



2023-24 ONTARIO MUSIC INVESTMENT FUND MUSIC CREATION GUIDELINES

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1. Overview: Ontario Music Investment Fund

The Ontario Music Investment Fund (OMIF) is designed to provide targeted economic development investment to the province’s vibrant and diverse music industry.

Program Objectives:

- OMIF supports Ontario music companies with strong growth potential to maximize return on investment (ROI), and create more opportunities for emerging artists to record and perform in Ontario (please see page 6 for emerging artists definition).

Key program goals:

- Focus resources on music companies with strong growth potential by:
 - Providing investment to drive long-term growth; and,
 - Maximizing ROI and enhancing opportunities for emerging talent.
- Strengthen support at critical stages in the careers of artists.

The program’s four streams are tailored to different parts of the industry:

- **Music Creation:** supporting businesses that take risks discovering and developing talent – particularly emerging artists – and bringing it to market through recording and production, marketing and promotion, touring and showcasing, and publishing.
 - Eligible applicants include domestic and multinational record labels, and domestic music publishers.

- **Music Industry Initiatives:** supporting industry organizations that undertake professional development/training and export activities, conduct industry analysis/data gathering and build regional capacity.
 - Eligible applicants include music industry trade associations and music service organizations.
- **Global Market Development for Music Managers:** supporting music management companies to participate in national and international activities (e.g. business travel and conference attendance) that correspond to a strategy for company growth.
 - Eligible applicants include music management companies
- **Live Music:** supporting businesses and organizations that produce or promote live music events featuring Canadian artists including eligible music festivals and concert series.
 - Eligible applicants include live music promoters and presenters.

Anticipated Outcomes:

- Focused targeting of funding to optimize revenue, profits, job creation, private investment and tax revenue.
- Production of intellectual property (content) which may be owned and consumed domestically and exported, leading to sustained revenues and jobs in the province.
- Increased profile and prestige of Ontario on the world stage as the next generation of breakthrough artists are discovered and developed to their full potential.

Ontario Creates is committed to fostering increased diversity, gender parity, accessibility, and environmental sustainability within the creative industries. Please review the [Program Policies](#) document for additional important information.

The following guidelines outline the eligibility requirements and application details for the **Music Creation** stream of the OMIF.

[2. Introduction: Music Creation](#)

The OMIF Music Creation stream supports the development of competitive, sustainable music companies in Ontario that take risks discovering and developing talent – particularly emerging artists – and bringing it to market.

Music Creation provides funding to eligible domestic record labels, multinational record labels and domestic music publishers to support business activities that are focused on: expanding artist rosters; investing in professional recording and production; facilitating job creation; undertaking export market development; enhancing business capacity; and increasing and strengthening diversity within Ontario's music industry.

Funding is provided in the form of direct grants towards the costs of eligible activities. The OMIF Music Creation stream requires applicants to provide a matching contribution to ensure that maximum ROI is achieved from provincial investment. Applicants must

demonstrate clear, measurable outcomes which align with the objectives of the Music Creation stream.

[3. Deadlines & Eligible Activity Windows](#)

Applications must be submitted electronically through the Online Application Portal (OAP) at <https://apply.ontariocreates.ca> to either of the following two deadlines:

Thursday, May 4, 2023 by 5:00 PM ET

for activities taking place between April 1, 2023 and August 31, 2024 (recipients will have a maximum 12-month spending window within this period depending on the date of their first expenditure)

OR

Thursday, September 14, 2023 by 5:00 PM ET

for activities taking place between August 1, 2023 and January 15, 2025 (recipients will have a maximum 12-month spending window within this period depending on the date of their first expenditure)

Applications and documentation received after the deadlines listed above will not be considered.

Decisions will be communicated to applicants approximately 14 weeks after the deadline.

Eligible Activity Window: Applicants may begin incurring expenses related to their activities no earlier than April 1, 2023 (for the May 4 deadline) or August 1, 2023 (for the September 14, 2023 deadline), pending funding approval and provided a valid certificate of insurance is in place. Funding recipients will have 12 months to execute their activities. The spending window will commence on the date that the first expenditure is incurred for any activity within the company's application. Please see the [FAQs](#) (on the Music Creation page) for more details and examples that demonstrate the options available to applicants in terms of the starting and ending dates for their activities.

