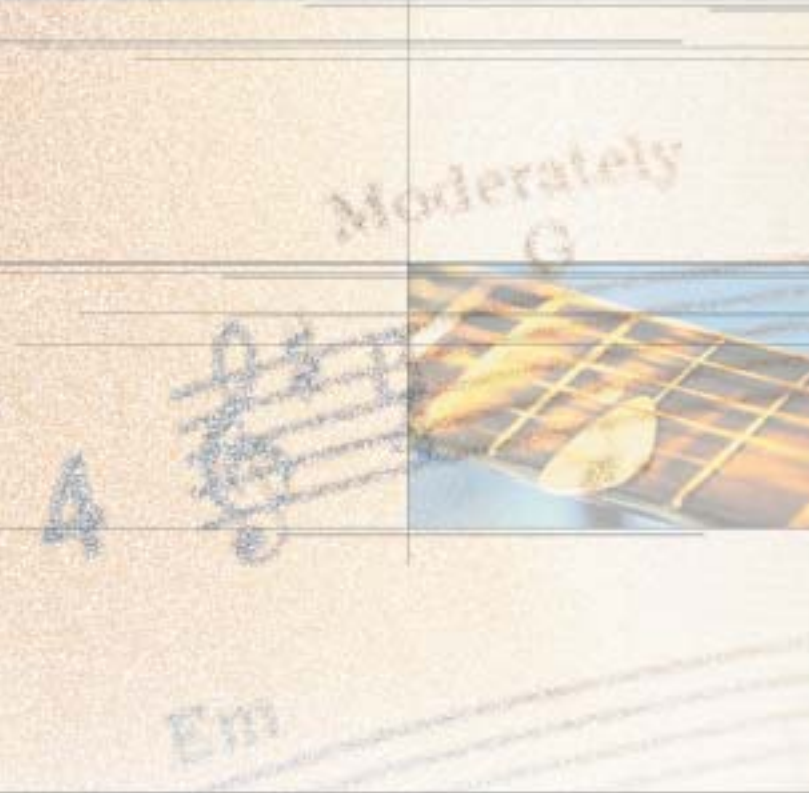




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# Canada Music Fund

Your guide to the  
Support to Sector  
Associations Program  
2002-2003

Canada 

# **Canada Music Fund**

## **Your guide to the Support to Sector Associations Program 2002-2003**


**Nota :** La version française de ce document est également disponible.

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## *Support to Sector Associations Program*

 This Guide should be read along side the Application Form for the *Support to Sector Associations Program*. Please read this Guide carefully. It will not only answer a lot of questions you might have about the *Support to Sector Associations Program* but also help ensure that the Application Form you will file will be thorough and complete.

### 1. WHAT'S NEW?

The *Support to Sector Associations Program* is one of eight programs of the **Canada Music Fund (CMF)**.

This program's **objective** is to enable Canada's sound recording sector associations to continue providing their respective memberships with professional representation, analysis of public policy initiatives and increased monitoring of industry trends and issues.

This objective differs fundamentally from that of the *Support to Federal Policy Development* component of the now discontinued **Sound Recording Development Program (SRDP)**.

Indeed, financial assistance is no longer provided on a project-specific basis. Rather, it is now provided to qualifying sector associations to assist them in their day-to-day activities.

The **expected results and outcomes** of the program include:

- a) an improved infrastructure of sound recording sector associations;
- b) an expanded capacity of sound recording sector associations to interact with appropriate government departments and agencies;
- c) an improvement of the monitoring capabilities of sound recording sector associations thus leading to timely membership-specific socio-economic profiles;
- d) a greater visibility of the sound recording sector associations, and a strengthening and increase of their respective memberships;
- e) an increase in the capacity of sound recording sector associations in the area of public policy research, analysis, and development through sector-specific studies, surveys, and statistics.

