



Canada Council
for the Arts

Conseil des Arts
du Canada

MUSIC SECTION

Grants for Specialized Music Distribution

The attached form must be used to apply to this program. Please read the application guidelines carefully before completing the application form, and keep a copy of the guidelines and the completed form. These documents contain essential information on the conditions of grants.

Deadline

All applications and support material must be postmarked no later than **15 May**. If it falls on a weekend or statutory holiday, the deadline moves to the next business day.

Incomplete applications, applications postmarked after the deadline date and applications sent by fax or e-mail will not be accepted.

Further Information

Gerri Trimble
Music Section
Canada Council for the Arts
350 Albert Street, P.O. Box 1047
Ottawa ON K1P 5V8

Telephone: 1-800-263-5588 (toll-free) or (613) 566-4414, ext. 4103

TTY (TDD) machine, for hearing-impaired callers: (613) 565-5194

E-mail: gerri.trimble@canadacouncil.ca

Fax: (613) 566-4409

February 2005

MUG24E 2-05



APPLICATION GUIDELINES – GRANTS FOR SPECIALIZED MUSIC DISTRIBUTION

PURPOSE

This program supports the distribution of “specialized music” by Canadian-owned and controlled distribution companies. The purpose of this program is to allow recipients to effectively distribute and promote Canadian specialized music recordings that, despite their cultural significance, have limited access to markets and consumers.

Financial assistance will be provided to Canadian distribution companies whose primary activity is the distribution of Canadian specialized music, both in Canada and abroad.

Program Funding

Funds for this program are provided by the Department of Canadian Heritage (PCH) through the Canadian Musical Diversity Program of the Canada Music Fund. The Canada Council for the Arts administers the Canadian Musical Diversity Program on behalf of PCH and delivers these funds to the public as Grants for Specialized Music Sound Recording and Grants for Specialized Music Distribution. The Canada Music Fund also includes programs that are administered by other agencies as well as non-profit private sector organizations, including Telefilm Canada, FACTOR and MusicAction.

Specialized Music

For the purposes of this Canada Council for the Arts program, “specialized music” is defined as any musical production whose intent and/or content places creativity, self-expression and/or experimentation above the current demands and format expectations of the mainstream recording industry. This music is usually identified with the parallel market and alternative distribution systems.

Specialized music, by its intent and/or in content, is not primarily shaped by the desire for wide market appeal. This music has a significance that extends beyond its role as a form of entertainment and/or its social role as a form of expression used by a particular cultural group.

ELIGIBILITY

Eligible Applicants

Eligible record distribution companies are those that are incorporated or registered, are Canadian-owned and controlled (at least 51 percent), and are operating in Canada.

In order for sole-proprietorship companies to be eligible, they must be owned and operated by Canadian citizens or permanent residents of Canada.

For companies with more than one shareholder, at least 51 percent of the value of assets held by the company must be owned or controlled by Canadian citizens or permanent residents of Canada, and the chairperson (or equivalent) and more than half of the directors (or equivalent) must be Canadian citizens or permanent residents of Canada.

For non-profit organizations, more than half of its members and directors must be Canadians or permanent residents of Canada.

Additionally, eligible applicants to this program must:

- have been in business for at least two years immediately prior to the deadline date;
- have distributed, in Canada, at least three Canadian specialized music titles in the 12 months prior to the deadline date;
- currently distribute specialized music sound recordings for a minimum of six Canadian record labels;
- abide by its contractual agreements with artists, composers, lyricists, recording companies and publishers, or pay sums owed to such parties related to music products that the distributor produces, distributes or promotes.

For this program, a person who is controlled in any manner by another person or entity that is not a Canadian – where this 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.

All Canada Council for the Arts programs are accessible to Aboriginal artists or arts organizations and artists or arts organizations of diverse cultural or regional communities of Canada.

Eligible Titles

To be considered an eligible title under this program, the recording must be a specialized music sound recording project:

- that was recorded by a Canadian artist;
- that was produced by a Canadian-owned and controlled record company;

- that contains at least 50 percent Canadian content;
- with a master that is owned by a Canadian artist or Canadian-owned and controlled record company.