Activities must be completed with all expenses incurred and all deliverables provided by the recipient's final report date, and no later than September 30, 2024 (for recipients from the May 4, 2023 deadline) or February 15, 2025 (for recipients from the September 14, 2023 deadline).

[4. Eligible Applicants](#)

Domestic Record Labels*, Multinational Record Labels, and Domestic Music Publishers

**Domestic Record Label eligibility may extend to high potential self-releasing BIPOC (Black, Indigenous, People of Colour) and Francophone artist-entrepreneurs. Please see Appendix 1 for more detail re: eligibility criteria by company type.*

In order to be eligible, applicants must demonstrate the following general criteria:

- Be Ontario-based;
- Be able to demonstrate that the company's principal place of business has been in Ontario for at least one year prior to the deadline;
- Be Canadian-owned **;
- Be incorporated in Ontario or federally (or prepared to incorporate immediately if the application is successful);
- Be in a sound financial position;
- Have minimum annual revenues of \$25,000 from core business activities as a record label or music publisher; and
- Be in good standing with Ontario Creates at time of application submission.

***excepting Multinational Record Labels*

Please review the Ontario Creates [Program Policies](#) document for information on financial statements and other requirements/logistics.

First-time applicants [are strongly encouraged to](#) contact the Ontario Music Office (OMO) a minimum of two weeks ahead of the application deadline to discuss their eligibility. Applicants that fail to do so may have their application deemed ineligible/incomplete if eligibility is not clearly established in the application.

Exceptions to the eligibility requirements may be considered for applications from companies that are led by BIPOC (Black, Indigenous, People of Colour) or Francophone individuals and applicants that otherwise meet the provincial definition of diversity (see page 11). If applicable, please contact the Ontario Music Office a minimum of two weeks prior to the application deadline to discuss.

[5. Funding Levels](#)

Funding is provided in the form of direct grants towards a share of the costs of eligible activities. Contributions are non-refundable except in the case of recipient default. The OMIF contribution may not exceed 50% of the total approved budget.

Eligible applicants may apply for up to 40% of the company's two-year average of total annual revenue (to a maximum funding cap of \$200,000) per funding cycle. The minimum OMIF amount that can be requested is \$10,000.

[6. Eligible Activities & Costs](#)

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

While expenses relating to all Canadian artists will be eligible for support, one of the criteria upon which application will be assessed and scored is the degree of support for

emerging artists*. Applicants proposing a higher percentage of Ontario-based expenses will be considered more favourably.

Eligible activities may include, but are not limited, to:

- Recording, editing, mixing and mastering of music performances at an Ontario facility by a Canadian artist signed to an Ontario-based, Canadian-controlled music company.
- Master licence fees for Ontario-based recordings.**
- Video Production incurred in Ontario (i.e. music videos, videos for online marketing purposes, and video recording of live performances for promotion or sale).
- Marketing and promotion activities for new recordings and/or online performances by Canadian artists signed to the applicant company.
- Direct tour costs for an artist signed to the applicant company (including marketing, promotion, audio/visual and stage design, technical services, travel, transportation, and Canadian crew employed by the artist or applicant). Applicants may include a maximum of \$40,000 in total tour support costs per artist (for a maximum OMIF contribution of \$20,000 per artist).
- Artist development activities focused on acquiring and registering copyrights in musical compositions (e.g. song camps), and promoting and authorizing the use of these compositions in recordings, on radio and television, in motion pictures, live performances, print, multimedia or other media.
- Business Development activities that contribute to the expansion of a company's operational capacity (e.g. human resources enhancement, undertaking strategic business travel, implementing technology solutions/enhancements to optimize revenue generation and/or enhance customer/audience experience etc.).

**Note: For the purposes of the OMIF, an emerging artist is defined as an artist or group that has not achieved Gold Album status in Canada in the past six years and has had no more than three gold albums in their career (Gold Album threshold is currently 40,000 Album Equivalent Units sold).*

***Note: While master license fees are eligible costs, applicants must provide evidence that the original recording was recorded in Ontario, within the past 24 months. Applicants wishing to include master license fees in advance of the recording process must provide a clear rationale for the valuation of the proposed costs, assurance that the recording will occur in Ontario, and identify the timeframe in which the recording will take place. Recipient companies may be required to provide additional documentation at the interim and/or final reporting stage.*

Eligible Administrative & Overhead Costs

- Costs for items such as staff salaries, office space and corporate services that are directly used in the delivery of the planned activities (to a maximum of 25% of the total activity costs).

