

FUNDING FOR MUSIC

Presented by Bob D'Eith



1. **FACTOR.** This is a Federal Government program developed by the Ministry of Heritage. The program funds production of commercial sound recordings through grants and loans. It also supports touring, showcasing and attendance at music conferences. There is also money available for song writing and music video production. Applications are made by submitting an application form enclosing a demo, bio, picture and detailed budget. At a certain level, labels may apply for Direct Board approval of projects;

2010-2011 Fiscal Year Deadlines (not official date posting, please refer to www.factor.ca)

Collective Initiatives Program

May 14, 2010, July 15, 2010, Sept 15, 2010, Nov 15, 2010, Jan 31, 2011

Demo/Songwriter Support Program

May 14, 2010 and Oct 15, 2010

Direct Board Approval Program (All Levels)

May 31, 2010, Aug 31, 2010 and Nov 30, 2010

Domestic and International Business Development Program

June 15, 2010, Aug 31, 2010, Oct 15, 2010, Nov 30, 2010 and Jan 17, 2011

Domestic and International Showcase Program

May 14, 2010, Aug 16, 2010, Oct 15, 2010 and Jan 17, 2011

Domestic and International Tour Program

May 31, 2010, July 29, 2010, Sept 30, 2010, Nov 30, 2010 and Jan 31, 2011

Emerging Artist Program

June 15, 2010, Sept 15, 2010, Dec 15, 2010

Juried Sound Recording Loan Program (FACTOR Loan and Independent Recording Loan)

May 31, 2010 and October 29, 2010

Label Manager Program

July 15, 2010

Marketing and Promo for FACTOR Funded Sound Recordings

June 25, 2010, Sept 15, 2010 and Nov 15, 2010

Marketing and Promo for Non-FACTOR Funded Sound Recordings (Loan)

May 31, 2010 and Oct 29, 2010

Songwriter Workshop Program

June 15, 2010 and Aug 31, 2010

Video Program

June 15, 2010, Sept 15, 2010 and Nov 15, 2010

2. **Radio Starmaker Fund.** www.starmaker.ca



For Artists:

To qualify for funding you must be a Canadian who has attained a track record in your existing career. This means you must meet the following criteria:

1. You are a Canadian citizen or landed immigrant, as well as a resident of Canada.
2. You have attained a sales level on a CD in Canada only that satisfies the minimum "Track Record" requirement for your genre of music but has never sold more than 150,000 units (Major Labels) or 300,000 units (Indie Labels). You may establish this track record from the sales of any previous record released within 5 years of the date you apply or from the sales of a current release.
3. In order to be eligible for funding, an artist must have begun production on the record for which they are applying prior to submitting their application. This does not refer to pre-production but the actual recording of bed tracks for the release.
4. You have a current record released which is receiving or will receive a "Significant Investment". A "current record" means that it must have been released in the 12 months previous to the date you apply or scheduled to be released within 4 months following the deadline for the round in which you apply. If you are applying for international marketing funds, the release must be within 6 months of the deadline for the round in which you apply in each relevant territory.

5. You are signed to a Canadian major label, Canadian owned independent record label or you own your record and you either release it on your own or license it to a Canadian company. All of the details regarding your recording contract must be in place by the application deadline in order for the Board of Directors to consider an application. **Please Note: You do not qualify for funding if the royalties and revenues from the Canadian sales of your records flow directly to a corporation outside of Canada. You must receive your royalties from Canadian sales directly through a Canadian company.**
6. Please note: If you own your master and distribute your record through a distributor (or major label) or release your record on your own, the Radio Starmaker Fund considers you to be an independent artist. If you own your master and license your record to a major label or you are signed directly to a major label, the Radio Starmaker Fund considers you to be a major label artist.

For touring related funding support, please refer to the separate touring applications.

