

2024-25 ONTARIO CREATES INTERACTIVE DIGITAL MEDIA FUND GUIDELINES

Production and Concept Definition Programs – Interactive Content (Non-Linear)

Deadlines: April 8, 2024 by 5:00pm

August 26, 2024 by 5:00pm

The Ontario Creates Interactive Digital Media (IDM) Fund program documentation includes:

- Ontario Creates IDM Fund Guidelines (this document)
- Ontario Creates IDM Fund Budget and Financing Guidelines and Template
 - o <u>Concept Definition</u>
 - o <u>Production</u>
- Ontario Creates Program Policies

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

These are the guidelines for Interactive Content (Non-Linear). Applicants seeking support for the creation of digital first content which is intended to be accessed in a <u>linear fashion</u> should consult the <u>Video Content (Linear) guidelines</u>. This can include, but is not limited to: web series, video content for online magazines, XR experiences with minimal interactive content, etc.

Contents

- 1. Introduction /1
- 2. Eligible Applicants /2
- 3. Eligible Projects and Activities /3
- 4. Budget, Financing and Timeline Requirements /6
- 5. Application Process and Evaluation /7
- 6. Decision Criteria /8
- 7. Successful Applicants /10
- 8. More Information /11

1. Introduction

The Ontario Creates Interactive Digital Media Fund (IDM Fund) is aimed at strengthening and stimulating economic growth in the interactive digital media sector by supporting the creation and commercialization of proprietary interactive content.

The objectives of the IDM Fund are to:

- support the creation of high quality, original, interactive digital media content projects by Ontario companies for commercial exploitation;
- assist in capitalizing Ontario content companies creating interactive digital content projects; and
- contribute to the financing of projects that make a positive contribution to the Ontario economy.

These guidelines outline two programs:

- **Concept Definition** support for early-stage activities that take place prior to and assist the applicant company in preparing for full production of a market-ready interactive content project.
- **Production** support for the creation of a market-ready interactive content project that will be made publicly available to an audience.

Ontario Creates is committed to:

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

Please see **Program Policies** for important details.

2. Eligible Applicants

Applications will be accepted from *established* and *new* content creation companies.

Established Companies must meet **one** of the following tests:

- at least 25% of the company's revenue or 50% of the company's expenditures over the previous two fiscal years comes from the creation of screen-based content projects that are similar in nature to the proposed project; or
- at least 50% of the company's revenue over the previous two fiscal years comes from eligible publishing activities as described in the <u>Ontario Creates Book Fund</u> and <u>Ontario Creates Magazine Fund</u>.

They must also have at least one owner or full-time employee with a minimum full-time equivalent of three years of experience in the creation of professional, commercialized content for interactive platforms, networks or devices that is similar in nature to the proposed project.

A company is considered *new* if it has less than a year of operation or it has not yet released a product. *New* companies must:

• have an executive team including at least one owner or full-time employee with a minimum full-time equivalent of three years of experience (1) in the creation of

professional, commercialized content for interactive platforms, networks or devices that are similar in nature to the proposed project or (2) in the publishing industries;

- be majority-owned by individuals that are Ontario residents;
- be prepared to incorporate immediately if their application is successful; and
- meet the relevant eligibility criteria for established companies on incorporation.

Work that is completed while enrolled in a post-secondary education program is not considered professional content creation. Established and new companies are advised to ensure that they have experience and a track record that is relevant to the proposed project.

Companies are encouraged to contact Ontario Creates to review eligibility criteria. New companies and first-time applicants are required to contact Ontario Creates at least three weeks in advance of the deadline to discuss their eligibility before submitting an application. Eligibility can only be officially determined after an application is submitted and not during pre-application consultation with Ontario Creates staff.

Companies must also meet the following requirements:

- be Ontario-based;
 - companies with more than 365 days of operation must be able to demonstrate that they were Ontario-based for at least one year prior to the deadline;
- be Canadian-owned;
- be incorporated in Ontario or federally or prepared to incorporate immediately if their application is successful;
- be in a sound financial position; and
- be in good standing with Ontario Creates at time of application submission.

The following companies are ineligible:

- private colleges and training institutions;
- a company that is delivering online services for individuals;
- a company that is not in good standing with Ontario Creates or one that is associated with an entity that is not in good standing with Ontario Creates; and
- not-for-profit and public sector entities.

