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**Department of Tourism, Heritage and Culture**

**NB Film, Television**

**& New Media Industry
Support Program**

**Program Guidelines**

**2022-2023**

**Department of Tourism, Heritage and Culture**

**Mandate**

The mandate of the Arts and Culture Branch, as it relates to the film industry, is to support a viable and culturally significant film industry in New Brunswick. To this end, the goals of the NB Film, Television & New Media Industry Support Program are:

1. To foster the stability and success of the film industry;
2. To support the maintenance and creation of jobs, the attraction of external investment, the contribution to the GDP and tax revenue;
3. To maximize leverage opportunities; and
4. To contribute to the development and production of quality film, television and new media products that contribute positively to New Brunswick’s cultural and artistic image

**Submission Deadline Dates**

**Development Incentive:**

Applications for a Development Incentive grant can be submitted via email to culture@gnb.ca. Development grants are allocated on the basis of eligibility and budget availability. THC reserves the right to determine the number of development projects an applicant can submit and/or receive funding for within a given timeframe.

**Production Incentive:**

Projects can be submitted to the Department of Tourism, Heritage and Culture (THC) via email to culture@gnb.ca . Priority will be granted to projects that present a complete financing structure at the time of application, or a reasonable timeline by which complete financing will be secured from all financial partners. THC reserves the right to determine the number of production projects an applicant can submit and/or receive funding for within a given time frame. Only projects that meet eligibility requirements will be considered for funding.

**Definition of terms**

1. **New Brunswick Resident:** An individual who, for income tax purposes, has maintained a principal residence in New Brunswick *and has filed his/her income tax report in New Brunswick for the taxation year in which principal photography of the production commenced.*
2. **Eligible Corporation:** A corporation that is incorporated in New Brunswick, other than a corporation that holds a broadcasting license issued by the Canadian Radio-television and Telecommunications Commission (CRTC).
3. **Eligible Salaries:** The gross salaries or wages (excluding HST) directly attributable to the project that are incurred and paid by the corporation for the stages of production from the final script stage to the end of the
post-production stage.
4. **Eligible Applicants:** Both New Brunswick and external companies may apply for the ***Production Incentive***.
“New Brunswick companies” are defined as a company that has a permanent establishment in New Brunswick and can demonstrate 50% of its shareholders are New Brunswick residents as defined above (“New Brunswick Resident”). When the applicant to the Production Incentive is a New Brunswick Company entering a
co-production agreement with an external company, the incorporated New Brunswick company must have a permanent establishment in the Province, with a minimum of 50% of voting shareholders being New Brunswick residents. Only incorporated New Brunswick companies having a permanent establishment in the Province, with a minimum of 50% of voting shareholders being New Brunswick residents, can apply for financial assistance under the ***Development Incentive***. These companies must demonstrate that their primary purpose is the domestic or collaborative production of film or television products. These can be privately owned or publicly-traded corporations.
* *Individuals, non-incorporated groups, licensed broadcasters, distributors and national film agencies* ***ARE NOT ELIGIBLE*** *to apply for the NB Film, Television & New Media Industry Support Program.*
1. **Co-productions:** New Brunswick allows access to Development and the Production Incentives. **In all
co-production cases, the applicant must be a New Brunswick corporation.**
2. **Intra-provincial co-productions:** All eligible New Brunswick companies must retain an ownership position in the copyright of the project commensurate to their financial participation to the project.
3. **Inter-provincial co-productions:** Inter-provincial co-productions are considered eligible if there is an eligible
New Brunswick company sharing the creative and financial control of the project. This is approved at the sole discretion of THC and should be included in the co-production agreement between parties involved. To be considered eligible, an **inter-provincial co-production** must meet the following minimum criteria:
4. The applicant production company must have incorporated in New Brunswick and have a permanent establishment in the Province;
5. The applicant production company must receive shared credit as a producer in the project;
6. The applicant production company must have a share of the revenues of the production at terms no less favorable than the proportion of financing it brings to the project. In no case, will the copyright ownership of the New Brunswick company be less than 33%.
7. The proportion of the total production budget expended in New Brunswick should favor and benefit
New Brunswick and approval is at the discretion of THC.

**International co-productions:** International co-productions must meet the conditions listed above, in addition to the following:

1. The New Brunswick production company must retain no less than 20% share of revenues and ownership position in the copyright of the production.
2. The New Brunswick production company must demonstrate that it has satisfied all relevant international co-production treaties determined by Telefilm Canada.
3. **Service productions:** Service productions are defined as external production companies contracting with local service providers to produce a film in New Brunswick. They are only eligible to apply for the Production Incentive in the form of either the NB Spend Incentive (to a maximum of 25% of all spend in New Brunswick) or the
NB Labour Incentive (to a maximum of 40% of the labour expenditure). ***Note:*** *approval of support for service productions will depend on budget availability. All domestic productions will be given priority.*

 **Service productions** must meet the following criteria:

1. 50% of the total production, based on total production costs – section B of the “movie magic” table – must take place in New Brunswick;
2. A minimum of 25% of all labour must be New Brunswick based;
3. No funds will be disbursed until the production is completed and all required documentation and reports have been submitted and approved by THC.

