded: food and hospitality).

All labour and goods must be supplied in Ontario, and must be directly related to the proposed activities. Certain costs incurred outside Ontario, such as marketing and promotion in national and international 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 company.

Ineligible Expenses

The following apply to both Categories A and B:

- expenses incurred outside of the eligible activity period ;

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

- expenses to be incurred after the completion date as set out in applicant's timeline;
- recording costs incurred outside Ontario;
- recoupable expenses*;
- 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;
- salaries and wages of staff not directly related to the activities outlined in the application;
- executive salary costs;
- staff benefit costs;
- in-kind costs for staff;
- manufacturing costs for commercial music recordings;
- 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;
- 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, VAT; and
- Related party transactions which did not receive pre-approval by the OMO.

*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 "Obligations of Successful Applicants" section on page 28 for further detail.

Budget and Financing Requirements

The following applies to both Categories A and B:

A detailed company business plan including financial statements and a budget for eligible activities is required as part of the application.

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 activity period; and
- **Activities Budget** – includes cost breakdowns for each of the 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 the OMO to review overall corporate expenditures and revenue, including government funding, within the eligible activity period.

The Activities Budget will allow the evaluation of the funding request in relation to the overall budget of the company. The Activities 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.

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.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

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.

Sources of Financing:

The maximum amount of funding available through the Music Company Development stream of the OMF is \$750,000 per funding cycle, capped at 50% of the total eligible costs of activities. Applicants will be required to fund a minimum % of the total activity costs using non-government sources (i.e., applicant and partnership contributions, sponsorships, donations, earned revenue and fees). Up to 20% of the applicant's contribution may be in the form of in-kind contributions, provided these are reasonably valued. Applicants bringing a higher percentage of non-government funding will be considered more favourably.

For companies with eligible annual revenues of more than \$5,000,000 which are applying for additional strategic activities support, up to \$250,000, a higher share of direct company contribution may be required.

The Activities Budget must contain complete information as to how the company will pay for the activities. The total amount of financing must match the total cost of all eligible activities. Specifically, the financing component of the Activities Budget will indicate all sources and amounts from corporate investment (cash in the bank), financed investment (e.g., line of credit, 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 OMF-Music Company Development stream funding.

As indicated above, financing from public/private funding agencies bodies does not need to be confirmed at the time of application. However, unconfirmed funding from such sources should be supported with information, timelines and documentation to demonstrate the applicant's level of confidence in receiving such funding. For example, a company with a history of receiving funding from the Canada Music Fund – Music Entrepreneur Component would include the last approval letter from CMF-MEC, along with a projection of how much the company

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

hopes to receive in the next round and an estimated date of notified from the CMF-MEC.

Should confirmation of projected or additional government funding occur after OMO approval, the OMO will reconcile the OMF contribution upon receipt of the final report. However, should the non-government percentage of funding become less than 25% of the total activities budget, the company may be required to return the excess funding to the OMO.

If an artist is contributing in any way to the financing of a company's Activities Budget (e.g. as a partner or participant in cost-sharing), the company must declare that 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 Company Development stream, then that artist's funding should be declared as part of the financing.

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).

Note: the amount claimed under the Ontario Sound Recording Tax Credit may be reduced for activities that are funded through the Music Company Development stream.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

Application Process

The following applies to both Categories A and B:

The deadline for applications is **Tuesday, May 17, 2016 by 5:00 pm.**
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 company 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. A typical business plan runs 15 to 25 pages. If an applicant has submitted a Business Plan to the OMO in a prior year that covers multiple years, applicants need only to 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 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;
- 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.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

Corporate Financial Statements

Corporate Financial Statements for both the 2014 and 2015 fiscal year ends must be submitted **by the application deadline**.

If the financial statements do not contain a breakdown of eligible revenue sources, the Revenue Breakdown Template provided in the Supporting Documents section must be completed.

For OMF requests of \$150,000 or more, review engagement or audited financial statements are required. Reviewed/Audited financial statements must include an income statement, balance sheet, statement of cash flows and retained earnings statement along with the minimum note disclosures required in the CPA Handbook. Review engagement and audited financial statements must be conducted by an independent public accountant.

For OMF funding requests below \$150,000, Notice-to-Reader financial statements are sufficient, if review engagement or audited financial statements are not available. At a minimum, Notice-to-Reader financial statements must include an income statement and a balance sheet. Notice-to-Reader financial statements must be prepared and signed by an accountant who is a member in good standing of a provincial branch of the Chartered Professional Accountants (CPA), Chartered Accountants (CA), Certified General Accountants (CGA) or Certified Management Accountants (CMA).

