

2023-24 BOOK FUND GUIDELINES

Deadline: June 1, 2023 by 5:00pm ET

The Ontario Creates Book Fund program documentation includes:

- Ontario Creates Book Fund –Guidelines (this document)
- [Ontario Creates Program Policies](#)

Applicants must review ALL of the documents listed above prior to submitting an application.

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1. Introduction

The Ontario Creates Book Fund is designed to increase financial viability and overall business growth of Ontario-based publishers through marketing initiatives which profile the works of Canadian authors to both foreign and domestic markets, and/or activities that enable publishers at various levels to achieve business development objectives that best suit their individual corporate goals.

Funding will be provided to support projects that have clear, objective and measurable results and/or indicate direct and positive impact that on the overall long-term business growth of the book publisher. Priority results include enhancement of publisher revenues and the creation/retention of jobs in the Ontario publishing industry. Ontario Creates will

measure results of the program based on return on investment and jobs created and retained.

Book Fund: Diversity Enhancement Stream

The Ontario Creates Book Fund supports project applications from companies that do not meet the eligibility requirements for this program through a time-limited Diversity Enhancement. Companies with ownership that is racially diverse, Francophone, or otherwise meets dimensions of the provincial definition of diversity, may be eligible to apply for up to \$15,000 in project support. Please see Appendix for details.

Ontario Creates is committed to:

- supporting diversity and gender parity;
- providing enhanced accessibility support to people with disabilities, people who are deaf and people who have barriers to accessing technology; and
- fostering respectful workplaces in all the sectors and companies we support.

Please see [Program Policies](#) for important details.

2. Deadline

The deadline for complete submissions is Thursday, June 1, 2023, 5:00 pm ET, through the Online Application Portal. Applications and documentation received after this deadline will not be considered.

Decisions will be communicated to applicants within three months of the deadline.

3. Eligible Applicants

Independent, Canadian-owned-and-controlled, Ontario-based book publishers may apply for this program.

In the case of affiliated companies and subsidiaries, Ontario Creates will accept applications from independent, Canadian-owned-and-controlled, Ontario-based book publishers for which the same person, or group of persons, holds or controls the majority of shares, but only where the applicant companies maintain full control over their editorial processes, have editorial autonomy from any other publisher applying for this program, and produce separate financial statements.

To be eligible to apply, the corporation must:

- be a book publisher, defined as a corporation that undertakes professional activity involving the selection, development and editing of manuscripts or draft manuscripts, entering into contractual agreements with authors or copyright

holders, publishing books under the publisher's own imprint, in printed or other form, and assuming the risks associated with their production and marketing;

- be Ontario-based, with its central place of business located in Ontario, file Ontario corporate taxes and carry out three of the following primarily through its Ontario office: editing, production, marketing, sales, distribution or management. In addition, at least 50% of the publisher's employees must be based in the Ontario office;
- be Canadian-owned and controlled, as defined in the Investment Canada Act (Canada);
- have been incorporated in a Canadian jurisdiction for at least two fiscal years;
- have published at least two books per year for the previous two years or have published a minimum of four books during the previous two years;
- distribute its books through normal bookselling channels;
- have annual net book sales revenue of at least \$20,000 (calculated as the average of the most recent two fiscal years);
- derive more than 50% of their total sales revenues for the applicant Company from book sales;
- have at least six Canadian-authored titles in print;
- provide financial statements for the past two complete fiscal years including a balance sheet and an income statement at time of application. Review engagement and/or audited financial statements are preferred; however, Notice-to-Reader financial statements will be accepted. Exceptions may be considered for companies with less than two years of operations. Companies in this situation should contact Ontario Creates in advance of the application submission deadline;
- be financially solvent and be deemed by Ontario Creates to be an ongoing entity; and
- be in good standing, i.e., not in default of any contractual obligations, with Ontario Creates at time of application submission. This includes any reports, interim or final, that are to be submitted by or prior to the deadline date of this application round. Applications from publishers not in good standing with Ontario Creates will be considered ineligible and will not be accepted.