Canadian Content

As defined by the Canadian Radio-television and Telecommunications Commission, to qualify as “Canadian content” a musical selection must generally fulfil at least two of the following conditions:

- M (music) – the music is composed entirely by a Canadian;
- L (lyrics) – the lyrics are written entirely by a Canadian;
- A (artist) – the music is, or the lyrics are, performed principally by a Canadian;
- P (production) – the musical selection consists of a live performance that is i) recorded wholly in Canada, or ii) performed wholly in Canada and broadcast live in Canada.

In the case of instrumentals, a track will be considered to be Canadian if it is an instrumental performance of a musical composition in which the music was composed by a Canadian or Canadians, or the musical work was composed as an instrumental by a Canadian or Canadians.

Eligible Projects

Eligible projects are those that strengthen the ability of Canadian distributors to effectively distribute, promote and sell recordings of the specialized music of Canadian artists. Projects may include those designed to increase:

- a) the circulation of catalogues or products of Canadian distributors through effective distribution channels;
- b) the promotion of those catalogues and projects, and
- c) access to retail space for Canadian-content specialized music products.

Eligible Expenses

Projects must take place after the deadline date; expenses incurred before the deadline date are ineligible for consideration.

Financial assistance will be offered only for the portion of the project that is for specialized music recordings.

Eligible expenses are those associated with the distribution of Canadian specialized music recordings and may include the costs associated with:

- the design, production and shipping of printed catalogues;
- the design, production and shipping of CD compilations;
- advertising and other promotional materials that promote the CD compilation, the catalogue and/or the Web site of the distributor;
- the creation, maintenance and operation of Web sites, e-commerce systems and e-catalogues;
- the rental of listening stations for placement in retail spaces.

A maximum of two CD compilation projects are eligible for consideration.

Applicants requesting funding for the enhancement of Web and e-commerce activities must clearly describe the status of their current Web and e-commerce activities, the issues/problems that the project would address and what the improvements would be.

In extraordinary cases, applicants may request funding for activities that are not listed above. In these cases, the applicant must describe convincingly the rationale for their project and how the project will assist them to improve, expand or solidify their distribution activities. These projects should have an impact on numerous titles carried by the distributor, representing a range of their artists. Reasonable costs may be considered if there is sufficient rationale for the project. Applicants must discuss a project of this nature with the Program Officer before applying.

Staff positions, capital expenses or purchase of equipment (such as computers, listening stations or other audio equipment) are not eligible expenses under this program.

DEADLINE

The closing date for applications is **15 May**. Applications and all support material must be postmarked no later than the deadline date. Should this date fall on a weekend or statutory holiday, then the deadline moves to the next business day.

Incomplete applications, applications postmarked after the deadline date and

applications sent by fax or e-mail will not be accepted.

VALUE OF GRANT

The value of the grant awarded will not exceed 50 percent of the project's total expenses. Total public support (federal, provincial, regional and municipal) may not exceed 75 percent of a project's total expenses. As a result, the amount awarded by the Canada Council may be affected by the participation of other public funders.

Please note that the Canada Council for the Arts may choose to support a request in part or in its entirety.

HOW TO APPLY

Applicants must complete the enclosed application form and submit it with the required support material listed below:

- a list of the names and citizenship of the shareholders of the company;
- proof of incorporation and/or non-profit status;
- a detailed project description that outlines all proposed activities, the time frame, anticipated benefits in both the short and long term, and how the project will be evaluated;
- a comprehensive project budget, detailing revenues and expenses;
- a signed audited financial statement for the 12-month period that ended within six months of the deadline date;
- a copy of the applicant's catalogue;
- a list of titles in the catalogue that are Canadian specialized music;
- names of three specialized music titles distributed in the past;
- letters or contracts from six Canadian labels distributed by the applicant, confirming distribution agreements.

More details on support material requirements are provided in the application form.

Applicants who have received funding in the previous year for Canadian specialized music distribution must submit a final report. This report should re-state the objectives of the previous year's project, describe its activities, specify how and whether these objectives were realized, and quantify the impact of the project on sales and

availability of specialized music recordings. A financial report must also be included.

Original documents should not be sent and applicants are reminded to retain a copy of their submission for their records. The Canada Council for the Arts is not responsible for the loss or damage, whatever the cause, of support material.

