

PITCH READINESS PROGRAM for MULTI-EPISODE PRODUCTIONS (PRE-MARKET DEVELOPMENT FUND)

Program Guidelines

Note: The following documents are an integral part of the guidelines for the Pitch Readiness Program for Multi-Episode Productions (Pre-Market Development):

- 1) Program Guidelines (this document);
- 2) Calculation Criteria for Manitoba Expenditures (Schedule A to this document);
- 3) Pitch Readiness Program for Multi-Episode Productions (Pre-Market Development) application form, which includes the list of documents required for a complete submission.

All documents are available on the Manitoba Film & Music website at www.mbfilmmusic.ca.

In recognition of the need to stimulate the creation and development of innovative and marketable projects and of the significant costs of taking those projects to the marketplace, **MANITOBA FILM & MUSIC** accepts requests for funding to assist producers of multi-episode productions that have not yet obtained broadcaster or distributor financial support to prepare the strongest pitch presentations possible.

Broadcasters have an expectation of an increasingly sophisticated level of pitch proposal. The Pitch Readiness Program (PRP) will provide financial support to producers to enhance a fully-developed pitch, maximizing the project's marketability to targeted broadcasters and distributors.

Web-based series are eligible for the PRP, where funding would be used to secure both distribution and financing.

A. APPLICATION PROCESS

Applications submitted to **MANITOBA FILM & MUSIC** will be assessed to ensure that all required documentation has been submitted correctly and that the producer and the project meet basic eligibility criteria.

Eligible projects will then be assessed based on the following criteria:

- Amount of PRP request included in the pre-market development budget;
- Producer experience and track record;
- Proposed development plan a detailed explanation of the deliverables and scope of the pitch, including which broadcasters and / or distributors are to be targeted;
- Readiness of the project to meet the marketplace and to align to broadcaster / distributor mandates;
- Detailed description of how the funds requested will specifically enhance the project's marketability;
- Web series producers will need to show how PRP funds will support a specific strategy to secure distribution, financing, or sponsorship (although the production cannot be commercial, promotional or sales-focused).

B. ELIGIBILITY REQUIREMENTS

To be eligible for financial support, the applicant must:

- Be a resident Manitoba producer, defined as a producer who operates a production company in Manitoba that is majority owned and controlled by Manitoba residents. Note: Applications must be submitted by an eligible Manitoba resident producer;
- Have a minimum of two years of production experience as a producer and have previously produced at least one project (minimum 30 minutes in broadcast length), which has been either screened by a major network (such as CBC, CTV, Shaw, etc.) or distributed by a recognized distributor (such as eOne, Mongrel, Lionsgate, etc.);
- Producers who do not meet this requirement but who are judged to have equivalent experience (including experience in interactive digital media) may be deemed eligible at **MFM**'s sole discretion. The onus is on the applicant to demonstrate this;
- Have proof of ownership in the underlying property and the necessary, corresponding current rights or options to develop, produce and exploit the production throughout the world (may be shared in the case of codevelopment applications).

To be eligible for financial support, the project must:

- Be a series or mini-series (a minimum of two thematically connected episodes):
- Be a scripted and fictional (drama or comedy), documentary, variety, or children's production;
- Be live-action or animation;
- Be in early concept/development stages without the financial participation of a broadcaster or distributor:

- Be primarily intended for broadcast, be it television or web-based;
- Stronger television applications will contain convergent elements (elements on different media, derived from the required television component).

Co-productions or co-ventures will be considered eligible, but **MFM** will require evidence that the resident Manitoba producer shares ownership in the project.

Projects do not have to be intended primarily for the Canadian market, but must meet all other guidelines herein to be eligible.

The project must be in the compliance with the laws, regulations, standards and policies applicable to broadcasting and to intellectual property, and the project must not infringe upon any public or private rights and must not otherwise contravene the Canadian civil and criminal laws in effect.

The following is a non-exhaustive list of genres and programming formats that are **NOT ELIGIBLE** to apply for **MANITOBA FILM & MUSIC** funding:

- Sponsored productions, sports, news, game shows, current affairs;
- Public affairs, lifestyle productions, "how-to" productions, reality television;
- Instructional television, infomercials, music videos, formal or curriculum based educational programming;
- Talk shows, talk shows "culturels", award shows, galas, reporting and current events;
- Religious programming, fundraising productions, benefits, tributes, promotional productions;
- Pep rallies, travelogues and interstitials;
- Pornography.

MANITOBA FILM & MUSIC retains the sole discretion to determine whether a project meets genre and format eligibility.

C. FINANCIAL CONTRIBUTION

Funding will be offered in the form of a recoupable advance that must be repaid on the first day of principal photography of the production. Any sale or transfer of ownership (either copyright or share) by the Manitoba producer must be at fair market value, and "first-dollar-in" proceeds must be used to repay **MFM**'s development loan immediately.

Eligible Production Companies may receive up to the following per project caps:

- Up to \$10,000 per project for scripted, fictional programming (including drama, comedy, and scripted children's programming); and
- Up to \$5,000 per project for non-fiction programming (documentary, variety, children's non-fiction programming).

