



## TELEVISION AND WEB-BASED PRODUCTION FUND

### Program Guidelines

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Note: The following documents are an integral part of the guidelines for the Television and Web-Based Production Fund:

- 1) Program Guidelines (this document);
- 2) Manitoba Content Requirements (Schedule A to this document);
- 3) Manitoba Training Requirements (Schedule B to this document);
- 4) Calculation Criteria for Manitoba Expenditures (Schedule C to this document);
- 5) Television and Web-Based Production Fund application form, **which includes the list of documents required for a complete submission;**
- 6) Manitoba Film & Music Audit Guidelines.

All documents are available on the Manitoba Film & Music website at [www.mbfilmmusic.ca](http://www.mbfilmmusic.ca).

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In recognition of the need to stimulate the creation of innovative, marketable projects, employment and investment in Manitoba, the **MANITOBA FILM & MUSIC** Television and Web-Based Production Fund is designed to support the production of television and web-based projects that have an acceptable market trigger for broadcast or distribution and sufficient third party financing to complete the project.

The **MFM** Production Fund provides financial support in the form of an equity investment for producers to bring their projects to the screen.

The **MFM** Production Fund includes a dedicated stream to assist producers of web-based, linear content to create product for the digital marketplace.

Producers may apply to one of the following two streams – Television or Web-Based:

#### **STREAM ONE - TELEVISION**

##### **A1. TELEVISION - GENERAL INFORMATION**

To access the television stream of the **MFM** Production Fund, a project must have secured at least 75% of verifiable production financing and a broadcast or distribution cash commitment from an industry-recognized arms' length third party. **MFM** retains

the sole discretion to determine what, for the purposes of this fund, will qualify as an acceptable third party market trigger.

Eligible broadcast licences must be in the form of cash, not services in kind. In most cases, the broadcast licence fees must meet Canada Media Fund (CMF) thresholds, but **MFM** may consider projects with lower licence fees depending on the genre, length and budget of the project. Projects with licence fees lower than CMF threshold will need to possess a significant level of Manitoba content and crew to be considered for funding.

In addition, the following will be taken into consideration:

- Producer experience and track record, notably success with previous projects receiving **MFM** production funding, with particular attention to **MFM** recoupment on previous applicant projects;
- Stronger applications will contain convergent elements (elements on different media, derived from the required television component);
- Scripted, fictional series (drama or comedy) are a priority;
- **MFM** will consider the benefits of the project on the development of sustainable indigenous production, the strengthening of Manitoba screen-based industry and the growth of the local production company;
- Stronger applications will have negotiated favourable back-end terms and conditions for the Manitoba producer;
- All other things being equal, providing funding to projects with Manitoba-based creators will be a priority.

## **A2. TELEVISION - ELIGIBILITY REQUIREMENTS**

To be eligible for financial support in the television stream, 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;
- Demonstrate the ability of the production team to successfully manage and complete the project (ex. Track record based on previous productions of similar scope in terms of “on schedule,” “on budget,” etc.). The Onus is on the applicant to demonstrate this;
- Have proof of ownership in the property and the necessary, corresponding current rights to produce and exploit the production (may be shared in the case of a co-production or co-venture).

To be eligible for financial support in the television stream, the project must:

- Be a series, mini-series (a minimum of two thematically connected episodes), pilot, MOW, or one-off;
- Be a scripted and fictional drama or comedy, documentary, variety, or children’s production;

- Be live-action or animation;
- Have confirmed, verifiable financing of at least 75% of the total production budget at the time of application;
- Have an eligible cash broadcast licence or distribution advance / minimum guarantee from an industry-recognized distributor, or pre-sales of at least 30% of the production budget;
- Have received separate licence fees for all convergent element rights, including streaming rights, VOD and ancillary element rights.

Broadcast licences 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. Stronger applications will be those with higher levels of Manitoba Expenditures and Manitoban elements.