## 2. WHO CAN APPLY?

**Financial assistance through the *Support to Sector Associations Program* is open only to qualifying “Canadian” (see definition below) sector associations. Minimum requirements include that the applicant-association:**

- 2.1 be registered or incorporated in Canada or one of its provinces or territories as a not-for-profit Canadian association representing the interests of Canadians working in the sound recording industry;
- 2.2 has been involved in representing the interests of Canadians in the sound recording industry for at least two consecutive years immediately preceding the date of filing of an application under the *Support to Sector Associations Program*;
- 2.3 be in compliance with and abide by all terms and conditions outlined in contribution agreements as may have been entered into with the Department under the *Support to Federal Policy Development* component of the now discontinued (SRDP);
- 2.4 be prepared to enter into a signed contribution agreement governing the financial assistance provided under the program.(See section 8 for more details);
- 2.5 meet all other eligibility criteria as outlined in the Application Form.

### Definition of “Canadian”

For the purpose of the *Support to Sector Associations Program*, an association must be a not-for-profit organization in which more than half of its members and directors are Canadian “citizens” as defined under the *Citizenship Act*, or “permanent residents” as defined under the *Immigration Act*.

For the purpose of the *Support to Sector Associations Program* a person who is controlled in any manner by a person or entity that is not Canadian that results in control in fact, whether directly through the ownership of securities or indirectly through a trust, an agreement, an arrangement or otherwise, is deemed not to be a Canadian.

### 3. WHAT'S COVERED AND WHAT'S NOT?

**While certain costs are eligible for financial assistance under the *Support to Sector Associations Program*, others are not.**

- 3.1 Subject to subsections 3.2 and 3.3 below, only operational expenses outlined hereunder and incurred by an association during the fiscal year from April 1, 2002 to March 31, 2003 are eligible for financial assistance under the program:
- 3.1.1 Administration expenses;
  - 3.1.2 Office furniture, supplies, and equipment having a unit cost of less than C\$5,000;
  - 3.1.3 Salaries, benefits and management fees;
  - 3.1.4 Honoraria and professional services contracts;
  - 3.1.5 Costs associated with presentations to government departments, and interventions before regulatory agencies including travel and accommodation;
  - 3.1.6 Costs associated with public policy research, analysis, and development including sector-specific studies, membership surveys and socio-economic profile reviews, and statistics gathering and compilation;
  - 3.1.7 Costs associated with membership outreach initiatives including promotional and communication services, Web site design and maintenance, and travel and accommodation;
  - 3.1.8 Printing and translation costs.
- [Note: In the event that any of the costs outlined above include in-kind, barter, or contra expenses, the applicant will be required to file documentary evidence in support of the market value of such costs.]
- 3.2 The Department will only recognize that portion of eligible expenses as remains unfunded after the application of all other funding sources and revenue streams (e.g. membership dues, other government programs). Accordingly, the Department reserves the exclusive right to determine the type and quantum of operating expenses that are eligible for financial assistance under the program.
- 3.3 Capital costs (e.g. buildings, vehicles, computer equipment, etc.) having a unit cost of C\$5,000 or more are **not** eligible for financial assistance.

#### 4. WHAT NEEDS TO BE FILED?

To qualify for financial assistance through the *Support to Sector Associations Program*, the following information must, as a minimum, be provided by an applicant:

- 4.1 A duly completed and legible application form submitted to the Department within prescribed deadlines;
- 4.2 Pro-forma financial statements for the period commencing April 1, 2002 and ending March 31, 2003;
- 4.3 A brief statement of the goals, objectives and expected results of the applicant's activities specifically demonstrating how the requested funding furthers the **objectives, expected results and outcomes** of the program as outlined in section 1;
- 4.4 The amount of financial assistance requested under the program;
- 4.5 A listing of all other revenue streams and funding sources;
- 4.6 A summary of efforts undertaken by the association in the last year to avail itself of more diverse funding, including (1) new revenue streams, (2) private and public sector sponsors and funding sources, (3) a larger membership base, and (4) increase in members' dues;
- 4.7 A copy of the applicant's financial statements for the twelve-month period ended within 12 months preceding the date of filing the application;
- 4.8 The name, title, and telephone number of the applicant or person responsible for the financial assistance as may be provided under the program;
- 4.9 Documentary evidence (e.g. resolution or minutes of the Board) as proof that the applicant's Board of Directors or responsible officers have authorized the filing of the application;
- 4.10 Documentary evidence (e.g. resolution or minutes of the Board) as proof that the applicant's Board of Directors or responsible officers have authorized the person signing the application is duly authorized to act on behalf of and represent the association with respect to the filing of the application;
- 4.11 A copy of the applicant's letters patent, corporate charter, or other similar constituting document demonstrating the not-for-profit status of the applicant;
- 4.12 A list of names and citizenship of members of the association's Board of Directors;
- 4.13 A membership profile;
- 4.14 A disclosure attesting to the fact that the applicant is not in default with the Crown;
- 4.15 A disclosure attesting to the fact that any former public office holder or public servant, who is employed by the applicant, is in compliance with the post-employment provisions of the relevant *Conflict of Interest and Post-Employment Code for Public Office Holders*.