**Development Incentive**

The Development Incentive provides funds in the form of a grant to support the development of projects that have already secured intent or commitment from a broadcaster, funding agency and/or third-party financing.

**Eligible Projects:** Feature films, Television content (MOW’s, sitcoms, dramatic series, docu-series), documentaries, reality and lifestyle series and children’s programming.

**Non-eligible Projects:**

* Films and videos of a promotional or instructional nature for commercial, industrial, institutional purposes;
* Technical instruction videos, music promotional video and how-to-do videos;
* Sporting events, news, weather and current affairs reporting;
* Gala and/or award presentation shows, citations;
* Productions containing explicit sex, excessive violence, sexual violence or sexual exploitation or any matter which is libelous, obscene or in any other way unlawful or which does not respect provincial and/or federal civil or criminal laws, will NOT be considered for funding support by THC.

**Financial Participation:**

* Up to 50% of the approved development budget for dramatic feature films, made-for-TV movies, dramatic TV series and mini-series to a maximum of $120,000 per project.
* Up to 40% of the approved development budget for all other genres of projects to a maximum of $50,000.
* In order to maximize opportunities for a greater number of producers in New Brunswick, THC reserves the right to determine how many development projects and applicant can submit, and/or receive funding for in a given timeframe, unless otherwise determined by THC. Production companies whose development applications have been deferred from a previous fiscal year due to budgetary constraints may be entitled to priority assessment upon budget renewal at the beginning of the next fiscal year.

THC will apportion its development funding as follows:

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| --- | --- | --- |
|  | **Feature films / Drama** | **All other genres** |
| First Draft | $0 - $50,000 | $0 - $50,000 |
| Second Draft | $0 - $50,000 |  |
| Final Draft/Packaging | $40,000 - $60,000 |  |
| Total | $120,000 (maximum) | $50,000 (maximum) |

**Disbursement:**

Approved funding support will be issued at 80% upfront and 20% upon project completion. Funding can be disbursed over up to three phases of development.

To receive the second and final payment of this repayable financial contribution, the claim must be supported by:

* An uncertified final cost report, supported by an Affidavit (available on the Department website).

**The financial participation of the Province will in no case exceed any amount required to finance a project.**

**Allowable Expenses:**

* Option or acquisition of rights (option agreements **must** cover a minimum of two-year period);
* Research and scriptwriting fees, story-consulting fees and editor’s fees;
* Development related travel expenses;
* Pre-casting and location scouting expenses;
* Expenses related to securing production licensing, financing and distribution;
* Preparation of production budgets and production schedules;

**THC allows a maximum of 20% of the development cost for producer’s fees and corporate overhead (PFCO).**

**Application Requirements:**

* A completed, signed (by an authorized person) and dated application form;
* A description of the proposed project;
* A list of the key personnel involved in the project;
* The financial structure proposed for the development of the project and details of the financing that is already in place;
* A co-production agreement (if and when applicable);
* Corporate information (articles of incorporation, corporate structure, etc.);
* Any additional information as requested by the Branch.

**Production Incentive**

To support the industry with their production projects, the Province offers:

**EITHER a Labour-Based Incentive** equal to a maximum of 40% of eligible salaries paid to New Brunswick residents. Eligible salaries and wages **cannot** exceed 50% of the eligible costs of production.

**OR an All-Spend Incentive** equal to a maximum of 25% of all New Brunswick expenditures for variety and service productions, or to a maximum 30% of all New Brunswick expenditures for New Brunswick based productions or
co-productions.

Eligible expenditures include NB Labour, NB service contract expenditures, and NB expenditures for the rental or acquisition of related materials. Interpretation of the eligibility of these expenses is at the sole discretion of THC.

To ensure a fair and equitable distribution of funding support, the following per project, per genre maximums will apply:

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| --- | --- |
| Single Documentary | $150,000 |
| Animated TV Series | $400,000 |
| Documentary TV Series | $500,000 |
| Children’s TV Series | $500,000 |
| Variety TV Series | $500,000 |
| Reality/Lifestyle TV Series  | $500,000 |
| TV Mini-series (6 episodes or less) | $400,000/episode |
| TV Series (6 episodes +) | $1.5M |
| Feature Films | $1.5M |

**Yearly** **Maximums:**

Individual production companies may be eligible for up to $2M in total approved project support in any given fiscal year. NOTE: Applying for a grant does not guarantee a grant or that a grant, if offered, will be equivalent to the amount requested. The Department reserves the right to decline to fund a project or offer less than the requested amount based on its assessment of the application and/or the availability of funds.