For co-productions or co-ventures, the Manitoba producer must have voting share ownership in the applicant company that is at least proportionate to the level of Manitoba investment including equity, tax credits, producer investments, deferrals, etc. At least 50% of the directors and officers of the single-purpose production entity must be Manitoba residents.

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

All pre-sales must be verified and bankable.

**MFM** reserves the right to assess and verify all interim financing arrangements.

Applicants must demonstrate to the satisfaction of **MFM** that all necessary insurance is in place, as well as a satisfactory completion arrangement (bond, producer fee holdback, contingency percentage). **MFM** reserves the right to approve all completion arrangements to protect its equity investment. **MFM** reserves the right to require a Collection Account Management Agreement for the project.

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.

### **A3. TELEVISION - FINANCIAL CONTRIBUTION**

Funding will be offered in the television stream in the form of an equity investment with the following caps:

For a scripted, fictional series or mini-series (drama or comedy), the LESSER of the following three thresholds:

- Up to \$500,000; OR
- Up to 10% of the total production budget; OR
- Up to 15% of the portion of the budget to be paid to Manitoba residents and businesses (known as the “Manitoba expenditures”).

For a scripted, fictional MOW or pilot (drama or comedy), the LESSER of the following three thresholds:

- Up to \$165,000; OR
- Up to 10% of the total production budget; OR
- Up to 15% of the portion of the budget to be paid to Manitoba residents and businesses (known as the “Manitoba expenditures”).

For documentary and variety programming series and mini-series, the LESSER of the following three thresholds:

- Up to \$125,000; OR
- Up to 10% of the total production budget; OR
- Up to 15% of the portion of the budget to be paid to Manitoba residents and businesses (known as the “Manitoba expenditures”).

For documentary and variety programming one-offs and non-scripted pilots, the LESSER of the following three thresholds:

- Up to \$50,000; OR
- Up to 10% of the total production budget; OR
- Up to 15% of the portion of the budget to be paid to Manitoba residents and businesses (known as the “Manitoba expenditures”).

The level of financial participation will be calculated on the cash portion of the budget only. Deferrals and services in kind will not be included in the calculation.

**MFM** reserves the right to increase or decrease the percentage of its investment in any given project based on budget, Manitoba expenditures, genre, length, level of related party transactions and overall demand on the funds available.

Successful production funding applicants who have previously received development funding from **MFM**'s Pitch Readiness Program for Multi-Episode Productions and/or **MFM**'s Television and Web-Based Development Fund for the project in question will have any outstanding development loans transferred into the form of an equity investment in the project. This transferred development amount will be included in the **MFM** Production Fund cap and will be included in **MFM**'s production funding calculations.

### **Recoupment Requirements:**

Recoupment schedules will be negotiated on a case-by-case basis. At its own discretion, **MFM** will recoup no less favorably than any other equity investor in the project, and no less favorably than pro rata and pari passu with all other true equity investors in the project.

The recoupment schedules in the funding agreements of all funders to the project must be identical and must adhere to **MFM** recoupment requirements.

## **A4. TELEVISION - 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.

Budgets provided must be consistent and timely with those provided to other invested parties. **MFM** requires these documents in order to ensure that the financial structure of the project and the funding request to **MFM** is reasonable and legitimate.

A separate budget must be submitted for any convergent elements to the project.

**MFM** will review in detail the related party transactions for the project. The level of related party transactions must be acceptable to **MFM**.

SEE "IMPORTANT INFORMATION" SECTION AFTER THE WEB-BASED STREAM FOR ADDITIONAL INFORMATION APPLICABLE TO THE TELEVISION STREAM.