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 Company Development stream, the following application components are required:

- Activities Budget Template (sections to be completed for each eligible activity in order of priority);
- Activity Plan (for each eligible activity);
- Company Budget;
- Business Plan;
- Articles of Incorporation;
- Corporate Financial Statements for the the 2014 and 2015 fiscal year ends;
- Revenue Breakdown Template (if financial statements do not contain a breakdown of eligible revenue sources);

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

- Artists' contracts/certificate and undertaking (if applicable);
- Back up confirmation to support confirmed or pending financing;
- Copy of Insurance listing OMDC as additional insured;
- 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 Company Development stream of the OMF must designate a **Key Contact** who is a full-time key decision maker of the applicant. This individual will act as the 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 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 the OMDC website for the "OAP Quick Start Guide".

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

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.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

Application Assessment

The following applies to both categories A and B:

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. However, 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 funding decisions are final. The 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

The Music Company Development stream of the Ontario Music Fund is a competitive program. Applicants in both Categories A and B 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 proposal with respect to the program objectives. 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 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.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

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.

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

Operational Capacity - Financial Risk: Applicant's financial stability and position as demonstrated by financial statements.

Further to the above, applicants are required to provide targets for measurable outcomes (see "Ontario Music Fund Anticipated Outcomes" in Appendix 1).

Note: Approval of an application in one fiscal cycle does not guarantee funding in future years.

Obligations of Successful Applicants

The following applies to both categories A and B:

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 funding agreement;
- Delivery of interim report(s); and
- Delivery of the completed activities and all deliverables outlined in the funding agreement.

Funding Agreement

On acceptance into the program, the participating company will be required to sign an agreement covering the terms of its participation in the program including authorizing OMDC 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.

Insurance

Participating companies will be required to carry Commercial General Liability Insurance on an occurrence basis for Third Party Bodily Injury, Personal Injury and

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

Property Damage. For applicants awarded \$50,000 or less, the inclusive limit must be not less than \$1,000,000 per occurrence, \$1,000,000 products and completed operations aggregate. For applicants receiving an award of \$50,000 or more, the inclusive limit must be not less than \$2,000,000 per occurrence, \$2,000,000 products and completed operations aggregate. OMDC must be named as an additional insured on all policies.

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. Successful applicants receiving \$150,000 or more from OMF will be required to have an audit of project expenses conducted by an independent public accountant.

Note: the cost of the audit may be included in the activity budget as an eligible expense.

Corporate Financial Statements

Successful applicants receiving \$150,000 or more from the OMF will be required to have an audit or review engagement conducted on the applicant corporation's next annual financial statements. The audit or review engagement must be performed by an independent public accountant. 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 corporation's fiscal year, this may be required throughout the term of the funding agreement with the OMDC.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

Changes to the Activities

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

Confirmation of Additional Government Funding

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

Credit

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

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

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

Applicants are advised to consult the OMDC website for any relevant 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.

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

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	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			

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

175 Bloor Street East,
 South Tower, Suite 501
 Toronto, Ontario M4W 3R8
 T: 416-572-0436 OR
 T: 416-642-6696
 F: 416-314-6876

OMF@omdc.on.ca
 www.omdc.on.ca

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

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

175 Bloor Street East,
 South Tower, Suite 501
 Toronto, Ontario M4W 3R8
 T: 416-572-0436 OR
 T: 416-642-6696
 F: 416-314-6876

OMF@omdc.on.ca
 www.omdc.on.ca

Appendix 2

Glossary

Activities Budget	The total of Eligible Costs within a Business or Project Plan. The Activities Budget must outline all sources of project financing and expenditures pertaining to the application.
Administrative/Overhead Costs	Currently-incurred, ongoing expenditures that support the corporate and administrative operations of the applicant company and are not directly attributable to specific activities or functions.
Annual Funding Cap	Maximum funding that an applicant can receive per Ontario Government fiscal year – April 1 – March 31. The Annual Funding Cap is based on all OMF funding paid out to an Applicant in the fiscal year. The Annual Funding Cap may also apply to other sources of government funding (see: Total Government Contribution and specific OMF Stream guidelines).
Applicant	The business entity making the application for funding. The Applicant is the entity who will enter into a binding agreement with OMDC and is responsible for fulfilling the obligations and outcomes specified in the Applicant Agreement. Upon approval of funding, the Applicant becomes the Recipient, and is the sole party responsible for fulfilling the funding agreement.
Applicant Agreement	The legal agreement between the OMDC and an Applicant that sets out the terms of the funding, deliverables, milestones and general requirements with respect to administration of funding and results.
Applicant Contribution	A direct financial contribution, investment or payment by an eligible music company towards eligible expenditures in its business plan.
Artist	One or more persons performing as a solo singer/musician, musical group or band.
Associated Corporation	One corporation is associated with another in a taxation year if, at any time in the year: One of the corporations controlled, directly or indirectly in any manner whatever, the other;