**Disbursement:**

Approved production funding support will be issued at 80% upfront and 20% upon project completion and approval of appropriate materials.

**Eligible Projects:**

* Television movies, documentaries, feature films, television content (MOW’s, sitcoms, dramatic series,
docu-series), variety and capitations, animation, children’s programming, reality and lifestyle series, educational, experimental and non-theatrical genres;
* Projects submitted to the program must be undertaken in the current fiscal year. Projects slated for production in future fiscal years will not be accepted and **will need to be re-submitted in the appropriate fiscal year.**

**Non-eligible Projects:**

* Films and videos of a promotional or instructional (how-to) nature for commercial, industrial, institutional purposes;
* Technical instruction videos, music promotional video and how-to-do videos;
* Sporting events, news, weather and current affairs reporting;
* Gala and/or award presentation shows;
* Productions containing explicit sex, excessive violence, sexual violence or sexual exploitation or any matter which is libelous, obscene or in any other way unlawful or which does not respect provincial and/or federal civil or criminal laws, will NOT be considered for funding support.

**Application Requirements:**

* A completed, signed (by an authorized person) and dated application form;
* A description of the proposed project;
* A list of the key personnel involved in the project;
* The financial structure proposed for the production of the project and details of the financing that is already in place;
* A co-production agreement (if and when applicable);
* Corporate information (articles of incorporation, corporate structure, etc.);
* Any additional information as requested.

* Prior to signing of the contractual agreement, the applicant must indicate whether the assistance requested is in the form of the Labour-Based Incentive (40% of labour) or the All-Spend Incentive (30% of NB spend). This decision will be final and irrevocable.

**Allowable Expenses for Labour-Based Incentive:**

Gross salaries and wages paid to eligible employees by the corporation for the various stages of production, from the final script stage to the end of the post-production stage.

**Allowable Expenses for All-Spend Incentive:**

NB Labour, NB service contract expenditures, and NB expenditures for the rental or acquisition of related materials. Interpretation of the eligibility of these expenses is at the discretion of THC.

In keeping with Canadian Media Fund guidelines, THC allows a maximum of 10% of (B+C) of the production budget for producer’s fee and corporate overhead (PFCO) for production budget of more than $500,000 and a maximum of 15% for production budget of $499,999 or less.

**Deeming of Residency Requirement:**

A deeming of residency may be granted if the three (3) following conditions are met:

* When there is no qualified New Brunswick individual available to perform the specific function;
* the proposed out-of-Province employee fulfilling this function is providing on-the-job training and mentoring a New Brunswick resident; and
* When, in the opinion of THC, the overall economic/cultural benefits to the Province are such that deeming is warranted.

The application for such deeming MUST be submitted AND approved prior to the first day of principal photography. If unforeseen circumstances arise after shooting has started, an exception may be made, at the sole discretion of THC.

A maximum of 1 waiver per production may be granted for all non-dramatic productions and up to 3 per production for dramatic productions.

Each application for a waiver must include a ***signed mentoring agreement and must include a training plan for each individual trainee.*** THC must approve all training plans. No waiver will be considered without a mentoring agreement and training plan provided by the production company.

**Non-Eligible Positions:**

THC will not entertain applications for deeming for producers, directors, leading actors and actresses, cast members, extras, musicians or any artists performing in an artistic capacity.

**Deadline for Final Request**

The final request for the issuance of THC’s final payment must be received no later than 30 months after the first day of principal photography. **THC will assume no liability for applications received after this mandatory 30-month period.**

**Final report completion requirements**

Upon completion of a project, the following documentation is required in order for the final disbursement to be made:

* A list of eligible employees and eligible individuals with names, social insurance numbers, eligible salaries, occupations and addresses;
* A list of all eligible expenditures incurred in New Brunswick;
* All “*Declaration of Residency*” forms signed by the employees confirming their status of New Brunswick resident;
* For projects of $100,000 or less in total production value, a signed affidavit attesting to the costs of the production. (An affidavit form can be found on the THC website);
* For projects between $100,001 and $500,000 in total production value, a Review Engagement Report as per the CICA Handbook;
* For projects over $500,001 in total production value, an independent Audited Report.
* A statement from an independent professional accountant confirming that all employees, suppliers, and contracts associated with the production are paid.

**At its discretion, THC may require any additional information before issuing the final disbursement.**

*The financial participation of the Province will in no case exceed any amount required to finance a project.*