



Canadian Television Fund

2006-2007 Guidelines

Development Financing

The COMPLETE Canadian Television Fund 2006-2007 Guidelines consist of:

Main Document (You must have this) and one of the following Guideline Modules as applicable to your production:

Broadcaster Performance Envelope Stream:

- Drama
- Children's and Youth
- Documentary
- Variety and Performing Arts

Special Initiatives Stream:

- Aboriginal-Language Productions
- French-Language Productions outside Quebec
- Development Financing
- Versioning Assistance

Nos Principes directeurs sont affichés en français sur notre site Internet à l'adresse suivante :
www.FondsCanadiendeTele.ca

Eligible Applicants

Development financing is available to production companies of all sizes, provided that Applicants satisfy all other CTF criteria for eligible Applicants (see Section 5 of the Main Document of the CTF 2006-2007 Guidelines). Broadcaster-affiliated production companies, as defined in Section 5.2 of the Main Document, are not eligible for development financing.

Applicants who are unincorporated, but meet all other requirements in Section 5, may apply for development financing if they have never received CTF funding before. The Applicants will be required to incorporate prior to the signing of a development agreement.

Eligible Projects

Only development financing applications for projects in the genres of television programming supported by the CTF are eligible and projects must meet the criteria for eligible projects (see Section 6 of the Main Document of the CTF 2006-2007 Guidelines and the CTF 2006-2007 genre modules for eligible genre definitions). The project must be developed as a Canadian production or intended as an official treaty co-production. A Canadian scriptwriter must be involved in all stages of development. For projects intended to be Canadian official treaty co-productions, the active contribution of a Canadian scriptwriter is required. Eligibility for development funding does not guarantee applicant or project eligibility for CTF production streams.

Eligible projects must have completed all previous phases of development before applying for a new phase.

Eligible Activities and Costs

The CTF supports scriptwriting and other activities normally associated with television project development, including those related to audience research.

Depending on the phase of development, the CTF may participate in the following costs:

- Research
- Third Party Optioning or acquisition of rights
- Scriptwriting
- Script workshops
- Development of production budget and financing
- Audience research
- Focus groups
- Enhanced media packages
- Short non-broadcast demos
- Producer fees and corporate overhead (not exceeding 20% each of direct costs).
- Arms length legal costs

The CTF development budget templates outline specific costs allowable at each phase of development per genre.

All applications must include producer fees and corporate overhead at the maximum amounts; i.e., 20% of direct costs shall be producer fees and 20% shall be corporate overhead. Direct costs include all eligible development expenses except for producer fees and corporate overhead and over-scale portions of writer fees. Costs that are expected to be covered by corporate overhead include: in-house legal expenses, printing/script reproduction, courier charges, accounting fees, promotional costs, and entertainment.

Only Canadian costs are eligible. Costs incurred prior to application are ineligible, with the exception of option or acquisition of rights and the expenses associated with acquiring those rights, as long as they are not paid to a person with ownership interest.

Unless more than one phase is ordered by a broadcaster at the time of application, the CTF generally apportions development assistance in phases, each phase being the subject of a separate application and decision. These phases typically correspond with the writing of individual drafts of the screenplay.

Required Rights

The Applicant must have purchased all rights and options, exclusive for at least 24 months which are necessary for the adaptation of the original work or concept, the scriptwriting, the production and world-wide distribution.

Repayment of Advances

Advances must be repaid on the first day of principal photography or other use of the script, or upon the transfer, sale, assignment or other disposition of the script.

A. English-Language Broadcaster Development Envelopes

Broadcaster Contribution

All applications for development financing must include a commitment for financial participation by a Canadian broadcaster who has access to a CTF development envelope. The triggering broadcaster (one single broadcaster) must commit to finance at least 50% of the development budget. There is no minimum dollar threshold.

As an incentive to broadcasters to develop projects outside of the large production centers, for projects originating at least 150 km outside of Vancouver, Toronto and Montreal, the trigger licence from one single broadcaster is reduced to 25% of the development budget. To gain access to this incentive, the chain of title must originate with the regional applicant who must continue to retain at least 51% ownership of the copyright interest in the project.

There will be no transfer of CTF funding resources between a broadcaster's production envelope and the broadcaster corporate group's development envelope.

CTF's Financial Participation

There will be no creative assessment by the CTF beyond ensuring that minimum eligibility requirements are met. The CTF will review the eligibility of all costs represented in the development budget and rely upon the broadcaster to ensure the costs are reasonable. The CTF will ensure the budget includes all normal and expected budget items at appropriate amounts including Producer Fees and Corporate Overhead (PFCO).

Successful applicants receive non-interest-bearing advances. CTF's contribution will be a maximum of 50% (or 75% for applicants whose head office is situated outside of a 150 km radius from the major centers) of the approved development budget or final development costs (whichever is less) to a per project cap of \$100,000, except for (1) big-budget series development (more than 7 episodes) where the cap is raised to \$200,000 in all genres and (2) for dramatic mini-series* development where the cap is raised to \$125,000.