## **5. A FEW THINGS TO KEEP IN MIND.**

### **5.1 Deadline for filing**

It is incumbent upon and the sole responsibility of the association to ensure that a complete application is received at the Department's Head Office (15 Eddy Street, Hull, Quebec) **on or before** August 30, 2002.

More specifically, all applications received after this date will NOT be considered.

### **5.2 Electronic or hard-copy filing**

Applications sent by e-mail or fax will be accepted by the Department.

However, the following information must be submitted in hard-copy format to the Department **on or before** the application deadline indicated in subsection 5.1 above.

5.2.1 An Application Form duly signed by a person authorized to act on behalf of and that represent the association.

Accordingly, documentary evidence (e.g. resolution or minutes of the Board) authorizing the person signing the Application Form on behalf of the Association must also be filed in hard-copy.

5.2.2 All hard-copy referenced material such as corporate charter, financial statements, Board's minutes and resolutions, etc.

### **5.3 Complete applications**

Only applications deemed complete by the Department will be considered.

The Department's determination is final and non-appealable.

Associations must retain a copy of their Application Form and related materials for their files, since these documents may form part of their commitments if the request for financial assistance is approved.



## 6. IS THERE A LIMIT ON HOW MUCH AN ASSOCIATION CAN GET?

**Financial assistance is provided under the *Support to Sector Associations Program* to help offset up to a maximum of 50 percent of eligible operating expenses of qualifying applicants.**

6.1 This said, applicants may wish to avail themselves of financial assistance beyond the 50 percent limit. Associations contemplating filing applications in excess of the 50 percent limit should note that such applications must be based on truly exceptional circumstances. Accordingly, applicants must provide convincing arguments and documentary evidence in support of such requests.

6.2 All Department determinations are final.

## 7. HOW ARE APPLICATIONS EVALUATED?

**The guiding principles governing the Department's evaluation and the criteria used in assessing applications are listed below.**

7.1 The Department's evaluation is guided by the following principles:

7.1.1 In the name of fairness, applications received after the deadline will **not** be accepted.

7.1.2 Only a complete application will be considered for financial assistance. More specifically, while the Department may ask for clarifications **of information submitted by an applicant**, the Department will not guide, assist, or otherwise aid an applicant in the completion of an application. It is therefore the applicant's sole responsibility to ensure that **all** information, briefs, calculations, supporting documentation, etc. are filed.

7.1.3 An application will be assessed on its own merits. More specifically, while the Department may undertake comparative analysis techniques (e.g. applicant-specific historical trend analysis and applicant-to-industry comparisons), it recognizes that no two associations nor circumstances are the same.

7.1.4 Only complete applications covering activities for the period commencing April 1, 2002 and ending March 31, 2003 will be considered.