In addition:

- At least 50% of titles published by the corporation in each of its two most recent fiscal years must be Canadian-authored;
- Revenues derived from the sale of vanity titles must not exceed 25% of the corporation's total revenues; and
- At least 50% of the titles published during the financial year for which the application is made must have been written by authors who are neither shareholders nor owners of the publishing firm.

Please review the [Ontario Creates Program Policies](#) document for information on Financial Statements.

Book Fund: Diversity Enhancement Stream

The Ontario Creates Book Fund supports project applications from companies that do not meet the eligibility requirements for this program through a time-limited Diversity Enhancement. Companies with minimum 50% ownership that is racially diverse, Francophone, or otherwise meets dimensions of the provincial definition of diversity, may be eligible to apply for up to \$15,000 in project support. Please see Appendix 1 for details.

4. Eligible Sales Revenue

Eligible sales revenue is defined as the total of the following:

- The revenues for eligible titles (see below) by Canadian authors sold net of trade discounts for returns and allowances; and
- Revenues from the sale of rights and permissions for eligible titles.

To be eligible for inclusion in sales figures, titles must meet the following criteria:

- be Canadian-authored (written by a Canadian citizen or permanent resident);
- bear an ISBN given to the publisher, be published under the publisher's own imprint or under an imprint for which the publisher has acquired publishing, management and marketing rights;
- have a minimum of 48 bound pages, except in the case of children's books;
- be free of hate propaganda, depictions of sexual exploitation, excessive violence and denigration of an identifiable group;
- not be a vanity title (a publication dependent on financial contribution from and/or initial purchase by the author); and
- have substantive editorial content.

The following publications are specifically not eligible for inclusion in sales revenue:

- calendars, agendas, or almanacs;
- coloring books or comic books; however, collections of cartoons in book form by Canadian cartoonists meeting all other criteria are eligible, as are collections of drawings, illustrations and other artwork by Canadian artists in book form;
- instructional books;
- university or college dissertations;
- conference papers or reports;
- government reports or exhibition catalogues;
- instruction books or manuals;
- publications containing primarily maps;

- workbooks, kits, activity manuals or educational games;
- reference books such as directories, index compilations, compilations of statutes, rule books, or bibliographies; and
- publications that are primarily musical notation.

5. Partnership Projects

Partners may be involved in your project.

An eligible partner must:

- be one or more content creation companies from the book and magazine, film and television, interactive digital media, or music industries that was eligible to submit an application at the immediately preceding deadline for one of Ontario Creates' Content, Marketing or Export Funds, or the Ontario Music Investment Fund;
- be an Ontario-based organization; and
- be a Canadian-owned and -controlled organization.

The profit participation share of the partners should be in appropriate proportion to the ownership of the project and should conform to standard industry practices. (Please note that preference may be given to projects that are substantially owned by Ontario-based organizations.) If you are considering working with a partner, please contact Ontario Creates in advance of your application.

6. Eligible Projects and Activities

Applicants may submit only one application but may include multiple activities within the application. Each activity should be properly detailed; the budget should also provide a detailed cost breakdown for each activity.

There is no distinction between digital and marketing projects, and/or the types of marketing projects. Eligible projects and activities may include, but are not limited to:

- book/ imprint launches;
- creation of additional marketing tools and/or materials;
- enhanced advertising and co-op programs;
- specialized catalogues and mailings;
- consumer contests;
- backlist promotions;
- attendance and costs associated with attending and exhibiting at international fairs, trade shows, conferences, provided these are not ones requested for support from the Global Market Development Fund - Book program. Costs supported by the Global Market Development Fund are not be eligible for support under the Book Fund. Virtual events are eligible;

- Ontario author tour support – participation at festivals, readings, signings, school appearances at other events which enable authors to directly engage with the audience and lead to sales of authors' works;
- re-launch/re-brand activities;
- redesign/upgrade of website to include shopping cart for direct consumer purchases;
- author podcasts, videos, webcasts;
- digital rights management;
- interactive game based on book content;
- search optimization of titles and/or catalog;
- digitization of backlist for institutional and library sales;
- original content in digital format, or bundled packaging of certain books or genres for exploitation on digital platforms;
- exploration of alternate sales channels;
- research and development of a digital transformation strategy/business plan