In addition, per project funding will not exceed up to 50% of the pre-market development budget.

Each project may only receive one round of PRP funding.

Based on available funding, **MFM** reserves the right to limit production companies to a maximum of 2 applications to the PRP per fiscal year.

Please note that should the recipient also apply for **MFM**'s Development Fund, the amount provided via the PRP will be included in the calculation of the per project funding cap at the development stage. Please refer to the **MFM** Television and Web-Based Development Fund guidelines for additional information on project caps.

D. NOTES REGARDING ELIGIBLE COSTS

The advance must be used exclusively for direct third party pre-market development costs that, in **MFM**'s opinion, will significantly improve the product's marketability, such as, but not limited to: story editors, consultants, researchers, marketing specialists, travel, sales and promotional materials, as well as costs for convergent elements such as, but not limited to: market and concept research, technical research, gaming consultants and designers.

Producer fees and corporate overhead and payments to employees are not eligible under this program.

Please note that should the recipient of pre-market development funding apply for development funding with **MFM**, the expenses included in the PRP budget cannot be included again in the development budget.

E. DELIVERABLES

The following deliverables will be expected in advance of the release of the second payment (final drawdown):

- Copies of the deliverable(s) that were intended to be completed at this phase (e.g. bible, treatment, proof of concept, demo);
- Final cost report;

- List of Manitoba expenditures (those funds paid to Manitoba-based individuals and companies) please see Schedule A;
- Notarized affidavit attesting to the final cost of the pre-market development.

MFM reserves the right to request submission of any additional documents that may be necessary in the determination of the phase's final costs.

F. IMPORTANT INFORMATION

Eligibility under these guidelines does not guarantee financial support. The funding decisions of **MFM** are final.

Sale or Transfer of Project:

The percentage of project ownership held by the Manitoba producer must be maintained.

Any sale or transfer or ownership (either copyright or share) by the Manitoba producer must be at fair market value, and "first-dollar-in" proceeds must be used to repay **MFM**'s development loan. **MFM** must be informed of the sale or transfer within 5 business days and all **MFM** funding for the project must be repaid in full within 10 business days.

If the producer loses control of the project through option lapse (and the project does not go into production), then **MFM**'s financial contribution will become a forgivable loan. However, if the producers (or a related company) subsequently regain control, or become re-involved in the project during the life of the project or re-option the project, then **MFM** remains entitled to have any and all of its advance repaid at first day of principal photography.

<u>Application Requirements:</u>

MFM reserves the right not to review any application considered to be incomplete or inconsistent with the present guidelines, or to require additional information before proceeding with the application.

Applications which are incomplete and/or do not provide the minimum complete documentation will not be reviewed or assessed.

All documents submitted must be signed and dated by the Manitoba producer.

All documents must be named, dated and versioned to correspond with the current financing structure. Agreements cannot be stale-dated.

Any changes or revisions to creative, financial or other supporting documents must be submitted in a timely manner, and no later than the submission to any other funder.

Applicant companies (or their affiliates) must be in good standing with **MFM** at the time of application. Applications from those companies in default on any contractual obligation to **MFM** will not be considered. It is the responsibility of the applicant to verify its status with **MFM** prior to applying for funding.

It is the applicant's sole responsibility to have their own independent legal counsel review the **MFM** Funding Agreement to ensure that the contents and the responsibilities within the Funding Agreement are fully understood and agreed upon. In the event the applicant requests to have changes to the **MFM** standard agreement, all legal fees incurred by **MFM** to review the request will be at the expense of the applicant.

Investment Acknowledgment:

Any documents or media presented to broadcasters, distributors, and the public must clearly acknowledge receipt of pre-market development funding by **MFM**. **MFM**'s funding agreement will include specific acknowledgment requirements.

MFM reserves the right to review and update these and any guidelines at any time, without notice. Please refer to the **MFM** website for any changes or revisions to our guidelines or documentation. In all questions of interpretation of these guidelines, or regarding the spirit and intent of **MFM**'s funding programs, the interpretation of **MFM** shall prevail.

SCHEDULE A

Calculation Criteria for Manitoba Expenditures

General: A Manitoba expenditure refers to any production expense that is paid to a Manitoba resident or company*.

Specific considerations:

Airfare: Include 50% regardless of how it is booked

Per Diem:

- Include 50% for Manitobans working outside Manitoba;
- Include 100% for Manitobans working inside Manitoba;
- Include 50% for non-Manitobans working inside Manitoba

Hotel/Accommodations:

- Include 0% outside Manitoba;
- Include 100% inside Manitoba

Vehicle Rentals:

- Include 0% outside Manitoba;
- Include 100% inside Manitoba

Interim Financing/Bank Fees:

- Include 100% if through a Manitoba bank account, regardless of where the account manager is located

Insurance: Include 100% if through a Manitoba insurance broker

Legal: Include 100% if through a Manitoba lawyer

* This Schedule applies only to MFM's TV and Web-Based Development Fund and does not apply to the Manitoba Film & Video Production Tax Credit Program.