7.2 Applications will be assessed against the three (3) criteria outlined below:

**7.2.1 Nature and scope of activities** (see note 7.1.4)

Particular consideration will be given to those associations whose activities are as wide-ranging as possible, encompassing as many of the following activities:

- 7.2.1.1 public policy research on a range of sound recording industry related issues of significant importance to (1) the association's membership and (2) the sound recording industry at large;
- 7.2.1.2 appearing before parliamentary committees, regulatory agencies, and other government bodies, as required to provide expert testimony and public policy recommendations on matters relevant to the association's members;
- 7.2.1.3 having studies and/or surveys, either undertaken internally or commissioned by the association, that deal with the issues referred to at subparagraphs 7.2.1.1 and 7.2.1.2;
- 7.2.1.4 socio-economic profiles of the association's membership, either undertaken internally or commissioned by the association;
- 7.2.1.5 statistical compilations and analyses of industry performance indicators either undertaken internally or commissioned by the association;
- 7.2.1.6 making information, resulting from those activities in subparagraphs 7.2.1.1 through 7.2.1.5 inclusive, readily available to the association's membership, the Department, and the general public;
- 7.2.1.7 efforts undertaken to broaden the association's revenue streams and/or funding base such as activities to increase the association's membership base through promotional and advertising campaigns and outreach initiatives; increasing members' dues; lobbying efforts aimed at securing other private and public sectors sources of funding; etc.

**7.2.2 Membership profile**

The promotion of a broad and diverse representation of Canadians is crucial to effective public policy development. Accordingly, particular consideration will be given to those associations having a broadly-based membership with members coming from all regions of Canada.

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7.2.2.1 In this regard, associations will be required to demonstrate efforts undertaken during the year to increase their membership base including efforts undertaken to represent Aboriginal Canadians and those in official language minority situations in Canada.

### 7.2.3 Eligible expenses

In order to contribute to the expected results and outcomes outlined in Section - 1, two objectives of the program include (1) to provide financial assistance to as many eligible associations as possible, and (2) to ensure the most equitable distribution of limited public funds.

Accordingly, one of the criteria used in determining the amount of financial assistance provided under the program is the financial need of an association.

Therefore and subject to limits outlined in Section - 6, financial assistance will be provided to help offset **the lesser of** anticipated vs actual eligible expenses.

Applicants should note the following;

7.2.3.1 Eligible expenses actually incurred, **yet not identified at the outset and reflected in the Application Form**, will **not** be eligible for financial assistance.

7.2.3.2 Eligible expenses are those as outlined in subsection 3.1 as relate to the scope of activities outlined in paragraph 7.2.1. and reflected in the pro-forma financial statements referred to at section 4.2.

7.2.3.3 Eligible expenses must relate to the association's activities and operations **as they relate to Canadian members involved in the Canadian sound recording sector**.

More specifically, those associations representing the interests of persons other than those above (i.e.: Non-Canadians; and/or Canadians involved in sectors other than the Canadian sound recording sector), must provide both estimated and actual eligible expense information in such a way as to allocate said expenses. The method and rationale for such an allocation must be filed.

#### 7.2.4 Other considerations

The Department reserves the right to propose modifications to any portion of an application.

### **8. SO AN ASSOCIATION HAS BEEN OFFERED FINANCIAL ASSISTANCE. IS THAT IT?**

**Associations receiving financial assistance under the *Support to Sector Associations Program* will be required to enter into a contribution agreement with the Department.**

Some of the more salient requirements of the contribution agreement include:

#### **8.1 Filing with the Department no later than May 15, 2003 a report including:**

8.1.1 A qualitative assessment as to how the financial assistance provided under the program was instrumental in contributing to achieving the **expected results and outcomes** outlined in Section - 1;

8.1.2 A summary of results achieved for **each** of the activities listed at subparagraphs 7.2.1.1 through 7.2.1.7 inclusive undertaken by the Applicant;

8.1.3 A copy of the association's financial statements for the year ended within twelve months ending March 31, 2003;

8.1.4 A financial report in the same format as the pro-forma statements referred to at sub-section 4.2 and initially filed with the application, including explanations for all variances between projected revenues and expenses and those actually obtained and incurred.

#### **8.2 Recognition of the financial assistance provided by the Government of Canada including:**

8.2.1 The prominent display of the "Canada" wordmark on the home page of the association's Web site (if any) and on any other promotional material, banners, etc. that are suitable;

[Note: The wordmark is available in electronic format on the Department's Web site, at: <http://www.canadianheritage.gc.ca/logos> ];

The logo features the word "Canada" in a serif font, with a stylized maple leaf symbol integrated into the letter 'a'.