The CTF and broadcaster will advance funds to the project using the following drawdown schedule. Beyond minimum eligibility requirements, the CTF will rely upon confirmation of the broadcaster's drawdown to release its own:

1. 50% of the CTF contribution upon satisfaction of the following items:

- The executed letter of agreement
- The writer's contract
- Confirmation of broadcaster agreement & receipt of 50% payment of their licence

2. 50% of the CTF contribution upon satisfaction of the following items:

- The treatment[†]
- The first draft script[†]
- The shooting script[†]
- Confirmation of the Broadcaster's commitment to all phases of development outlined in the Broadcaster agreement (e.g., copy(ies) of cheque(s) from the Broadcaster for each phase or written confirmation from the Broadcaster of acceptance of deliverables for previous phase(s))[‡]
- Cost reporting elements specified in section 4 of the General Terms and Conditions
- Confirmation of broadcaster agreement & receipt of 50% payment of their licence

[†] The Analyst customizes these conditions to list the specific deliverables (creative and business) required for each project.

[‡] Only used if the development application is for multiple phases.

The broadcaster's full financial contribution and any other confirmed sources of development financing must be included within the financial structure prior to CTF reaching the maximum level of financial participation. A project may access this per project cap over one or more phases. Multiple phases at the time of application will be eligible if ordered by the broadcaster, subject to "phase triggering" deliverables as outlined within the CTF contract. The broadcaster letter must clearly indicate the deliverables being commissioned for each phase of a multi-phase application.

* A mini-series is generally six or less episodes and will always handle a subject matter in its entirety and in a manner which results in a conclusion. The intention is that a mini-series will not be renewed.

Genres

To ease the administration of Broadcaster Corporate Envelopes, the Development fund will continue its policy of not requiring genre targets within the envelopes. The fund will monitor development spending to ensure that all eligible genres of CTF programming continue to benefit.

Application Process

Applications for development financing may be submitted to Telefilm Canada commencing on April 3, 2006. Complete applications for 75% of a Broadcaster Corporate Envelope must be received by October 2nd. If complete applications are not received for at least 75% of the Broadcaster Corporate Envelope by October 2nd, the entire remaining balance of the envelope will be re-allocated to Broadcaster Corporate Groups that have met this target.

This deadline does not apply to the CBC envelope. A final deadline of December 15th is set for this second allocation at which time unused resources from any Broadcaster Corporate Group, including CBC, will be placed into the CTF Reserve Fund.

Doors Open	First Deadline	Second Deadline
April 3, 2006	October 2, 2006	December 15, 2006

B. French-Language Development Streams of Financing

There are three streams of French language development funding in 2006-2007:

- A **Quebec Regional French-Language Development Initiative** stream equal to \$250,000. The rules for accessing this initiative will be similar to last year, with the exception that producers will be entitled to access each discreet component of the program only once per fiscal.
- A **Selective Broadcaster Development Envelope** stream equal to 63% of the available development funds.
- A **SRC/RDI Broadcaster Development Envelope** stream equal to the remaining 37% of funds.

Quebec Regional French-Language Development Initiative

Eligible Applicants must have their head office in Quebec and be at least 150 km outside Montreal.

This initiative has 3 components:

- 1) Producer Development
- 2) Project Development with a Broadcast Commitment
- 3) Project Pre-development with a Broadcast Letter of Interest

1. Producer Development (approximately \$45,000)

Two special development programs will be delivered in spring of 2006: an immersion with broadcasters and training in the area of television drama.

2. Project Development with a Broadcast Commitment (approximately \$155,000)

Eligible Applicants may apply with a maximum of one Eligible Project beginning April 5, 2006.

Eligible Projects will receive funding on a first come, first served basis until resources are depleted.

In the event that several projects are competing for limited resources, the CTF reserves the right to select projects based on the:

- Originality and marquee elements;
- Quality of the creative package (production value);
- Creative team: track record of the Producer and Creative Team;
- Broadcaster interest: level of broadcaster financial contribution.

In all cases, CTF will ensure the eligibility and reasonableness of all costs represented in the development budget. Returning series are not eligible under this stream.

CTF's Financial Participation

Successful applicants will receive a non-interest bearing advance. CTF's financial participation may not exceed 65% of the approved development budget or final development costs. The broadcaster's total financial participation and any other confirmed sources of development financing must be included within the financial structure prior to the CTF reaching the 65% level of approved development budget.

Repayment of Advances

75% of CTF's advance on this special stream must be repaid on the first day of principal photography or other use of the script or upon the transfer, sale, assignment or other disposition of the script.