Applications should be submitted by the primary corporate entity and not the single purpose production company.

3. Eligible Projects and Activities

The IDM Fund consists of two programs to support content creation activities:

• **Concept Definition** will support early-stage activities that take place prior to and assist the applicant company in preparing for full production of a market-ready interactive content project. The types of activities that may be supported include but are not limited to prototype creation, preparation of pre-production documents and pitch material, business planning and research.

• **Production** will support the creation of market-ready interactive content projects that will be made publicly available to an audience on a digital media platform, network or device that is capable of interactivity.

Eligible interactive content projects include:

- video games
- mobile content
- e-learning content
- XR experiences with substantial interactive content
- digital publishing projects

For projects with significant video and linear content please see the guidelines for the IDM Fund – Video Content (Linear) stream.

The content project that is the subject of the application must:

- be proprietary ¹;
- require the active participation of and input from users which has an impact on the manner in which that content is experienced by those users;
- include the creation or development of unique, creative and professional content by the applicant company;
- be released on an interactive digital media platform, network or device as the primary distribution channel;
- be intended for a consumer or magazine media business audience or intended to be used by students attending primary, secondary or post-secondary institutions as the primary audience;
- must be complete at the conclusion of the program ^{2 3};
- be intended for use by individuals or groups of individuals;
- be intended to educate, inform or entertain;

¹ The applicant company must:

Projects that are equally owned by two companies (50/50 share) that meet the eligibility criteria will also be considered eligible.

² Projects and activities that will be augmented and/or enhanced with additional content and components at a later date are eligible provided the applicant company can demonstrate that the portion of the project supported through this program can be considered complete.

³ Projects that require ongoing content creation will be considered provided the applicant can demonstrate that the content that is being created is a stand-alone and complete product (edition, season, series, volume, period of time, etc.)

⁻ own at least 51% of the copyright of the project that is being submitted and/or have obtained copyright permission to adapt any material for the project.

⁻ be able to demonstrate that their revenue share is in appropriate proportion to the ownership of the project and reflects industry standard practices.

- consist of a combination of at least two of text, sound (music, sound effects, voice, etc.) and images (pictures, animations, video, etc.) Exceptions may be made for projects that demonstrate a high degree of interactivity and/or innovation. Please contact Ontario Creates prior to submitting an application; and
- be intended for commercial exploitation.

The IDM Fund will not support content projects that:

- are enhancements, improvements and redesigns of existing products already underway or released to the market;
- are primarily intended to sell products and/or services;
- are primarily intended to promote companies and corporate and/or institutional agendas;
- are primarily for interpersonal communication;
- are primarily catalogues and databases;
- are primarily repurposed live, linear and streaming/downloaded content (i.e. music, video, books, magazines) that has not been augmented or enhanced;
- involve cash prizing;
- have commenced substantial concept definition or production activities prior to application to the program;
- are contrary to public policy in the opinion of Ontario Creates; and
- are also receiving support through other Ontario Creates programs including the Book Fund, Magazine Fund, Film Fund and Ontario Music Investment Fund or receiving support through other IDM Fund programs for the same activities.

Other Considerations:

- International partnerships and co-productions are permitted. Preference may be given to projects that are substantially owned by Ontario-based organizations. <u>Official</u> <u>treaty co-productions</u> where the Ontario company is a minority partner may be considered.
- While it is assumed that companies will make use of and/or will develop new technologies to enable interactivity, projects that consist entirely of technology, hardware, software, applications, tools, services, platforms, etc. without significant content creation are ineligible.
- Projects that consist primarily of user generated content, social networking tools and/or distribution of licensed content provided by a third party are ineligible. Applicants with projects that include user generated content and/or social networking functionality must have an ongoing content development plan that integrates robust professionally created content with content contributed by end users.
- In certain cases projects that are released and monetized as a proof of concept/market test with minimal revenue generated may be eligible for Production support provided substantial production activities remain.
- The IDM Fund is not intended to become core funding for serialized content that is regularly updated and preference may be given to content projects that have not received previous financial support through this program.
- Eligibility for the IDM Fund does not confer eligibility for the Ontario Interactive Digital Media Tax Credit.