All projects must:

- be an activity not already underway at the time of submitting the application or, if for an existing activity already in progress, demonstrate how funding would enhance the scope and impact of the activity (expenses incurred prior to notification of funding are not eligible);
- not be for routine materials or expenses such as catalogues, sales conference, and existing staff costs which are considered a normal part of the publishing business;
- be focused on driving sales and increasing publisher revenue in a tangible and measurable manner and/or improving operational efficiencies and productivity (Note: Expected return on investment is a key criterion for the jury in their review of marketing project applications) or expected direct and positive impact on the Company's overall business strategy must be stated; and
- be completed within 20 months from the application deadline.

7. Budget, Financing and Timeline Requirements

Eligible Project Budget Expenses

Eligible costs directly associated with the project must be included in the budget detail.

The funding from this program can represent up to a maximum of 75% of the total budget, with the remaining 25% of the total budget from the publisher and/or other funding sources including other government sources, and third party participation (such as retail partners).

If outside services are required for the plan, it is advisable to include quotes as backup.

Realistically valued "in-kind" services may be included as part or all of the 25% costs that must come from sources other than the Ontario Creates Book Fund.

A budget template has been created that must be used to provide the budget details for your project(s).

Ineligible Expenses

Expenses that are ongoing operational costs are not eligible. For digital projects and/or projects with digital components, capital expenses related directly to the project (i.e., hardware, software) may be included to a maximum of 15% of the total project budget.

For projects which are enhancements of an activity already underway, any expenses incurred up to notification of project funding are not eligible.

For new projects being undertaken, it should be noted that Ontario Creates will not relate to expenses incurred prior to the date the application is submitted. Companies are welcome to submit an application in advance of the deadline and begin their project. However, they do so at their own risk; notification of project funding will be within three months of the deadline.

Ineligible expenses include costs associated with:

- salaries and wages of staff not directly related to the project;
- staff benefit costs;
- fixed overhead costs (such as machine costs: telephone, fax, photocopier, computer); however, costs for long distance phone and fax, paper costs, couriers and other expenses directly related to the project may be included;
- occupancy costs (rent or mortgage of facilities); and
- hospitality.

Ontario Creates Funding

Eligible applicants may apply for funding based on their level of eligible sales revenue.

Applicants should note that this is a competitive application process and a jury of industry experts will review which eligible applications will receive funding from this program.

Ontario Creates funding can represent a maximum of 75% of the total project budget. There are caps on the maximum funding levels based on the applicant's eligible sales revenue which, for purposes of this program is defined as all revenues for Canadian authored titles. Grants, funding and donations are not considered revenue for the purpose of this program and should not be included when calculating eligible sales revenue.

Publishers may apply for the following levels of funding:

Eligible Sales Revenues	Total Funding Available
Over \$1,500,000	\$150,000
\$500,001 to \$1,500,000	\$100,000
\$150,001 to \$500,000	\$80,000
\$20,000 to \$150,000 (see note 1)	\$30,000

1. For publishers with eligible sales revenues of less than \$75,000, the funds requested should be proportional to sales, with total request not exceeding 33% of eligible sales revenues and in keeping with 75% of total budget.
2. The average of the publisher's most recent two fiscal years will be used to calculate eligible sales revenue for the purpose of determining the level of funding for which the applicant may apply.

The number of applicants who will receive funding, and the amount of the funding received, is dependent on the total amount of funding for the program, and the quantity and quality of projects selected. This is a competitive process. A jury of industry experts will review and recommend which eligible applications will receive funding from this program.

Applicants are expected to begin incurring expenses related to their project no more than 90 days following funding approval notification. Projects should be completed with all expenses incurred and all deliverables provided by the applicant's final report date (within 20 months from the application deadline).

