

Alberta Media Fund

Cultural Industry Organizations Operating Grant Stream Guidelines

Application Deadline: June 1

Cultural Industry Operating Grant Stream Guidelines

1. Purpose

This grant stream of the Alberta Media Fund (AMF) provides support for the creative and financial sustainability of Cultural Industry Organizations by assisting with annual operating expenses of eligible organizations.

These organizations engage in the development, production and distribution of creative products, specifically books, magazines of a literary, artistic, or children's interest and sound recordings, and form one of the four pillars of *The Spirit of Alberta*, Alberta's cultural policy.

The intent of this grant stream is to support cultural industry producers that focus on finding and developing talent and intellectual property, creating high quality product and ensuring that all Albertans have the opportunity to access the product that public funding helped create.

2. Eligibility

2.1 Eligible organizations must:

- be registered and in good standing in accordance with the appropriate legislation;
- have been in operation in Alberta for at least two years;
- be majority owned (51 per cent) by Alberta residents with managerial, editorial, and financial control by Alberta residents. Imprints that are majority-owned by Albertans are eligible. Organizations with majority Alberta ownership will be eligible to receive grants within the existing tier structure.
- have ownership by Alberta residents of at least 25 per cent with managerial, editorial, and financial control by Alberta residents. Imprints that have at least 25 per cent ownership by Albertans are eligible. Tier eligibility for minority owned organizations will directly decrease relevant to the percentage of Alberta ownership.

- must be geographically based, in Alberta;
- be engaged primarily in the production of books, eBooks, magazines, eMagazines or sound recordings by individuals other than the company or organization's principals or board members and must generate the majority of their operating revenues from these activities; and,
- have published or produced in the 12 months prior to the application date:
 - A minimum of two (2) trade or educational print books or eBooks or,
 - A minimum of two (2) and not more than 12, issues of a print magazine or eMagazine or,
 - A minimum of two (2) sound recording releases with a minimum running time of at least 30 minutes.

Note: Organizations associated with a post-secondary institution must be recognized as a separate department or entity within their institution. In such cases, the post-secondary institution must submit an application covering all cultural industry activity within that institution. Completed application forms, including all required attachments and supporting documentation, must be completed by each cultural industry entity and must be submitted under one cover by the post-secondary institution.

2.2 Eligible book publishers must:

- have at least \$15,000 in sales in the company's fiscal year prior to applying, and no more than \$1,000,000 in annual sales averaged over the company's three fiscal years prior to applying; and
- publish books that are
 - permanent-bound (not coil or stapled);
 - at least 48 printed pages;
 - in editions of at least 500 copies; and
 - with at least 50 per cent of all printed copies eligible for sale.
- and/or publish eBooks that are
 - available through major online retailers, such as Amazon, Kobo and the iBookstore.
 - at least 48 pages of print equivalent.
 - at least 75 percent of all eBook titles must be eligible for sale.

2.3 Eligible magazine publishers must:

- publish magazines of a literary, artistic, or children's interest as a primary activity in electronic or print format, with the print format having a run of at least 500 copies;
- have editorial policies and decisions that are in the sole control of an editor or editorial board;
- have a policy that the copyright for all published material resides with the author; and
- have a clear distinction between editorial content and advertising; each issue must consist of at least 50 per cent editorial content.

2.4 Eligible sound recording companies must:

- develop, produce, license, release, promote, and distribute sound recordings as a principal business function;
- have industry-recognized national distribution demonstrated by being a FACTOR recognized distributor, or hold a minimum of three nationally recognized vendor numbers;
- have revenue comprising of sales revenue, publishing royalties and license fees that exceeds \$20,000 in the last full fiscal year prior to applying for the grant. Revenue for the purposes of applying to this grant stream does not include recording revenue, rentals, consulting fees and/or management fees; and
- have the (P) production copyright of the sound recording(s) owned or licensed by the label for each recording released.

3. Application Requirements

Organizations must submit a complete application including the components identified below:

- 3.1** A completed Statistical Information Form.
- 3.2** A completed Application Form and signed Applicant Agreement.
- 3.3** A company profile including the company's mandate and record in no more than 1,500 words.
- 3.4** Financial documentation as follows:
 - a. the organization's most recent financial statement, demonstrating fiscal responsibility. The financial statement required varies according to the amount of the grant received from the AMF or Alberta Foundation for the Arts in the last year:

- i. over \$50,001 requires a Review Engagement statement provided by a designated accountant;
- ii. over \$10,001 requires a Notice to Reader financial statement provided by an accountant; or
- iii. \$10,000 or less requires a financial statement approved and signed by two Board members other than the Treasurer.

3.5 A current list of the names and addresses of all current principals in the company and Board officers such as the Chair, Treasurer, and Secretary, including titles, addresses, telephone numbers, and e-mail addresses.

3.6 A copy of the organization's most recent return to Alberta Corporate Registry.

3.7 Copies of all promotional and publicity materials, including catalogues, posters, pamphlets and ads for the last 12 months.

3.8 Documentation to enable the Expert Panel's assessment of the organization's activity:

Book publishers must submit:

- a completed AMF Title Report form for each title published in the previous copyright year;
- a copy of each title published in the previous copyright year; and
- a list of the titles proposed for publication in the current copyright year, including a brief description of each title.

Magazine publishers must submit:

- a completed AMF Magazine Profile form; and
- a copy of each of the issues of the magazine published in the previous copyright year.

Sound recording companies must submit:

- a copy of each eligible sound recording released during the previous copyright year (including music copyrights); and
- a list of projected recordings for the next fiscal year.