The Canada Council will send, by mail, an immediate acknowledgement that the application has been received.

ASSESSMENT OF APPLICATIONS

All applications will be assessed by a peer assessment committee of representatives from the national specialized music community. Members of the peer assessment committee will be chosen to ensure fair representation of gender, regional and cultural diversity, Aboriginal peoples and both official languages.

Applications will be assessed on the merit of the proposed project, including:

- how the project furthers the objectives of the Grants for Specialized Music Distribution program;
- feasibility of the project and the ability of the applicants to carry it out;
- expected short-term and long-term benefits of the project;
- the demonstrated commitment by the distributor to the promotion of Canadian specialized music;
- reasonableness of the proposal, including proposed costs and relationship to the scope of the applicant's activities;
- the proposed method of evaluating the project.

NOTIFICATION OF RESULTS

Applicants will be notified of the results of the competition, in writing, within three months of the competition closing date. Results are not released by telephone.

PAYMENT OF GRANTS

The grant will be paid in two instalments, and the first instalment will be released upon receipt of any additional material or revised budget information that may be requested by the Canada Council.

FINAL REPORT AND FINANCIAL ACCOUNTING

All successful applicants must submit a final report describing their activities and a financial accounting no later than three months after the completion of the project for which the grant was awarded.

ACKNOWLEDGEMENT OF CANADA COUNCIL SUPPORT

Successful applicants must acknowledge the support of the Canada Council for the Arts in all promotional material associated with the grant.

CONFIDENTIALITY OF INFORMATION

The Privacy Act protects the personal information of individuals and provides them with a right of access to such information about themselves. Personal information will be maintained in Personal Information Bank CAC PPU 130. All other information may be accessible under the Access to Information Act.

On a confidential basis, the Canada Council for the Arts may share information related to applications and awards with officials in other arts and cultural industry funding agencies to assist with program planning and application evaluation.

FURTHER INFORMATION

For more information about the Grants for Specialized Music Distribution program, contact Gerri Trimble, Music Section Officer.

Telephone : 1-800-263-5588 (toll-free) or
(613) 566-4414, ext. 4103

TTY (TDD) machine for hearing-impaired callers:
(613) 565-5194

E-mail: gerri.trimble@canadacouncil.ca

Fax: (613) 566-4409

Web site: www.canadacouncil.ca

Music Section
Canada Council for the Arts
350 Albert Street, P.O. Box 1047
Ottaw ON K1P 5V8

February 2005

MUG24E 2-05



**Canada Council
for the Arts**

**Conseil des Arts
du Canada**

Grants for Specialized Music Distribution

If you are completing the application on a computer, please use the following format. Type or print in black ink.
The Canada Council for the Arts will not accept applications submitted by fax or e-mail.

MUSIC SECTION, CANADA COUNCIL FOR THE ARTS, 350 ALBERT ST., P.O. BOX 1047, OTTAWA ON K1P 5V8

PART A1 – IDENTIFICATION OF APPLICANT

Name of organization (registered name if incorporated):

Address:

() Telephone () Fax

E-mail Web site

Name of contact person: Mr. Mrs. Ms. Miss

Title:

PART A2 – AMOUNT OF GRANT REQUESTED

Amount requested from this program (as calculated in Part C3 of this form): \$ _____

PART A3 – DECLARATION

In which language do you prefer to communicate with the Canada Council for the Arts? English French

As a representative of the organization,

- I have read carefully the eligibility criteria for this program, which are described in the application guidelines, and confirm that the organization I represent meets these criteria.
- I accept the conditions of the program as outlined in the application guidelines and agree to abide by the Canada Council for the Arts' decision.
- I will act as sole representative of the organization, and I will keep the other participants informed of the contents and outcome of this grant application where applicable.
- I confirm that all members of the organization are Canadian citizens or permanent residents of Canada.
- I am aware that the Canada Council for the Arts is subject to the Access to Information Act and Privacy Act, as described in the application guidelines.

I certify that the statements in this application are true and complete, to the best of my knowledge.

Signature of contact person

Date

AN ORIGINAL SIGNATURE IS REQUIRED

Personal information will be maintained in Personal Information Bank CAC PPU 130. Refer to the Confidentiality of Information section in the application guidelines.