8. Application Process and Evaluation

- Applicants must submit their application to Ontario Creates electronically through the Online Application Portal (OAP) at <https://apply.ontariocreates.ca/>.
- Applications must be received at Ontario Creates offices electronically via the OAP system no later than 5:00 pm ET, on the date of the deadline.
- Incomplete and late applications will be considered ineligible.
- Applications must include all the required materials listed on the application form. Supporting documents are to be submitted electronically.
- Applications will be reviewed by Ontario Creates for completeness, eligibility, and financial viability.
- Applications that pass this initial review will be assessed by an industry jury and Ontario Creates for final funding recommendations.
- Successful applicants will be notified within three months of the deadline.

- Successful applicants will be required to enter into a signed funding agreement with Ontario Creates prior to receiving any funding.

9. Decision Criteria

All eligible and complete applications will be passed to the jury for their review and consideration. The jury will be looking for projects that demonstrate well-thought-out activities that will drive sales, help strengthen the publisher's stability and author/title profile, and promote business growth.

Ontario Creates applies a lens of diversity, equity, and inclusion to the evaluation criteria for this program, and directs jury members to do the same. Applicants proposing projects/activities that support and reflect diversity are expected to tangibly demonstrate a genuine and sustained commitment to these equity-deserving communities. Ontario Creates may identify particular underrepresented communities within a particular sector. The provincial definition of diversity states: the dimensions of diversity include, but are not limited to: ancestry, culture, ethnicity, gender identity, gender expression, language, physical and intellectual ability, race, religion (creed), sex, sexual orientation and socio-economic status. Funding allocations from the time-limited Diversity Enhancement may be available for projects that receive exceptionally high points on scoring criteria related to diversity, equity, and inclusion.

The plan, timelines, and proposed budget will be evaluated for feasibility, and the expected return on investment will also be carefully considered by the jury.

Specifically, the applications will be assessed on the following criteria and relative weightings:

<u>Criteria</u>	<u>Weighting</u>	<u>Considerations may include</u>
<u>Feasibility of the project</u>	<u>25%</u>	<ul style="list-style-type: none"> • well-defined project scope • reasonable and detailed budget • realistic schedule with milestones and appropriate resources • aligns with current/evolving industry standards and innovations • thoughtful consultation, collaboration, and participation of equity-deserving communities, particularly underrepresented communities within the book industry.

<u>Expected results</u>	<u>30%</u>	<ul style="list-style-type: none"> • clearly stated and supported • tangible, measurable, and realistic • quantitative and qualitative
<u>Opportunity</u>	<u>20%</u>	<ul style="list-style-type: none"> • clear explanation of the project's potential to enhance stability, growth, and profitability for the company • relevant strategies to promote author/title profiles • culturally appropriate initiatives to engage with equity-deserving communities
<u>Background and ability to complete the plan</u>	<u>25%</u>	<ul style="list-style-type: none"> • summary of results from previous participation in Ontario Creates programs. • detailed explanation and/or research to support the necessity of the project • rationale to support external services (e.g., a consultant) • information about the company, including diversity among senior leadership, staff, or contract employees, particularly underrepresented communities within the book industry. • explanation of company policies and/or activities that support diversity, equity and inclusion
<u>Total</u>	<u>100%</u>	

10. Successful Applicants

Successful applicants will receive funding during the course of their activities, triggered by pre-determined deliverables as follows:

- 60% on execution of the Ontario Creates agreement;
- 25% on delivery of a satisfactory interim report; and
- 15% on delivery of a satisfactory final report and all deliverables outlined in the agreement

Successful applicants who are deaf or otherwise disabled may be eligible for supplementary funds for accessibility expenses required to complete their project deliverables.

11. More Information

Bianca Spence, Program Consultant, Industry Development (Books)

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Ontario Creates is an agency of the Government of Ontario that facilitates economic development, investment and collaboration in Ontario's creative industries including the music, book, magazine, film, television and interactive digital media sectors.

ontariocreates.ca

Appendix: Book Fund: Diversity Enhancement

Overview and Objectives

As an economic development agency, Ontario Creates' priority is to support the growth and development of business entities that are focused on driving commercial growth and creating job opportunities within the province of Ontario. The time-limited Ontario Creates Book Fund: Diversity Enhancement stream supports project applications from companies who do not meet the eligibility requirements for the Book Fund. Companies with ownership that is racially diverse, Francophone, or otherwise meets dimensions of the provincial definition of diversity¹, may be eligible to apply for up to \$15,000 in project support.

