



FEATURE FILM DEVELOPMENT FUND

Program Guidelines

Note: The following documents are an integral part of the guidelines for the Feature Film Development Fund:

- 1) Program Guidelines (this document);
- 2) Calculation Criteria for Manitoba Expenditures (Schedule A to this document);
- 3) Feature Film Development Fund 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 of innovative, marketable projects, employment and investment in Manitoba, the **MANITOBA FILM & MUSIC** Feature Film Development Fund is designed to support the development of viable motion picture concepts into screenplays suitable for theatrical release.

The **MFM** Feature Film Development Fund will provide financial support in the form of a recoupable loan to producers; providing them with the opportunity to create strong feature film scripts with demonstrated market interest.

A. 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. Please note that the Eligibility Requirements detailed in the MFM Audit Guidelines shall apply;
- 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;
- 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 co-development applications).

To be eligible for financial support, the project must:

- Be a feature-length fictional film or a feature-length documentary, as per industry standards;
- Be live-action or animation;
- Be primarily intended for theatrical release; in exceptional circumstances, **MFM** will consider projects whose primary distribution strategy is web-focused, however, the onus is on the applicant to demonstrate that the market trigger is an industry-recognized web distributor and that the strategy for monetization is viable. Projects intended for an initial or primary television broadcast are not eligible. **MFM** may, at its own discretion, allow projects with broadcaster participation provided there is a confirmed theatrical release;
- Have secured a minimum of 20% of the development budget by development-targeted financing from an industry-recognized arms' length distributor or industry-recognized feature film fund, or a combination thereof (see individual phase requirements under Financial Contribution below);

The market trigger's development participation must be in the form of cash, not services, to be eligible.

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.

Movies for television (MOWs) are not eligible for this fund, but may apply under the Television and Web-based Development Fund.

The project must be in the compliance with the laws, regulations, standards and policies applicable to distribution, 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.

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

B. 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.

Funding will be committed according to three defined development phases:

- (I) Phase 1: Concept / Treatment to First Draft
 - Up to 50% of approved eligible costs, to a maximum of \$10,000;
 - Applicants must include a signed letter of interest from an industry-recognized distributor or a signed commitment letter verifying cash funding from a third party source, such as Telefilm Canada, equal to at least 20% of the development budget for Phase 1.

- (II) Phase 2: Second or Subsequent Draft
 - Up to 50% of approved eligible costs, to a maximum of \$12,000;
 - Projects must have secured a minimum of 20% of the development budget for the phase from an industry-recognized arms’ length distributor or fund, or a combination thereof. Signed commitment letters verifying the amounts secured are required.

- (III) Phase 3: Packaging
 - Packaging includes activities from securing cast and key creative personnel (such as the director), preparatory business affairs, budgeting, scheduling, scouting, marketing strategy development, up until the beginning of preparation;
 - Up to 50% of approved eligible costs, to a maximum of \$15,000;
 - Projects must have secured a minimum of 20% of the development budget for the phase from an industry-recognized arms’ length distributor or fund, or a combination thereof. Signed commitment letters verifying the amounts secured are required.

Maximum amounts at any phase may be reduced so as not to exceed the overall per project development cap of \$35,000.

On any given project, applicants may not apply to an individual phase more than once, with one exception: If a given project did not receive Phase 1 funding, the project may be considered for a 2nd draft and a subsequent draft in Phase 2 (through 2 separate applications). In this situation, the per-project cap through all phases remains \$35,000.

If a project loses its distributor during development (or any other major development funding source), MFM will withdraw its participation in the project if there is no other third party market trigger covering at least 20% of the development budget for the phase in question. This caveat may be waived, in exceptional and non-precedent setting circumstances, at MFM's sole discretion.

MFM reserves the right to increase or decrease the level of its participation in any given project or phase based on budget, genre and overall demand on the funds available

C. NOTES REGARDING ELIGIBLE COSTS

With respect to eligible costs, **MFM** will relate to industry-standard budget templates and will assess eligible costs on a case-by-case basis.

The advance must be used exclusively for direct development costs that, in **MFM's** opinion, will significantly improve the product's marketability, such as, but not limited to: production research, marketing research, option purchase and option extensions, script development, storyboarding, production budgeting and financing, script editing (which must be done by a third party script editor with significant script editing experience in feature films), legal fees and travel.

Please note that the story editor and a project writer cannot be the same person.

Writer Deferral

For Phase 1 applications with an in-house writer (or a writer who is an owner or who has an equity stake in the applicant company) and where third party funding covering at least 20% of the development budget for the phase has been secured, no writer deferral will be required. However, for those Phase 1 applications with only a secured letter of interest from an industry recognized distributor (no minimum level of confirmed funding from a third party source), **MFM** will not consider 50% of the in-house writer fees as part of the eligible costs. The applicant can either exclude 50% of the in-house writer fees from the Phase 1 development budget or include them as deferred fees until the first day of principal photography (a signed deferral agreement must be submitted).

Budgets provided must be consistent and timely with those provided to other invested parties.

Producer fees and corporate overhead may be eligible costs, with each capped at 20% of the development budget for the phase in question. **MFM** reserves the right to review and reduce all eligible costs.

D. 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.

Application Requirement:

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 **MF**M 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 **MF**M standard agreement, all legal fees incurred by **MF**M 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 development funding by **MF**M. **MF**M'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 **MF**M 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 **MF**M's funding programs, the interpretation of **MF**M 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 Feature Film Development Fund and does not apply to the Manitoba Film & Video Production Tax Credit Program.