Track Record - Unit Level requirements per record according to Genre

- (a) 15,000 units (pop/rock/AC) (Major labels)
10,000 units (pop/rock/AC) (Indie labels)
- (b) 7,500 units (urban/country/electronica/heavy metal) (Major labels)
5,000 units (urban/country/electronica/heavy metal) (Indie labels)
- (c) 5,000 units (folk) (Major labels)
3,500 units (folk) (Indie labels)
- (d) 2,500 units (world/jazz/classical/blues/Aboriginal artists) (Major/Indie labels)

Maximum units per record for all genres:

- 150,000 (Major Labels)
- 300,000 (Indie Labels)

Unit level requirements must be met for a release from the last five years. Sales levels are determined on records sold in Canada only. The RSF allows the sale of digital downloads of full albums and full condensed format releases to go toward meeting our net sales thresholds. A condensed format release is defined as having at least 20 minutes of music and at least 5 songs. Downloads of single tracks from these releases will also be allowed in meeting the net sales thresholds. Five single track downloads from a full album or condensed format release would constitute one sale toward the achievement of the minimum sales threshold under the eligibility requirements.

2. Criteria to Establish Significant Investment

Minimum indie label or independent artist spending required to establish "Significant Investment":

- a) \$20,000 (pop/rock/AC)
- b) \$10,000 (urban/country/electronica/heavy metal)

c) \$7,000 (folk)

d) \$5,000 (world/blues/jazz/classical/Aboriginal artists)

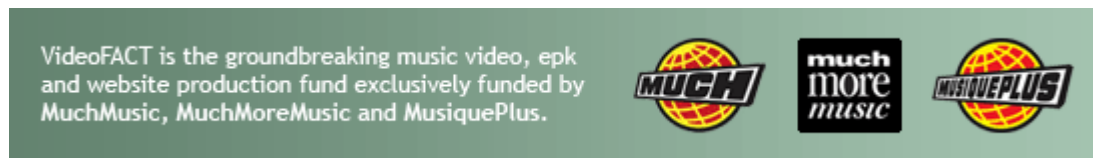
Round #	Application Deadline Date	Board Meeting Date
35	May 27, 2010	June 23, 2010
36	August 26, 2010	September 22, 2010
37	November 18, 2010	December 8, 2010
38	February 24, 2011	March 23, 2011

OTHER FUNDING PROGRAMS

1. **Canada Council.** This body has funding for more artistic music endeavors and primarily funds the classical, jazz, folk and experimental electronic genres;
<http://www.canadacouncil.ca/music/>



2. **MUCHFACT VIDEO, WEB AND EPK** www.videofact.ca. Normally video producers apply for this program on behalf of labels or artists. Artists and labels will often apply for the web or epk funding directly. This body is a private agency funded by Muchmusic to find the production of music videos, websites and epks. The grants given are in partial fulfillment of obligations to the CRTC (the broadcasting regulatory body). Normally, the video producers fill out this application (this program is not FACTOR – FACTOR has separate but limited video funding);



3. **BRAVO!FACT.** <http://www.bravofact.com/>. This body is a private agency funded by Bravo to fund the production of more Artistic films and shorts;



4. **CMT** funds country videos; <http://www.cmt.ca/misc/vap.aspx>



5. **MITAP** – Music BC administers \$50,000 per annum of Provincial tour support funding for artists. This includes financial support for domestic and international showcasing and touring. Applications can be found at www.musicbc.org.



6. **Music BC - MAP** – Music BC creates programs from time to time to assist BC artists. Presently, Music BC administers \$50,000 from the Peak for travel assistance grants and a DEMO program sponsored by ASTRAL media. MAP also includes programs such as the annual Music BC artist compilation Applications can be found at www.musicbc.org.



7. **Music BC Charitable Foundation.** Burt Harris Memorial Scholarship. This program pays tuition or private instruction fees for young musicians in need. Applications available annually at www.musicbc.org.



FACTOR RECORDING LOAN APPLICATIONS

INTRODUCTION

The most common FACTOR application for independent artists is the **Juried Sound Recording Loan Program (FACTOR Loan and Independent Recording Loan)**. The award is up to \$15,000 for non-distributed artists and \$25,000 for distributed artists. With success rates for this program ranging from 3-8% of applicants, it is important to go into the process with every base covered. The vast majority of rejections result from one or more weak links in an application such as a poor photo, poorly drafted bio, generic marketing plan or weak demo. Applicants must realize that they are competing with the entire country for these limited funds.