Eligible Labour Costs

- **New Position:** The cost of a new position that is being created as a result of the proposed activity (salaried or contract) may be included as a distinct line item in the activity budget. In the description of the activity, applicants must include an explanation of why the new position is necessary for the undertaking of the proposed activity, and if the position is intended to continue beyond the initial OMIF-supported period, a rationale must be provided for how the position will be sustained by the company.

The OMO recognizes that the specific individuals to be hired for proposed roles may not be known as of the time of application. As such, recipient companies will be required at the interim and/or final reporting stage to provide tangible details (e.g. full name, job description, hours worked) regarding new employees/contractors. Please include as much detail as possible at time of application submission.

- **Current/Ongoing Position:** A portion of salaries or wages for existing staff or ongoing contract employees (whether part-time or full-time) that are assigned to work on the proposed activities may be included as part of the “administrative and overhead expenses” section of the budget.

All labour costs included must be undertaken by Ontario-based staff or contract employees, and must be directly related to the proposed activities. Costs related to consultants based outside of Ontario may be considered where a business rationale is presented to demonstrate the necessity of hiring from outside Ontario and the benefits to the applicant company.

Eligible Capital Costs

- Budget allocations towards capital expenditures such as the purchase of equipment, materials and/or software are eligible if required for an activity (such as digital infrastructure and innovation).
 - Equipment, Materials, and Software: if purchased, amortization value for inclusion in budget must be calculated using the straight-line method with a prescribed useful life of 24 months; if rented, actual rental cost can be included.

Ineligible Expenses

- Expenses incurred outside of the approved activity period;
- Expenses that were not in the original budget and which did not receive pre-approval by Ontario Creates;
- Costs relating to international artists;
- Foreign producer fees;
- Manufacturing fees;
- Staff & labour costs not directly related to the activity;
- Staff benefit costs;

- Real estate costs and leasehold improvements, or capital costs related to permanent structures;
- Cost of alcoholic beverages or cannabis-related products;
- Fees relating to the compilation (notice-to-reader), review, or audit of applicant financial statements;
- Fees relating to the procurement of services of grant writers for preparing government funding applications;
- Cost of General Liability insurance (the cost of event-specific insurance is eligible);
- Taxes that are recoverable by the recipient (such as GST/HST, PST, VAT); and
- Related party transactions which did not receive pre-approval by Ontario Creates.

7. Budgets and Financing

Eligible costs directly associated with the proposed activities must be included in the Activity Budget template provided in the application. The Activity Budget must contain complete information as to how the company will pay for the activities.

The total amount of financing must match the total cost of all eligible activities. Specifically, the financing component of the Activity Budget must indicate all sources and amounts from corporate investment (cash in the bank), financed investment (e.g. line of credit, investors), projected revenue derived from execution of the activity, confirmed funding from government or other private funding bodies, and *anticipated* funding from government or other funding bodies – including the request for Music Creation stream funding.

The OMIF contribution can comprise a maximum of 50% of the total budget. Financing from public/private funding agencies/bodies does not need to be confirmed at the time of application. However, unconfirmed funding from these sources should be supported with information, timelines and documentation to demonstrate the applicant’s level of confidence in receiving such funding. Please see the Music Creation activity budget template for more details on financing parameters.

Applicants that contribute a higher percentage of non-government funding will be considered more favourably, as will activity budgets that prioritize Ontario-based expenses.

8. Application Process

IMPORTANT: *First-time applicants are strongly encouraged to contact the OMO at least two weeks ahead of the application deadline to discuss eligibility. Applicants that fail to do so may have their application deemed ineligible/incomplete if eligibility is not clearly established in the application.*

- 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 Ontario Creates’ website for the “[OAP Quick Start Guide](#)”.
- For technical assistance, please contact the OAP Helpdesk at applyhelp@ontariocreates.ca.
- Applicants are strongly encouraged to begin the application process well in advance of the deadline to allow ample time to compile and complete the necessary information. The application can be worked on over time and information can be saved as it is entered. Once saved, the applicant can go back to edit and/or add information up until the time when the application is actually submitted.