3.9 The application deadline is **June 1**. Faxed, emailed, late, or incomplete applications will not be accepted.

3.10 Applications and support materials must be received by 11:59 p.m. on the deadline date. If a deadline falls on a statutory holiday or a weekend, the deadline will be extended until 11:59 p.m. on the next working day.

4. First-Time Applicants

4.1 First-time applicants must contact program staff for a preliminary eligibility assessment and provide all required assessment information to Alberta Culture at least **one month** prior to the June 1 application deadline. Required assessment documentation includes, but is not limited to:

- a. a copy of the organization's incorporation documents;
- b. the organization's financial statements for the current and previous two years;
- c. a summary of the organization's previous three-year cycle of activity outlined in documentation required in Section 3.8; and
- d. any additional information requested by program staff.

5. Grant Calculations and Conditions

5.1 Available funds are equitably distributed among all eligible applicants according to calculations outlined in Section 5.2.

5.2 Grant calculations for each organization in this grant stream will consist of two components beginning 2011-12 and concluding 2013-14

- a. a base amount determined by a three-year average of the organization's total annual expenditure Cost of Goods Expenditures.
 - i. Tier 1 - average annual Costs of Goods Sold is less than \$10,001
 - ii. Tier 2 - average annual Costs of goods Sold is between \$10,001 and \$99,999
 - iii. Tier 3 - average annual Costs of Goods Sold is more than \$99,999
- b. assessment by an Expert Panel that will make additional funding recommendations to the department over and above the base amount.
 - i. Assessment will be based on the organization's governance practices, fiscal responsibility, and creative mandate as conveyed in reports required in Section 3.
 - ii. Panel recommendations are used to determine performance-based funding allocations that encourage the three key areas of organizational responsibility in governance practices, fiscal responsibility, and cultural mandate.
 - iii. The Panel will be made up of appropriate representatives from the professional cultural industry community.
 - iv. A department consultant will serve as the technical advisor to this Panel.

Organizations in Tier 1 are eligible for a minimum base grant of \$5,000 and a maximum grant of \$25,000.

Organizations in Tier 2 are eligible for a minimum base grant of \$10,000 and a maximum grant of \$50,000.

Organizations in Tier 3 are eligible for a minimum base grant of \$20,000 and a maximum grant of \$100,000.

5.3 Grants are paid after June 1, when final calculations have been completed. Grants are paid in a single installment during the year. Alberta Culture may require applicants to provide interim activity reports, financial reports, and other information.

5.5 The Government of Alberta may require a grant recipient to return funds if reporting requirements are not met.

5.6 Grants may be used by the organization for all normal operating expenses, including, but not limited to administration, programming, the salaries of permanent employees, fees for artists and persons employed under contract, maintenance of equipment and fixed assets, and renting facilities used in the production and presentation programming. Grant recipients must return unused portions of a grant to the Government of Alberta.

5.7 The Government of Alberta or its authorized representative may require the examination of a grant recipient's financial and other records to ensure that the grant is being, or was, used for its intended purpose.

5.8 During the initial three-year transition period (2011-14) to this grant stream, no organization's operating grant will change more than plus or minus 15 per cent annually assuming adequate funds are available.

6. Assessment and Notification

6.1 Department staff will evaluate applications according to the grant stream criteria, coordinate the Expert Panel, and prepare recommendations for the Minister.

6.2 Applicants will be notified in writing of the results of their application and/or funding status after all recommendations are approved by the Minister.

7. Reporting

Grant recipients in this grant stream may meet reporting requirements in one of two ways:

7.1 The completed Application Form, Applicant Agreement, attachments and supporting documents satisfy the annual reporting requirements of this grant.

7.2 If no subsequent application is made, grant recipients must submit a full report that demonstrates that grant funds were spent on the activities described in the application. This report is due by June 1, and must include all of the following:

- a. the organization's most recent annual financial statement, demonstrating fiscal responsibility. The financial statement required varies according to the amount of the grant received from the AMF:
 - i. over \$50,001 requires a Review Engagement statement provided by a designated accountant;
 - ii. over \$10,001 requires a Notice to Reader financial statement provided by an accountant; or
 - iii. \$10,000 or less requires a financial statement approved and signed by two Board members other than the Treasurer.
- b. a copy of the organization's most recent return to Alberta Corporate Registry;

c. a description of the outcome of the season, and an evaluation of the success of the season in relation to its original objectives; and

d. copies of all promotional and publicity materials for the previous year, demonstrating compliance with recognition requirements.

7.3 Any grant recipient that does not provide a report will be ineligible for further funding from the AMF for a period of three years from the time the delinquency is resolved.

8. Recognition Requirements

8.1 Credit to the Government of Alberta for financial support will be acknowledged in any publicity prepared in relation to the organization's activities, including electronic, print, or visual material.

8.2 It is the grant recipient's responsibility to provide evidence of compliance with the recognition requirements.

8.3 The Government of Alberta provides electronic versions of its logo for use in meeting recognition requirements. These will be provided by Department staff upon request.

8.4 A minimum reduction of not less than 10 per cent will be applied to the subsequent grant of any organization that does not satisfy AMF recognition requirements.

9. Application Submission and Questions

9.1 Submit all applications through the online application portal:

<https://gate.alberta.ca/gate/frontOffice.jsf>

9.2 For assistance with this grant application, call Cultural Industries at 1-888-813-1738.

9.3 The Government of Alberta will retain all materials submitted with grant applications.

9.4 The application deadline is **June 1** annually.