## **STREAM TWO: WEB-BASED**

### **B1. WEB-BASED – GENERAL INFORMATION**

To access the web-based stream of the **MFM** Production Fund, a project must have secured at least 75% of verifiable production financing and one or more of the following two "triggers:"

- A fully executed letter of commitment or contract with a web “broadcaster” with an industry-recognized track record. Projects with cash advances will be considered stronger;
- A fully executed distribution letter of commitment or contract with a web-content specialist distribution company with an industry-recognized track record;

In addition, the following will be taken into consideration:

- Presentation of a strong, well-developed marketing and promotional plan for the project, including specific strategies for distribution and monetization, including post-broadcast data collection;
- Strength of an audience-building plan, including a social media strategy;
- Strength of the financial plan in terms of confirmed, verifiable financing and a strategy for securing outstanding financing;
- Maintenance plan, both in terms of content and financial support;
- Scripted, fictional series (drama or comedy) are a priority;
- Web series or online content development experience of the attached production team. The onus is on the applicant to demonstrate this;
- **MF**M will consider the benefits of the project on the development of sustainable indigenous production, the strengthening of the Manitoba screen-based industry and the growth of the local production company;
- All other things being equal, projects with Manitoba-based creators will be a priority.

## **B2. WEB-BASED - ELIGIBILITY REQUIREMENTS**

To be eligible for financial support in the web-based stream, 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;
- Demonstrate the ability of the production team to successfully manage and complete the project (ex. Track record based on previous productions of similar scope in terms of “on schedule,” “on budget,” etc.). The onus is on the applicant to demonstrate this;
- Have proof of ownership in the property and the necessary, corresponding current rights to produce and exploit the production (may be shared in the case of a co-production or co-venture).

To be eligible for financial support in the web-based stream, the project must:

- Be a series, mini-series (a minimum of two thematically connected episodes), pilot, MOW, or one-off;
- Be a scripted and fictional drama or comedy, documentary, variety, or children’s production;
- Be live-action or animation;

- Have confirmed, verifiable financing of at least 75% of the total production budget at the time of application;
- Have secured one or more of the following two “triggers”:
  - o A fully executed letter of commitment or contract with a web “broadcaster” with an industry-recognized track record. Projects with cash advances will be considered stronger;
  - o A fully executed distribution letter of commitment or contract with a web-content specialist distribution company with an industry-recognized track record.

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.

Co-productions or co-ventures will be considered eligible, but **MFM** will require evidence that the resident Manitoba producer shares ownership in the project. Stronger applications will be those with higher levels of Manitoba Expenditures and Manitoban elements.

For co-productions or co-ventures, the Manitoba producer must have voting share ownership in the applicant company that is at least proportionate to the level of Manitoba investment including equity, tax credits, producer investments, deferrals, etc. At least 50% of the directors and officers of the single-purpose production entity must be Manitoba residents.

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

All pre-sales must be verified and bankable.

**MFM** reserves the right to assess and verify all interim financing arrangements.

Applicants must demonstrate to the satisfaction of **MFM** that all necessary insurance is in place, as well as a satisfactory completion arrangement (bond, producer fee holdback, contingency percentage). **MFM** reserves the right to approve all completion arrangements to protect its equity investment. **MFM** reserves the right to require a Collection Account Management Agreement for the project.

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 and travelogues;
- Pornography.

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

### **B3. WEB-BASED - FINANCIAL CONTRIBUTION**

Funding will be offered in the web-based stream in the form of an equity investment with the following caps:

For a scripted, fictional series or mini-series (drama or comedy), the LESSER of the following three thresholds:

- Up to \$100,000; OR
- Up to \$500/per broadcast minute (# of episodes x minutes per episode); OR
- Up to 30% of the portion of the budget to be paid to Manitoba residents and businesses (known as the “Manitoba expenditures”).

For a scripted, fictional one-off (drama or comedy), including pilot, the LESSER of the following three thresholds:

- Up to \$35,000; OR
- Up to \$500/per broadcast minute (# of episodes x minutes per episode); OR
- Up to 30% of the portion of the budget to be paid to Manitoba residents and businesses (known as the “Manitoba expenditures”).

For documentary and variety programming series and mini-series, the LESSER of the following three thresholds:

- Up to \$25,000; OR
- Up to \$500/per broadcast minute (# of episodes x minutes per episode); OR
- Up to 30% of the portion of the budget to be paid to Manitoba residents and businesses (known as the “Manitoba expenditures”).