4. Budget, Financing and Timeline Requirements

The IDM Fund will provide a non-repayable contribution of up to 50% of eligible Ontario expenses as follows:

Concept Definition

- Maximum request = \$50,000
- Minimum request = \$10,000

Production

- Maximum request = \$300,000
- Minimum request = \$25,000

As a requirement of the program, participating companies must spend at least twice the contribution received from the IDM Fund on Ontario expenses as defined in the <u>Ontario</u> <u>Creates Program Policies</u> document. This is a minimum requirement and applicants that spend a greater percentage of their budget in Ontario will receive a higher score in the appropriate decision category.

In addition, a minimum 10% of the total project budget is required as a cash contribution from a source other than Ontario Creates (i.e. applicant company or third party).

Budgets must be submitted on the template provided for the appropriate program, and must include all costs through to completion and delivery. Production projects should include an allocation towards promotion expenses to cover activities that take place during the production period.

The IDM Fund will only act as a last-in participant in project financing. All financing required in addition to Ontario Creates' contribution including investment by the applicant or other investors must be committed in writing at the time of application and supported by appropriate documentation. All deferrals, discounts and other non-cash contributions must be supported in writing.

Projects that are under review for the corresponding deadline with other recognized industry funding programs (e.g. Canada Media Fund) will be considered provided financing is confirmed in advance of a formal Ontario Creates funding commitment. In all cases applicants must indicate whether they are intending to submit applications to other funding agencies. Applications that fail to disclose this information will be deemed incomplete.

Applicants that have higher budgets under review with other funding agencies must submit that budget with their IDM Fund application. If appropriate they may also submit a lower, fully financed budget as part of their application with other funder contributions omitted. This alternate budget must be accompanied by a summary of adjustments/changes that show how the project scope has been reduced to allow for

delivery of a complete project at the lower budget. Alternate budgets will only be considered if they are submitted as part of the application.

Substantial concept definition or production activities cannot commence until after submission of an application. Expenses incurred prior to submission of the application are not eligible. The applicant must begin incurring expenses no later than 90 days after notification of Ontario Creates' decision. Projects must be completed with all expenses incurred and all deliverables provided to Ontario Creates according to the timelines below. In addition, to provide applicants with flexibility to respond to volatility in the IDM industry, the program will allow for project extensions on an as-needed basis as noted. All extensions require Ontario Creates approval.

Project Completion

- Concept Definition within 15 months of notification of the decision (12 months for Concept Definition activities and 3 months for preparation of financial reporting documents) with a possible extension of up to 6 months
- Production within 30 months of notification of the decision (24 months for Production activities and 6 months for preparation of financial reporting documents) with a possible extension of up to 12 months

In situations where projects undergo beneficial and significant changes after contracting such that they are no longer able to meet IDM Fund requirements, Ontario Creates will negotiate a modified delivery of the project that takes into account the objectives of the IDM Fund.

Applicants must review the Ontario Creates IDM Fund Budget and Financing Guidelines and Template (<u>Concept Definition</u> or <u>Production</u>) which includes information regarding additional mandatory budget and financing requirements. Failure to meet these requirements may result in your application being deemed incomplete or ineligible.

5. Application Process and Evaluation

There are two deadlines. Applications must be submitted to Ontario Creates by 5:00pm on April 8, 2024 or August 26, 2024. All applications must be submitted electronically through the Online Application Portal (OAP) at https://apply.ontariocreates.ca/.

A list of required application materials is outlined in the application form on the OAP. It is imperative that applications include all requested documentation and adhere to the stated page limits. Incomplete applications may not be considered. Applicants are strongly encouraged to begin the application process early to allow ample time to complete the necessary information.

• Applications will be assessed for completeness and eligibility by Ontario Creates staff immediately following the deadline.

- Applications that pass this initial review may be sent to specialist industry advisors with relevant knowledge who will prepare written assessments of the feasibility, market potential and creative strength of the projects. (Ontario Creates reserves the right to limit the number of applications forwarded to the specialist industry advisors and/or jury for consideration).
- Eligible and complete applications will be forwarded to a jury of industry professionals and/or Ontario Creates staff who will review the applications and written assessments prepared by the specialist industry advisors to make final recommendations to Ontario Creates.
- Applicants will be notified about the status of their application within 16 weeks of the deadline.