BASIC REQUIREMENTS

Going into an application, the artist should put the following together:

1. Two or three song professional quality demo;
2. Professionally shot artist photo;
3. Well written biography;
4. Press clippings;
5. Marketing Plan – this is a key component and must be very well thought out. The key is to be detailed, specific and show that you understand music marketing;
6. Letters of support from industry professionals;
7. Passport or birth certificate (must be Canadian Citizen or Landed Immigrant to apply – if majority of the band are Canadian that is fine, but non Canadian costs will not be recognized);
8. Lyrics for the demo songs submitted;
9. Titles of the songs to be recorded including songwriter names and Public Performance Society (SOCAN);
10. Letter from producer agreeing to produce the sound recordings;
11. Producer discography including top three artist sales figures;
12. Studio (s), rates, studio owner's name, address and phone number;
13. Photographer's name;
14. Artwork producer;
15. For FACTOR LOAN, a signed national distribution agreement;

Whether the artist hires a consultant to help with the application, the artist will still have to supply the above list of materials. For the marketing plan, it is important for the artist to have all past successes documented including live performances, tours, radio play, media support, online activity, videos, personal appearances, awards and any other noteworthy stories. This is important to give the marketing plan context and to create building blocks for the plan.

DEMO

When submitting demos to FACTOR, consider that every indie artist in Canada is trying to get the loan. An artist should only submit very good quality professional demos to the FACTOR jury. A jury has between many artists to go through in a three hour period. Most artists are lucky to get a verse and chorus of a song listened to before the jury moves on. Advice: don't submit songs with long intros or songs that do not have an impact later than 30-45 seconds in.

FACTOR juries are genre specific which means that FACTOR has rock bands being adjudicated by rock juries and pop artists being adjudicated by pop juries. With many artists today, the genre lines are blurry. The best bet is to pick a genre that will best "get" your project.

Key considerations in demo production that can sink artists are things like instrument tuning, vocal pitch, poor performances, bad mixes and other technical issues. Don't give the jury a reason to reject the artist. Make every part of the production the best it can be. With home studios and pro-tools, there is no excuse for shaky takes. Take your time and get the best performance possible.

MARKETING PLAN

Other than the demos, the second most important part of a FACTOR application is the marketing plan. Many artists fall into the trap of taking a previously drafted marketing plan and simply changing it around a bit. This method is not successful as the jury will see through generic marketing plans. To be successful a plan has to show a specific connection to the artist – every plan is different and needs to be tailored to each individual artist.

Basic elements of a marketing plan include:

1. Demographic and sales projections (identify market);
2. Touring and performance plans;
3. Radio servicing and tracking;
4. Online marketing strategy;
5. Film, television and video game placement strategy;
6. Distribution plan and retail promotion;
7. Press and publicity plan;
8. Merchandising and other income streams;

When drafting a marketing plan, an artist needs to ask the question: how am I going to advance my career with the sound recordings funded by the FACTOR Loan? Each part of the plan needs to play into an overall strategy for success. Specificity is a key component of the plan. It isn't what any artist would do, but what this artist would do to succeed. This means looking at the artist's past record and building on those successes. For example, merely stating that "the artist will service to all AAA, Host AC and AC stations" is too generic. Instead say something like, "the artist has received feature rotation on the Peak FM in Vancouver, BC. The artist plans on using this existing relationship as a launching pad for the radio launch of the artist's first single". Taking past success and using this to build a story is a critical component of the marketing plan.

Artists are encouraged to put a lot of creativity into their marketing plans. Juries do not have a lot of time to read through huge marketing plans, but creating a table of contents, tabs are very helpful. Also, the look and feel of the marketing plan should be good. Use pictures, charts and diagrams to enhance the presentation. Pretend that you are making an application to a bank for bank loan for a business. What would you do differently? If a jury sees a very well put together marketing plan there is going to be the automatic response that the artist is organized and will follow through with their promises. Be a professional as possible. Typos and other grammatical errors must be corrected. Again, don't give the jury a reason to reject you.