For documentary and variety programming one-offs, the LESSER of the following three thresholds:

- Up to \$12,500; OR
- Up to 15% of the total production budget; OR
- Up to 30% of the portion of the budget to be paid to Manitoba residents and businesses (known as the “Manitoba expenditures”).



The level of financial participation will be calculated on the cash portion of the budget only. Deferrals and services in kind will not be included in the calculation.

**MFM** reserves the right to increase or decrease the percentage of its investment in any given project based on budget, Manitoba expenditures, genre, length, level of related party transactions and overall demand on the funds available.

Successful production funding applicants who have previously received development funding from **MFM**'s Pitch Readiness Program for Multi-Episode Productions and/or **MFM**'s Television and Web-Based Development Fund for the project in question will have any outstanding development loans transferred into the form of an equity investment in the project. This transferred development amount will be included in the **MFM** Production Fund cap and will be included in **MFM**'s production funding calculations.

#### **Recoupment Requirements:**

Recoupment schedules will be negotiated on a case-by-case basis. At its own discretion, **MFM** will recoup no less favorably than any other equity investor in the project, and no less favorably than pro rata and pari passu with all other true equity investors in the project.

The recoupment schedules in the funding agreements of all funders to the project must be identical and must adhere to **MFM** recoupment requirements.

#### **B4. WEB-BASED - 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.

For this stream, **MFM** may additionally consider as eligible those costs associated with technical research (such as with respect to web hosting and maintenance), market research and travel directly associated with attracting sales and distribution.

Budgets provided must be consistent and timely with those provided to other invested parties. **MFM** requires these documents in order to ensure that the financial structure of the project and the funding request to **MFM** is reasonable and legitimate.

**MFM** will review in detail the related party transactions for the project. The level of related party transactions must be acceptable to **MFM**.

#### **IMPORTANT INFORMATION – APPLICABLE TO BOTH STREAMS**

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 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**. **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.

### Application Requirements:

**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 investor.

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.

Successful applicants will be required to submit revenue reports to **MFM** twice yearly, complete with payment of any revenues due to **MFM**.

### Investment Acknowledgment:

Any documents or media presented to broadcasters, distributors, and the public must clearly acknowledge receipt of production funding by **MFM**. **MFM**’s funding agreement will include specific screen credit requirements.

**MF** reserves the right to review and update these and any guidelines at any time, without notice. Please refer to the **MF** 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**'s funding programs, the interpretation of **MF** shall prevail.

## SCHEDULE A

### **Manitoba Content Requirement**

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#### **ELIGIBILITY**

Projects must attain the requisite number of points in the relevant production category.

For scripted, fictional series, a minimum of 2 Manitoba directors must be hired, subject to availability. Where no Manitoba directors are available, a minimum of 2 training opportunities for directors must be provided.

**NOTE:** Where a crew person is filling more than one position, the point is appointed only once. The total Manitoba Content Requirement list is then reduced accordingly, providing a new point total from which the project must attain half of the points to meet the Manitoba Content eligibility criteria.

#### **OTHER FORMATS – IMAX, HDTV, ETC. AND WEB-BASED PRODUCTIONS**

Projects produced utilizing formats other than standard 35mm, HD, or 16mm will be assessed for Manitoba Content Requirement eligibility based on the product genre category and the availability of Manitoba crew and services in the particular format.

Manitoba Content Requirements also apply to web-based production applications but consideration will be given to the unique nature of those projects.