PART A4 – PROFILE OF ORGANIZATION

First year of operation in Canada: _____ / _____ / _____
 Day Month Year

Number of full-time employees: _____

Scope of organization’s activities:

Local Municipal Provincial/territorial Regional National International

Legal status:

Incorporated Yes Federal Provincial/territorial Registration number: _____
 No Application in process Date applied: _____

Registration number with the Canada Customs and Revenue Agency: _____

Charitable organization: Yes No
 Application in process Date applied: _____

Percentage of Canadian ownership of your company/organization: _____ percent

PART A5 – CATALOGUE INFORMATION

Content of current catalogue:

- a) Total number of titles: _____
- b) Number of Canadian titles: _____
- c) Number of Canadian specialized music titles: _____
- d) Canadian specialized music as a percentage of the total catalogue (c÷a): _____ percent

Provide the names of three specialized music titles distributed in the past 12 months. Please attach a copy of the liner or back tray card (indicating ISBN) of each title as evidence of distribution.

Name of Artist	Album Title	Label	Release Date

Provide a list of six Canadian-owned and controlled labels that the applicant distributes and state where these recordings are available for purchase. Attach a copy of letters/contracts from these six labels, confirming distribution.

PART B – PROJECT DESCRIPTION

Please provide a complete description of your project (maximum five pages).

- Provide a detailed description of the activities of the proposed project, including a schedule of activities and all relevant information/plans to support them.
- Detail the expected short-term and long-term results of the project.
- Explain how the project will have a positive and lasting impact on all participants.
- Describe how the project will be evaluated, including the name of the individual responsible for its evaluation, the plan of evaluation and the performance indicators to be used.

Final Report

Applicants that have received financial assistance from this program in the previous year are required to submit a final report. Please note that no further financial assistance will be granted unless this report is received.

Your final report must provide the following information:

- a brief statement of last year’s project and its objectives;
- a description of the activities carried out during the course of the project. If changes were made to these activities compared with those described in the original application, please provide details;
- the impact the project had/is having on your business activities and on the promotion and distribution of Canadian specialized music recordings in particular;
- how the project met the objectives identified in the applicant’s previous year’s application form and the overall objectives of this program;
- the benefits to your company and to the specialized music sector (in detail);
- a financial report detailing revenues and expenses related to the project.

PART C1 – FINANCIAL INFORMATION

Financial Statements

Please attach a copy of the applicant’s financial statement for the 12-month period that ended within six months of the deadline date. Companies whose shares are publicly traded on a recognized stock exchange must provide audited financial statements. For privately held commercial companies and non-profit organizations, the financial statements required must be signed by two officers of the company attesting to the accuracy of the information.

Revenues and Profit

Please provide the applicant’s Canadian and foreign revenues and net profit for the past two years. (Note: These figures must reconcile to the financial statements.)

	Past Year	Current Year
Canadian annual revenues	_____	_____
Foreign annual revenues	_____	_____
Net profit (profit after tax)	_____	_____

PART C2 – FINANCIAL INFORMATION: BUDGET**EXPENSES**

Please indicate both the total budget for the elements noted below and the portion of the budget allocated exclusively to Canadian specialized music. On a separate sheet, please explain how the expenses for Canadian specialized music distribution were determined in each of the categories below (e.g. CD Compilation, Product Catalogue, Web Page).

Item	Total Expenses	Expenses for Canadian Specialized Music Distribution
A) CD COMPILATION		
Percentage of Canadian specialized music tracks on the CD compilation: _____ percent		
Studio (mixing/mastering) Name of studio:	\$	\$
Manufacturing – no. of copies: _____ Name of manufacturing plant: Per unit cost: \$ _____	\$	\$
Graphics – artwork, layout, design and colour separation	\$	\$
Printing – no. of copies: _____	\$	\$
Other CD compilation expenses – specify	\$	\$
A) CD COMPILATION SUBTOTAL	\$	\$
B) PRODUCT CATALOGUE		
Percentage of Canadian specialized music in catalogue: _____ percent		
Printing – no. of copies: _____	\$	\$
Graphics	\$	\$
Other catalogue expenses – specify	\$	\$
B) PRODUCT CATALOGUE SUBTOTAL	\$	\$