Late applications will not be considered for funding.

Prior discussion with Ontario Creates regarding the eligibility of an activity does not guarantee funding.

Summary of Application Requirements

A complete list of required application materials is outlined in the application form on the Online Application Portal (OAP). For the Music Creation stream, the following application components are required:

- Activity Budget (template provided);
- Activity Details and Plans for each proposed activity (questions provided in OAP application);
- Year-Over-Year Operating Budget;
 - for comparative purposes, this budget must include both actual revenues and expenses for the previous fiscal period as well as a forecast of revenues and expenses that correspond to the current fiscal year, and/or to the end of the applicant’s proposed eligible activity window.
- Business Plan (see below for requirements);
- Articles of Incorporation;
- Financial Statements for the two most recently completed fiscal years.
- Artists’ contracts/certificate and undertaking (if applicable);
- Back up confirmation to support confirmed or pending financing;
- Documentation indicating that eligibility requirements have been met (e.g., proof of release dates, proof of sales, management or recording/licensing agreements);
- Signed Related Party Transaction form; and
- Signed Applicant Affidavit.

Please see [Program Policies](#) document for guidance regarding financial statements requirements and additional program information.

Business Plans

A company Business Plan is required for all applicants requesting \$50,000 or more. Applicants requesting less than \$50,000 have the option to either submit a business plan or answer the business plan related questions within the application.

Business Plans should include forward-looking information on plans for company growth, supported by a discussion of competitive strengths, artist development strategies, human resources, corporate financing and other key details. It is recommended that this document range between 10-25 pages.

The business plan must contain, at minimum, the following components:

- Applicant track record, including profile(s) of key personnel;
- Company strategy and business model;
- Overview of general business activities and short/long-term goals;
- Company SWOT analysis;
- Outline of risk management and mitigation plans for any risk factors (including financial, logistical, HR, operational, health & safety, environmental, and legal) that could potentially impact your operations and proposed activities.
- Rationale for revenue, expense and profit projections going forward for the next 12-18 months, compared with actual results for the most recently ended fiscal year.

9. Assessment Criteria

The Music Creation stream of the Ontario Music Investment Fund is a competitive program. 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 proposed activities with respect to the program guidelines and evaluation criteria. The number of applicants that will receive funding and the amount of funding awarded is dependent on the quantity and quality of the activities selected, and the individual needs of each applicant.

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

Track Record <ul style="list-style-type: none">- Degree to which the applicant demonstrates that it has the track record and organizational capacity (financial, human resources) to effectively execute the activities- Presence of diversity among senior leadership, staff, or contract employees, particularly underrepresented communities within the music industry	15%
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<p>Financial Risk</p> <ul style="list-style-type: none"> - Effectiveness of the applicant’s articulation of its financial capacity to undertake the proposed activities - Stability and strength of the applicant’s financial position based on company’s financial statements 	<p>10%</p>
<p>Overall Proposal</p> <ul style="list-style-type: none"> - Thoroughness of the applicant’s description of the proposed activity and its anticipated impacts - Feasibility of the timeline, budget, and financing plan - Demonstration of thoughtful consultation, collaboration, and participation of equity-seeking communities, particularly underrepresented communities within the music industry 	<p>30%</p>
<p>Economic & Cultural Impact</p> <ul style="list-style-type: none"> - Degree to which expected results are well documented in the application, including a description of tangible, measurable, and realistic goals and a clear explanation of anticipated return on investment (ROI) - Applicant’s potential to achieve strong measurable critical and/or commercial impact 	<p>20%</p>
<p>Resilience & Sustainability</p> <ul style="list-style-type: none"> - Extent to which the application demonstrates forward-thinking strategic planning and focus on long-term growth and sustainability - Degree to which the company can leverage the investment to strengthen its profile/capital/human resources pool for future investment and growth 	<p>15%</p>
<p>Support for Emerging Talent</p> <ul style="list-style-type: none"> - Degree to which the applicant focuses on emerging artists (see emerging artists definition on page 6) - Degree to which diversity is reflected within roster 	<p>10%</p>

The provincial definition 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.

Applications will be assessed for completeness and eligibility by Ontario Creates staff immediately following the deadline and a jury of industry professionals and Ontario Creates staff will review and assess the eligible applications.

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.