Companies and their affiliates may submit up to two applications per deadline ranked in order of preference. Where more than one application is submitted, consideration will be given to the capacity of the applicant company to manage multiple projects simultaneously. Projects that were not successful at a previous deadline of the IDM Fund may be resubmitted with the permission of Ontario Creates provided substantial changes have been made. Ontario Creates reserves the right to limit resubmissions to three times for projects that have been through the full adjudication process. Projects are eligible for withdrawal prior to notification of funding decisions.

6. Decision Criteria

This is a competitive program and it is anticipated that the total request for funding will be greater than the funding available. Applicants are advised to ensure that they meet all eligibility requirements before submitting an application. Applicants should also ensure that their application material clearly conveys the strengths of their application with respect to the program guidelines. The number of applicants who will receive funding and the amount of funding received is dependent on the quantity and quality of the projects recommended by the jury for support and the individual needs of each project.

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, reflect and strengthen diversity and gender parity in Ontario 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 includes, but is 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.

Once applicant and project eligibility have been confirmed, applications will be assessed according to the following criteria:

Concept Definition

Criteria	Weighting	Considerations may include		
Track	15%	 company experience with similar projects 		
Record		 capacity, skills, knowledge and expertise required to 		
		complete the proposed activities		
		 diversity among senior leadership, staff or contract 		
		employees		
		 company policies and/or initiatives that support diversity, 		
		equity and inclusion, particularly equity-deserving		
		communities within the interactive digital media industry		
	Risks and 15% • clear deliverables			
Feasibility		 reasonable budget with appropriately allocated costs and 		
		confirmed financing		
		 well-planned project with realistic schedule and milestones 		
	2001	mitigation of other challenges and risks		
Creative	30%	 innovation, creativity, uniqueness 		
Strength		 potential to result in a high-quality project 		
		 clearly articulated project components and scope supports and reflects diversity, particularly equity, descrying 		
		 supports and reflects diversity, particularly equity-deserving voices within the interactive digital media industry 		
Positive	30%	 impact of activities on project progression towards 		
Impact				
linpact		 growth of company as a result of activities 		
		 viability of market for the project that is the subject of the 		
		application		
		 chance for resulting project to be commercially and/or 		
		critically successful		
Ontario	10%	 creation and/or retention of employment opportunities in 		
Benefit Ontario				
		 potential for future revenue for the company 		
		 proportion of budget spent in Ontario 		
		 sustainability of economic benefits 		
Total	100%			

Production

Criteria	Weighting	Considerations may include		
Track Record	15%	 company experience with similar projects capacity, skills, knowledge and expertise required to complete the proposed activities diversity among senior leadership, staff or contract employees 		

Risks and Feasibility	15%	 company policies and/or initiatives that support diversity, equity and inclusion, particularly equity-deserving communities within the interactive digital media industry clear deliverables reasonable budget with appropriately allocated costs and confirmed financing 	
		 confirmed financing well-planned project with realistic schedule and milestones mitigation of other challenges and risks 	
Creative Strength	30%	 innovation, creativity, uniqueness potential to result in a high-quality project clearly articulated project components and scope supports and reflects diversity, particularly equity- deserving voices within the interactive digital media industry 	
Positive Impact	20%	 demonstrated market demand for the project detailed and substantiated revenue projections likelihood of commercial and/or critical success reasonable discoverability and commercialization strategy 	
Ontario Benefit	20%	 creation and/or retention of employment opportunities in Ontario potential for future revenue for the company proportion of budget spent in Ontario sustainability of economic benefits 	
Total	100%		

7. Successful Applicants

Successful applicants will receive IDM Fund support triggered by pre-determined deliverables as follows:

- 60% on execution of the Ontario Creates agreement;
- 15% on delivery of an interim report;
- 15% on delivery of the completed project and a final report; and
- 10% on delivery of financial reporting documents.

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

8. More Information

For Video Game Projects	For Digital Publishing, E- learning, Other Content	For Video, Web Series Projects
Kim Gibson	Matt Hilliard-Forde	Danielle Hébert
Program Consultant	Program Consultant	Program Consultant
416-642-6651	416-642-6627	416-642-6687
kgibson@ontariocreates.ca	mhilliard-	dhebert@ontariocreates.ca
	forde@ontariocreates.ca	

These guidelines are for the 2024-25 deadline only. This document is subject to change for future deadlines. Applicants are advised to consult the Ontario Creates website for any relevant Frequently Asked Questions documents and Ontario Creates IDM Fund Bulletins for clarifications and alterations to these guidelines.

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**