8.2.2 The use of the following sentence in all literature, press releases, and other printed material of the association: “*We acknowledge the financial support of the Government of Canada through the Canada Music Fund.*”

**8.3 Retention of and provision of access to financial and accounting records:**

8.3.1 Associations must maintain financial and accounting records for a period of five years after the date of the last remittance of the financial assistance provided under the program.

8.3.2 This includes the association’s financial statements (including year-end journal entries, adjustments, and working papers); accounting records (both computerized and books of original entry); banking records (including **originals** of cancelled cheques, bank statements, and related material); and originals of documentary evidence (including invoices, contracts, leases, bills, receipts, etc.).

8.3.3 As outlined at subsection 9.2, the Department reserves the right to conduct periodic evaluations of financial assistance provided under this and other programs of the Canada Music Fund and/or audits of recipients under these programs. Accordingly, during the course of such evaluations or audits, associations must grant access to the said information by Departmental officials or its representatives during normal business hours.

**8.4 False or misleading information:**

8.4.1 An association found to have submitted false or misleading information will be required to refund the whole of any financial assistance received under the *Support to Sector Associations Program*.

8.4.2 Furthermore, such an association will be declared ineligible for financial assistance for a period of two years thereafter under **any and all programs of the Canada Music Fund.**

**9. SOME DEPARTMENTAL PROVISIONS.**

**9.1 THE MINISTER’S DISCRETION AND DECISIONS**

The Minister, or a duly authorized representative, at his or her own discretion, may decide to accept or refuse, in whole or in part, any application submitted. Any decision made by the Minister or representative is conclusive and final.

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## 9.2 EVALUATIONS AND AUDITS

The Department reserves the right to conduct evaluations and audits of projects funded through the *Support to Sector Associations Program*. The recipients of financial assistance under this program must make available, during the course of an audit, any records, documents, or other information that may be required to perform the audit. The Department will assume the costs related to such evaluations and audits. The assessment criteria to be used in such evaluations or audits will be determined solely by the Department.

Where an association has received government financial assistance from sources **other than** the *Support to Sector Associations Program* **and/or** the association's activities are multi-disciplinary in nature extending beyond sound recording, the association's financial and accounting records must be structured in such a way as to clearly and separately identify;

- 9.2.1 all revenue streams and funding sources available for general application/use;
- 9.2.2 all revenue streams and funding sources available for activity-specific application/use (e.g. funding under other Canada Music Fund programs);
- 9.2.3 those expenses eligible for financial assistance under the *Support to Sector Associations Program*.

## 9.3 TRANSPARENCY AND ACCOUNTABILITY TO CANADIANS

The Department reserves the right to make available to the public all information filed in conjunction with this program.

## 9.4 DUE DILIGENCE AND THE AVAILABILITY OF FUNDS

Funds available for the *Support to Sector Associations Program* are limited. Accordingly, financial assistance might not be available nor provided to all those who apply.

Financial assistance as may have been received in previous years under the *Support to Federal Policy Development* component of the now discontinued *Sound Recording Development Program* is **not** to be construed as a guarantee, express or implied, of financial assistance as may be provided under the *Support to Sector Associations Program*.

As with all eight programs under the Canada Music Fund, the Department reserves the exclusive right to determine the level of financial assistance provided under this program. Indeed, and with a view to maintaining a high level of stewardship of public funds, the Department reserves the exclusive right to terminate any program at any time. Furthermore, the Department is held harmless from all damages, direct or indirect, consequential or incidental, from its administration of this program and others of the Canada Music Fund.

## **10. HOW CAN I GET MORE INFORMATION ?**

### *General inquiries*

Pierre Carpentier  
Telephone: (819) 997-5884  
Facsimile: (819) 997-5709  
E-mail: pierre\_carpentier@pch.gc.ca

### *Address*

15 Eddy Street, 6th Floor, Room 123  
Sound Recording Policy and Programs  
Department of Canadian Heritage  
Hull, Québec K1A 0M5