10. Successful Applicants

Successful applicants will be required to deliver an interim report and final report through the Online Application Portal by the identified deadline(s).

Generally, the following milestones will trigger payments:

- Execution of the Ontario Creates transfer payment agreement (please see the **Program Policies** for a copy of the template agreement);
- Delivery of interim report(s) and subsequent approval; and
- Delivery of the completed activities and all deliverables outlined in the funding agreement and subsequent approval.

Insurance

Recipient companies will be required to carry Commercial General Liability Insurance on an occurrence basis for Third Party Bodily Injury, Personal Injury and Property Damage, to an inclusive limit of not less than \$2,000,000 per occurrence, \$2,000,000 products and completed operations aggregate. Ontario Media Development Corporation and His Majesty the King in right of Ontario must be named as additional insureds on all policies. Please budget accordingly. Additional information on insurance requirements is available on request.

Transfer Payment Agreement Template

On acceptance into the program, the recipient company will be required to sign a standard Ontario government Transfer Payment Agreement (TPA) covering the terms of their participation in the program including providing Ontario Creates with permission to use the project and delivery materials for promotional purposes. A copy of this agreement can be found in the **Program Policies** document. Recipients may not amend the agreement template.

Reporting Criteria

Recipients will be required to provide Ontario Creates with a satisfactory report evaluating the completed initiative. Specific report requirements will be outlined in the Ontario

Creates agreement but generally are expected to include those mentioned in the Measurable Outcomes section of the reporting template and the following:

- Short term actual measurable results against projected original targets*;
- Strategy for capturing longer term results where possible;
- Sustainability of proposed activities; and
- Assessment of effectiveness in meeting the activities objectives and those of the Music Creation stream of the OMIF.

A cost report is required as part of the reporting process. Ontario Creates reserves the right to request receipts to demonstrate actual expenses incurred by OMIF recipients.

** see Appendix 2 for a list of OMIF Measurable Outcomes.*

For more Information:

General program inquiries should be directed to omo@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.

<https://www.ontariocreates.ca>

Appendix 1 – Eligible Applicant Types

Record Labels

To be considered eligible for OMIF, domestic and multinational record labels must:

- have two or more musical artists signed to their roster;
- derive the majority of their revenue from the exploitation of master recordings of which they own or have licensed the copyright;
- hold the master copyright, or license, for a minimum of three Canadian-artist releases (by different artists) or three Canadian releases as defined by CRTC Canadian Content regulations; and
- have released at least one Canadian-artist recording within the last 12 months.

Note: Eligibility as a domestic record label may extend to high potential self-releasing BIPOC (Black, Indigenous, People of Colour) and Francophone artist-entrepreneurs. First-time applicants to which this situation applies are strongly encouraged to contact the OMO at least two weeks ahead of application deadline to discuss and receive confirmation of eligibility from the OMO. Such applicants that fail to do so may be deemed ineligible.

Music Publishers

To be considered eligible for OMIF, domestic music publishers must:

- have an active roster of at least two Canadian songwriters;
- are primarily engaged in acquiring and registering copyrights for musical compositions;
- derive the majority of their revenue from authorizing the use of these compositions in recordings, on radio and television, in motion pictures, live performances, print, multimedia or other media; and
- own a minimum of 100 original works in the catalogue (with a significant portion of Canadian content).

Appendix 2 – Measurable Outcomes

Anticipated outcomes for the Music Creation stream may include any of the following, depending on the type of activity undertaken. **It is not expected that each applicant will achieve all of the outcomes below.** Applicants should provide a list of all anticipated outcomes they will report on in their interim and final reports, should their funding request be successful.

Measurable Outcomes – Music Creation
Number of artists supported
Fees paid to artists
Number of new recordings supported - domestic artists
Number of new performance opportunities for artists (including online)
Online and social media impact (metrics)
Traditional media impact (metrics): radio/video plays, interviews, articles, reviews, etc.
Critical success of supported projects
Sustainability of activity outcomes
Sales success of supported activities: units sold, streams, ticket revenue, etc.
Company growth / Increased revenue
Number of international markets targeted
Increased revenue from international sales
Company growth / Increased revenue
Jobs created / retained
Tangible initiatives to improve or further embedding diversity, equity and inclusion within company operations (i.e. staff training, hiring practices, artist signings)