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

175 Bloor Street East,
 South Tower, Suite 501
 Toronto, Ontario M4W 3R8
 T: 416-572-0436 OR
 T: 416-642-6696
 F: 416-314-6876

OMF@omdc.on.ca
 www.omdc.on.ca

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

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 deliverable. The audit is to include revenue and expenses for

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

175 Bloor Street East,
 South Tower, Suite 501
 Toronto, Ontario M4W 3R8
 T: 416-572-0436 OR
 T: 416-642-6696
 F: 416-314-6876

OMF@omdc.on.ca
 www.omdc.on.ca

	OMF-funded activities or projects. The audit of the applicant's cost report is to be conducted by an independent public accountant.
Business Plan	A document that outlines the company's short and long-term business goals (variable) 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.
Company Budget	An overall company financial plan outlining all corporate revenue and expenditures for a specified fiscal period. As the OMDC would like to provide as much flexibility as possible to companies, we do not have a prescribed template for the company budget and allow companies the opportunity to provide information in their preferred format. These documents, however, should provide a clear basis for the OMDC to assess the eligibility of the company, the feasibility of the activities as they pertain to the goals and objectives of the Ontario Music Fund, and how the activities relate to the company budget and business plan.
Consortium	An association between two or more Eligible Music Companies that join together for the purposes of a project. The consortium must be represented by an Applicant which will take on financial responsibility for the project.
Direct Costs	A direct payment by an eligible music company to a third party towards eligible expenditures in its business or project plan.
Eligible Cost/Expenditure	Each and every cost that is eligible to be supported by the OMF, as determined by the OMF guidelines.
Eligible Music Companies/Organizations	The OMF is accessible to Ontario-based music companies, including independent domestic record companies and foreign-owned labels (majors), music promoters, music managers, agents, festivals, and not-for-profits, including music education organizations and industry associations.
Financing Template	A section of the Activities Budget outlining all sources of project financing. Financing sources include government and non-government funding.
Ineligible	An activity or entity that the OMF will not approve nor

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

175 Bloor Street East,
 South Tower, Suite 501
 Toronto, Ontario M4W 3R8
 T: 416-572-0436 OR
 T: 416-642-6696
 F: 416-314-6876

OMF@omdc.on.ca
 www.omdc.on.ca

	reimburse. See detailed program guidelines for a list of ineligible applicants and activities.
In-House	Goods or services that are provided, or an activity that is undertaken, by the Applicant itself rather than outsourcing to a third party. In-house expenditures must be booked at market rates or lower.
In-Kind	A non-cash item identified in the budget. In-kind costs are limited to a maximum percentage of the total Eligible Budget. Please consult the OMF guidelines for details on financing requirements.
Key Contact	The individual at the applicant company responsible for the delivery and day-to-day operations of the project. This person will be the key contact with OMO staff.
License	An agreement by which a party (the licensor) who controls certain exploitation and other rights in a sound recording and/or its underlying composition, grants limited rights to another party (the licensee) in exchange for a license fee and other consideration.
Master	The primary recording that serves as the basis from which other copies are made. The owner of the Master Recording holds the copyright for that particular recording over its legal life.
Net Revenue	Typically refers to a company's revenue net of discounts and returns. It is advised to consult generally accepted accounting principles (GAAP) and industry standards to determine whether your organization should report revenue at net or gross.
Notice-to-Reader (Compilation) Engagement	The compiling of unaudited financial information into financial statements, based on information provided by the accountant's client. For OMF purposes, Notice-to-Reader financial statements must be prepared and signed by an accountant who is a member in good standing of a provincial branch of the Chartered Professional Accountants (CPA), Chartered Accountants (CA), Certified General Accountants (CGA) or Certified Management Accountants (CMA).
Own or Control	Refers to control of the exclusive exploitation rights flowing from copyright in a sound recording.
Permanent Establishment	Generally refers to a fixed place of business. However, whether a fixed place of business is a "permanent

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

Project Plan

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).

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), Chartered Accountants (CA), Certified General Accountants (CGA) or Certified Management Accountants (CMA);
- has any provincial licenses required to conduct an audit or review engagement in the province where the engagement will take place; and
- is independent of the applicant corporation.

Recipient

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

Recoupable

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

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

175 Bloor Street East,
South Tower, Suite 501
Toronto, Ontario M4W 3R8
T: 416-572-0436 OR
T: 416-642-6696
F: 416-314-6876

OMF@omdc.on.ca
www.omdc.on.ca

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

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

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

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

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

Review Engagement

A review engagement is the process of engaging an independent public accountant to prepare financial statements on a review basis. The accountant will not express an opinion on the fairness of the financial statements, but will provide a limited assurance that the financial information is plausible and conforms to generally accepted accounting principles.

Showcase

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

Tour

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