PROCESS

Applications are made online at www.factor.ca. All parts of the application are digital so the demos must be MP3s (any bit rate), the pictures JPEGs, the bios PDFs or Word Docs etc. If any part of the application is missing, then the application will be bounced. Sometimes FACTOR will call for small deficiencies, but don't count on that. Check and re-check the required list of attachments and make sure that all parts of the online application form are filled out. Note that some of the sections may state complete even though something may be missing. Also, please note that the application is not submitted until after the applicant hits the submit button.

Expenses incurred any time after the application is submitted are eligible. No expenses incurred before the application is submitted or cash payments are not eligible. Only Canadian costs and expenses are eligible. An artist can use a foreign producer, but the producer fees cannot count towards the budget.

FACTOR now covers 75% of the costs of production, however donated services have been dropped, therefore the artist/applicant is responsible for securing 25% of the funding for production.

The juried sound recording applications are loans repayable at \$0.50 per CD and \$0.05 per download over two years. Semi-annual reporting after release is required for two years and then the balance of the loan is forgiven. 50% of any repayment can be used for other applications as a "repayment dividend". This incentive program was just reinstated. Failure to report, even no income, will result in default and the artist/applicant would be responsible for paying back the entire loan.

Sound Recording and marketing for non-factor approved albums are loans, however marketing, touring and other programs are grants. If an artist is successful with receiving a sound recording loan, then FACTOR will set aside some grant funding for marketing and promotion of the album. Marketing and promotion is a separate application made after securing the FACTOR Loan.

To pass through the jury process, an artist must successfully be approved by two genre specific juries (three to five jurors) and then the super jury. If an artist does not make it through genre specific juries, the artist will be rejected and given a feedback sheet. If it passes the second jury,

then the artist will be passed on to the super jury. The super jury is a 10-12 person jury which adjudicates all of the applications which passed the genre specific juries. The theory is that the super jury consists of at least one representative from each genre to ensure that genre interests are balanced. All juries are decided by majority voting.

If an artist is lucky enough to get through the jury process, then the application will be taken to the FACTOR board of directors who will look at the application and the budget to determine how much the artist will receive. This is the first time that anyone other than staff has looked at the budget, so artists are cautioned not to bother trying to impress juries with budget issues. A common myth is that lowering budgets will give an artist a better chance. This is not the case as the juries do not even see the budget. Note that the board is known for adjusting budgets. Make sure that the budget is within normal industry standards e.g. don't go over AFM scale for musician's fees.

Once approved, the artist will be sent a confirmation letter which must be returned right away. FACTOR will then send a contract. This contract must be signed properly and then returned to FACTOR. FACTOR will then send 50% of the FACTOR portion of the budget. The artist/applicant will not be able to secure the balance of the funds until all invoices and completion certificate are completed.

Artists can use consultants to apply for FACTOR loans and grants. There is a built in \$1500 non-invoiced administration fee built into the budget. Artists who have never completed a FACTOR form are encouraged to visit Music BC, the FACTOR affiliated office for BC, to discuss their application with Music BC staff. If the artist feels that there are areas that the artist does not understand, then the artist can hire a consultant to fill out and produce the FACTOR application. Prices for this service vary. Artists are advised to ask a lot of questions of any consultant. Will my marketing plan be unique? What is the consultant's track record – how many artists have been successful? How many have made it to the superjury? What qualifications does the consultant have for claiming to be an expert on FACTOR applications?

NEWER PROGRAMS

FACTOR launched the Emerging Artist program two years ago. This is a great program which gives significant funding to an artist who has proven to be successful as an indie artist. The initial investment is up to \$35,000, with a commitment to \$50,000 in marketing funds. While there are minimum sales criteria, it is quite possible for artists with some track record to apply. Check out the FACTOR website to see where you fit in terms of sales. Radio play and touring are also taken into consideration.