The key goals of this program are to:

- Enhance capacity for emerging businesses with company ownership that meets the provincial definition of diversity
- Strengthen and support critical stages of the growth in Ontario's publishing ecosystem
- Enable the next generation of racially diverse industry professionals

Funding Available

The minimum funding amount that may be requested is \$5,000 and the maximum funding amount that may be requested is \$15,000. The program is competitive, and funding amounts awarded may be smaller than the amount requested depending on the number of applications received.

Applicants are strongly encouraged to request a level of investment that aligns with their track record, capacity, and stage of growth. Feasibility of the proposed budget will be part of the assessment process. Investment will be provided to successful applicants in the form of direct grants towards up to 75% of the total activity costs.

Eligibility

Proposed projects must meet the eligibility requirements and program goals described in the Book Fund guidelines, and move the applicant company towards meeting the standard eligibility requirements for the program.

Eligible applicants must:

- Be businesses owned by self-identifying racially diverse, Francophone, or otherwise meeting dimensions of the provincial definition of diversity

¹ The provincial definition of diversity states: the dimensions of diversity include, but are not limited to: ancestry, culture, ethnicity, gender identity, gender expression, language, physical and intellectual ability, race, religion (creed), sex, sexual orientation and socio-economic status.

- Generate more than 50% of their revenue from book publishing activities;
- Be Ontario-based, with its central place of business located in Ontario;
- Be incorporated in a Canadian jurisdiction or a registered business (with a Master Business Licence);
- Be in operation for a minimum of one year;
- Meet all other eligibility requirements in the Book Fund guidelines (pages 3 to 6) with the following exceptions:
 - Have annual net book sales revenue of at least \$5,000 (calculated as the average of the most recent two fiscal years)
 - Have published at least one book during the past two years
 - Have at least one Canadian-authored title in print
- For applicants with more than one owner, at least 50% of the ownership must identify as Francophone or racially diverse.

Eligible Activities & Costs:

- book/ imprint launches;
- creation of additional marketing tools and/or materials;
- enhanced advertising and co-op programs;
- specialized catalogues and mailings;
- consumer contests;
- backlist promotions;
- attendance and costs associated with attending and exhibiting at international fairs, trade shows, or conferences;
- author touring;
- re-launch/re-brand activities;
- redesign/upgrade of website to include shopping cart for direct consumer purchases;
- author podcasts, videos, webcasts;
- digital rights management;
- interactive game based on book content;
- search optimization of titles and/or catalog;
- digitization of backlist for institutional and library sales;
- original content in digital format, or bundled packaging of certain books or genres for exploitation on digital platforms;
- exploration of alternate sales channels;
- research and development of a digital transformation strategy/business plan

When responding to the application questions and filling out the budget template, applicants must provide a business case and rationale for the types of costs for which they seeking investment. Please keep in mind the economic development focus of the program (as outlined at the beginning of these guidelines) when preparing your budget. All costs (except for marketing and business travel) must be incurred in Ontario. Costs must be incurred by October 31, 2024.

Submitting Your Application: Process and Evaluation

Applications are due by 5:00 pm EST on June 1, 2023.

We strongly encourage applicants to attend information sessions and/or contact the relevant Program Consultant in advance of applying, and after thoroughly reviewing the program guidelines.

The Program Coordinator may be reached at programs2@ontariocreates.ca.

All requested documentation must be submitted by the program deadline. Ontario Creates is not obligated to follow-up with applicants to request missing documentation.

Late applications will not be considered for funding. Prior discussion with Ontario Creates regarding the eligibility of an activity does not guarantee funding.