Broadcaster Contribution

All applications for development financing require a commitment for financial participation by a Canadian broadcaster or broadcasters. Broadcaster financial contribution(s) must meet the thresholds in the following table:

Genre	Minimum Canadian Broadcaster Contribution per phase
Drama and pilots (all programming genres)	15%
Documentary, Children's and Youth, Variety and Performing Arts	10%

Note: projects with a commitment from SRC or RDI are eligible for this initiative.

3. Project Pre-development with a Broadcast Letter of Interest (approximately \$50,000)

Eligible Applicants may apply with a maximum of one Eligible Project beginning April 3, 2006. Eligible Projects will receive funding on a first come, first served basis until resources are depleted.

In the event that several projects are competing for limited resources, the CTF reserves the right to select projects based on the:

1. Originality and marquee elements;
2. Quality of the creative package (production value);
3. Creative team: track record of the Producer and Creative Team.

In all cases, CTF will ensure the eligibility and that all costs are reasonable as represented in the pre-development budget.

Broadcaster Contribution

All applications for pre-development financing (pre-phase) must include a letter of interest from a Canadian broadcaster.

Eligible Costs

During the pre-development stage, the following expenses may be deemed eligible without a broadcaster's financial contribution:

- Preliminary research
- Scriptwriting consultant
- Story editor
- Writing of preliminary synopsis and treatment
- Production of several drawings (animation)
- Printing and collating costs
- Travel expenses incurred to meet broadcasters
- Production fees and management expenses (may not exceed 20% of eligible direct costs)

CTF's Financial Participation

Successful applicants will receive a non-interest bearing advance. CTF's financial participation may not exceed:

- \$5,000 for applications in pre-development

Note: projects with a letter of interest from SRC or RDI are eligible for this initiative.

Selective Broadcaster Development Envelope

French-Language projects from across Canada are received, evaluated and comparatively assessed at the Quebec office of Telefilm Canada. Projects are evaluated amongst others within the same genre and development phases. The goal of this process is to enhance the diversity of voices for all types of programs eligible for the CTF, encourage the quality of projects in an increasingly competitive environment and support the development of companies.

Note: SRC/RDI projects are not eligible for this development initiative.

Broadcaster Contribution

All applications for development financing must include a commitment for financial participation by a Canadian broadcaster or broadcasters. Broadcaster financial contribution(s) must meet the thresholds in the following table:

Genre	Minimum Canadian Broadcaster Contribution per phase
Drama and pilots (all programming genres)	25%
Documentary, Children's and Youth, Variety and Performing Arts	15%

Evaluation Criteria

The decision-making in the evaluation process will be based on the following criteria while ensuring that the overall portfolio reflects a diversity of voices (including diversity of genres and sub-formats, talent development, underrepresented communities and region):

1. Originality and marquee elements;
2. Quality of the creative package (production value);
3. Creative team: track record of the Producer and Creative Team;
4. Broadcaster interest: level of broadcaster financial contribution

CTF will ensure the eligibility and that costs are all reasonable as represented in the development budget.

CTF's Financial Participation

Successful applicants will receive non-interest bearing advances that represent up to 60% of the approved budget or finalized costs, up to the following caps per phase.

The maximum amount to be allocated per project, for all phases combined, is \$100,000 except for (1) big-budget series development (more than 7 episodes) where the cap is raised to \$200,000 in all genres and (2) for dramatic mini-series* development where the cap is raised to \$125,000.

* A mini-series is generally six or less episodes and will always handle a subject matter in its entirety and in a manner which results in a conclusion. The intention is that a mini-series will not be renewed.

	Documentaries	Dramas
1 x 60 min.	\$25,000	\$30,000
1 x 90 min.	\$30,000	\$35,000
Mini-series (6 episodes or less)	\$35,000	\$40,000
Series (7 episodes or more)	\$45,000	\$50,000

Application Process

The French-Language development funding for 2006-2007 will be allocated across three deadlines. Development funds will be reserved for each application deadline, subject to demand, as follows:

First Deadline	Second Deadline	Third Deadline
up to 50%	up to 35%	up to 15%

For each application deadline, the allocation of funds will be adjusted according to demand by genre.

In 2006-2007, the dates for each deadline will be:

First Deadline	Second Deadline	Third Deadline
April 5, 2006	September 6, 2006	November 22, 2006

Projects that are unsuccessful at one deadline may not re-apply for the same development phase at a later deadline within the same fiscal year. Re-applications for the same project within the fiscal year will be considered only if there are significant changes to the project, to be determined at the sole discretion of the CTF, including writer, producer, broadcaster, change in format, or more fully developed creative material.

SRC/RDI Broadcaster Development Envelope

SRC/RDI will receive 37% of all French-Language Development funding available. The same rules apply to the SRC/RDI Broadcaster Development Envelope than to the Selective Broadcaster Development Envelope with the exception that the selection of projects will be made by SRC/RDI. Consequently, applications will be received throughout the year starting on April 5, 2006 and ending on December 15th, 2006.