#### **SCRIPTED, FICTIONAL PRODUCTION**

(Drama or Comedy)

Subject to crew availability, the project must attain 17 of the following 34 points:

- |   |                          |
|---|--------------------------|
| 2 Manitoba director                                   | <input type="checkbox"/> |
| 3 Manitoba scriptwriter                               | <input type="checkbox"/> |
| 2 Manitoba resident in a lead role                    | <input type="checkbox"/> |
| 2 Manitoba production manager                         | <input type="checkbox"/> |
| 2 Manitoba line producer                              | <input type="checkbox"/> |
| 2 Manitoba director of photography                    | <input type="checkbox"/> |
| 2 Manitoba camera operator                            | <input type="checkbox"/> |
| 1 Manitoba DMT  | <input type="checkbox"/> |
| 1 Manitoba sound mixer                                | <input type="checkbox"/> |
| 2 Manitoba production designer (art director)         | <input type="checkbox"/> |
| 2 Manitoba composer                                   | <input type="checkbox"/> |
| 2 Manitoba picture editor                             | <input type="checkbox"/> |
| 1 Manitoba sound editor                               | <input type="checkbox"/> |
| 1 Manitoba continuity                                 | <input type="checkbox"/> |
| 2 Manitoba sr. production accountant                  | <input type="checkbox"/> |
| 1 Manitoba 1st assistant director                     | <input type="checkbox"/> |
| 1 Manitoba costume designer                           | <input type="checkbox"/> |
| 1 Manitoba set decorator                              | <input type="checkbox"/> |
| 1 Manitoba key makeup artist                          | <input type="checkbox"/> |
| 1 Manitoba key hairstylist                            | <input type="checkbox"/> |
| 2 50% of post production costs spent in Manitoba      | <input type="checkbox"/> |
| 1 Bonus: Screenplay based on a Manitoba literary work | <input type="checkbox"/> |

TOTAL POINTS: \_\_\_\_\_

## DOCUMENTARY / VARIETY PRODUCTION

Subject to crew availability, the project must attain 8 of the following 13 points:

- 2 Manitoba director
- 1 Manitoba script writer or narration writer
- 1 Manitoba cinematographer
- 1 Manitoba sound recordist
- 1 Manitoba sound editor
- 1 Manitoba editor
- 1 Manitoba composer
- 1 Manitoba production manager/coordinator
- 2 Remaining production crew is 50% Manitoba residents
- 2 50% of post production costs spent in Manitoba

TOTAL POINTS: \_\_\_\_\_

## ANIMATION

Subject to crew availability, the project must attain 10 of the following 12 points with a Performer or 9 of the following 12 points without a Performer.

- 2 Manitoba director
- 2 Manitoba scriptwriter
- 2 Manitoba key animator
- 1 Manitoba assistant animator
- 1 In-betweening performed by Manitoba residents or  
Manitoba company
- 1 Manitoba composer
- 1 Highest paid performer is a Manitoba resident
- 2 50% of budget spent in Manitoba

TOTAL POINTS: \_\_\_\_\_

## **SCHEDULE B**

### **Manitoba Training Requirements**

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#### **ELIGIBILITY**

Projects must provide meaningful training to a minimum number of Manitoba residents according to the following crew sizes:

10 - 20 crew	1 training opportunity
21 – 40	2 training opportunities
41 – 60	3 training opportunities
61 – 80	4 training opportunities
81 +	5 training opportunities

The above training requires a minimum number of training opportunities that are not matched to the tax credit's deeming provision.

For series, 2 training opportunities for directors are required if no Manitoba directors are hired (contingent on availability).

#### **DEFINITION OF TRAINING**

Required training may vary in experience level, from beginner (entry-level) to intermediate (position upgrades) to advanced (key positions). Where applicable, training opportunities must be verified by Film Training Manitoba, by the relevant labour union/guild, or by the individual receiving the training.

## SCHEDULE C

### **Calculation Criteria for Manitoba Expenditures**

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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.

**NOTE:** **MFM** requires all Manitoba expenditure forms to be audited by a third party auditor upon completion of the production of the project for productions with budgets of \$500,000 or more (a review engagement report is satisfactory for productions with budgets ranging from \$200,000 to \$499,999). This verified form will be a deliverable for the final drawdown as per **MFM's** Production Investment Agreement to ensure that the final version does not vary significantly from the original estimate.

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