PART C2 – FINANCIAL INFORMATION: BUDGET (cont'd)		
Item	Total Expenses	Expenses for Canadian Specialized Music Distribution
C) WEB PAGE		
Percentage of Web page devoted to Canadian specialized music: _____ percent		
Design expenses (programming, new pages)	\$	\$
Service provider fees	\$	\$
Maintenance and updating	\$	\$
Other Internet expenses – specify	\$	\$
C) WEB PAGE SUBTOTAL	\$	\$
D) ADVERTISING		
Specify details of advertising costs	\$	\$
D) ADVERTISING SUBTOTAL	\$	\$
E) SHIPPING		
Detail non-recoverable shipping costs for the CD compilation and catalogue	\$	\$
E) SHIPPING SUBTOTAL	\$	\$
F) MISCELLANEOUS		
Specify activities	\$	\$
F) MISCELLANEOUS SUBTOTAL	\$	\$
G) SUBTOTAL OF ELIGIBLE EXPENSES (Lines A to F)		\$
H) ADMINISTRATION EXPENSES (Administration expenses may not exceed 15 percent of line G)		\$
I) TOTAL ELIGIBLE EXPENSES (Lines G + H)		\$

PART C2 – FINANCIAL INFORMATION: BUDGET (cont’d)

REVENUES

Please describe below any potential or confirmed sources of revenues for the project for which you are requesting funding.

Source of Revenue	Total Amount	Amount Applied to Canadian Specialized Music Distribution
Federal Government (does not include the Canada Council) Funding confirmed? <input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
Provincial/Territorial Government Funding confirmed? <input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
Regional Government Funding confirmed? <input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
Municipal Government Funding confirmed? <input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
Other Funding confirmed? <input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$
TOTAL FINANCIAL ASSISTANCE ANTICIPATED FROM OTHER SOURCES	\$	\$

PART C3 – FINANCIAL INFORMATION: CALCULATION OF FINANCIAL ASSISTANCE

To determine the amount of financial assistance your organization is eligible to request, use either Calculation A or Calculation B below.

CALCULATION A (where no financial assistance is being received from other sources)

Multiply **total eligible expenses** (line I on page 5) by 50 percent. The amount requested \$ _____
is not to exceed 50 percent of the **total eligible expenses** (line I on page 5)

OR

CALCULATION B (where financial assistance is being received from other sources)

In this case, the maximum amount that can be requested from the Canada Council for this project is **the lesser of 1) or 2)** below.

1) 75 percent stacking limit

- | | | |
|---|----------|----|
| a) Multiply total eligible expenses (line I on page 5) by 75 percent | \$ _____ | 1a |
| b) Insert total financial assistance anticipated from other sources (from page 6) | \$ _____ | 1b |
| c) Subtract 1a) from 1b) | \$ _____ | 1c |

2) 50 percent maximum

- | | | |
|--|----------|---|
| Multiply total eligible expenses (line I on page 5) by 50 percent | \$ _____ | 2 |
|--|----------|---|

FINANCIAL ASSISTANCE REQUESTED FROM THE CANADA COUNCIL

The maximum amount of financial assistance available from the Canada Council as determined through Calculation A or Calculation B above.

\$ _____

PART D – SUPPORT MATERIAL

The following information must accompany your completed application form:

- Proof of incorporation and/or non-profit status
- A list of company shareholders
- A detailed project description that outlines all proposed activities, the time frame, anticipated benefits in both the short and long term, and how the project will be evaluated (maximum five pages)
- A comprehensive project budget, detailing revenues and expenses
- The organization's financial statement for the 12-month period that ended within six months of the deadline date
- A copy of your distributor catalogue
- A list of all Canadian specialized music albums that you currently distribute or a copy of the catalogue indicating Canadian specialized music
- Evidence of distribution of three specialized music albums, including one that was released in the past 12 months (see Part A5 for details)
- Letters or contracts from six Canadian labels distributed by the applicant, confirming distribution agreements
- Final report (for applicants that received financial assistance for specialized music distribution in the previous fiscal year)