- Applicants must submit their applications electronically through the Ontario Creates Online Application Portal (OAP) at <https://apply.ontariocreates.ca>.
- Applicants that do not have a user account on OAP should go to <https://apply.ontariocreates.ca/> and click on “Register”. For assistance, please see the “[OAP Quick Start Guide](#)”.
- For technical assistance, please contact the OAP Helpdesk at applyhelp@ontariocreates.ca.
- The application can be worked on over time. Applicants can save their information once it is entered, and can continue to edit and/or add information up until the time when the application is actually submitted.
- Applications must be received electronically via the OAP system no later than 5:00 pm on the applicable deadline.

Please start the application process as early as possible (and ideally no later than at least two weeks ahead of the deadline) in order to allow ample time to complete the registration process, compile the required information, and complete the application questions.

Summary of Application Materials

Applicants must supply the following information in their application:

- Applicant contact and self-identification information
- Requested funding amount (ranging from \$5,000 to \$15,000)
- Responses to the following five application questions:
 1. Explain what your business does in 100 words or less;
 2. Provide a brief overview of the track record of the business owner(s). You may skip this question if providing resumes/CVs/letters of support in the Supporting Documents section;

3. Provide a more detailed overview of your business/company. This should include: a description of your business model; an outline of successes achieved to date; and profiles of mentors, board/committee members, business partners and/or team members. What makes your business unique and/or competitive in the marketplace?
4. What are your corporate goals for the next 12 months (e.g. clients that you are/anticipate working with, revenue targets you hope to hit, other accomplishments you hope to achieve)?
5. Describe the specific business development activity/activities ('the Project') for which you are seeking investment through this program. How would this investment help you achieve your corporate goals and build towards long-term growth and sustainability? Outline the types of costs that you anticipate incurring as you undertake the activity/activities.

The following Supporting Documents:

- Articles of Incorporation or Master Business Licence
- Budget template (provided by Ontario Creates)
- Financial statements for the most recently completed fiscal year (Notice-to-Reader statements are preferred, but internally-prepared profit & loss statements will be accepted.)

At least two of the following pieces of supporting documentation:

- Resumes/CVs of founders or key management personnel
- marketing materials/press clippings
- social media metrics (to demonstrate audience reach/growth potential)
- letters of support
- corporate slide deck
- business/marketing/strategic plan

Application Assessment

Applications will be reviewed and evaluated by Ontario Creates staff and an external jury selected through an open Call for Jurors process.

Applications will be assessed on the following criteria:

Track record of the business and/or its founders	10%
Feasibility of the budget and proposed activities	20%
Innovation, quality and creativity presented in the proposal	15%

Degree to which the proposed activities will contribute to the growth, capacity and sustainability of the business	30%
Potential for critical and commercial success as a result of the investment	25%

Responses to application questions and supporting documentation should demonstrate the applicant's ability to meet the above criteria in terms of tangible outcomes/metrics.

All Ontario Creates decisions are final. Ontario Creates reserves the right to alter program guidelines with general public notice to all potential applicants and to refuse any application for any reason. The number of awards and amount awarded is contingent on confirmation of Ontario Creates' annual budget. Ontario Creates is not required to make any minimum number of awards.

Subject to the Freedom of Information and Protection of Privacy Act, all information contained in the application will remain strictly confidential. All inquiries pertaining to Ontario Creates Funds are to be directed to Ontario Creates staff only.

Successful applicants will be notified by August 2023.

Obligations of Successful Applicants

Upon approval of a successful application, business entities will be required to sign an agreement with Ontario Creates that outlines the terms of their participation in the Strategic Support initiative, and provide an interim and final report.

Successful applicants will receive the following funding installments:

- 80% upon funding approval;
- 0% following the approval of the recipient's interim report as outlined in the funding agreement;
- the remaining 20% following the approval of the recipient's final report and all deliverables outlined in the funding agreement

For more Information

Program inquiries should be directed to 416-642-6652 or programs2@ontariocreates.ca

Online Application Portal (OAP) inquiries should be directed to applyhelp@ontariocreates.ca

Ontario Creates

Ontario Creates is an agency of the Government of Ontario that facilitates economic development, investment and collaboration in Ontario's creative industries including the music, book, magazine, film, television and interactive digital media sectors.

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