

NORTHWEST TERRITORIES PRODUCERS INCENTIVE PILOT PROGRAM

1. STATEMENT OF POLICY

The Department of Industry, Tourism and Investment (ITI) advances the Northwest Territories (NWT) film and media sector by investing in NWT producers and providing financial support to develop professional quality, commercial-ready projects to a point that they can be presented to broadcasters and other financiers.

Funding for the Producers Incentive Pilot Program (PIPP) is broken down into two categories, Pre-Development and Development.

2. GOALS AND OBJECTIVES

- Facilitate the growth and sustainability of the NWT film and media sector;
- Support members of the NWT film and media sector to acquire skills and experience;
- Develop the professional skills of NWT based crew;
- Position the NWT in the national and international film markets as a competitive location for co-productions; and
- Empower NWT production companies to develop projects to be filmed on location in the NWT; and,
- Diversify the NWT economy and encourage film activity in all regions of the NWT.

3. PRINCIPLES

The GNWT should encourage film production by providing financial incentives to NWT residents and NWT businesses who participate in commercial film production.

4. SCOPE

This policy applies to NWT residents or NWT businesses engaged in commercial film and media production.

5. DEFINITIONS

1. Minister

The Minister responsible for the Department of Industry, Tourism and Investment.

2. Assistant Deputy Minister

The Assistant Deputy Minister – Economic Development, Department of Industry, Tourism and Investment.

3. Contribution Agreement

A legal and binding commitment by the recipient to undertake a specific project within a defined timeframe. General terms and conditions for a contribution will be specified. Specific terms and conditions will vary according to the nature of the contribution and the project or activity being supported and will be attached as a schedule.

4. Capital Assets

A capital asset is property that is expected to generate value over a long period of time (camera equipment, vehicles, property, computers, etc.)

5. Co-Production

A project produced by an NWT production company in collaboration with a non-NWT production company.

6. Digital Media

The integration of emerging media technologies such as text, graphics, audio, video, animation and interactivity delivered using diverse methods such as internet web sites, CD-ROMs, DVDs, and other digital media.

7. Film

Except where otherwise indicated, refers to video productions that use film, video or digital support media.

8. Film Commissioner

The NWT Film Commissioner is a position designated by the Minister of ITI and certified by the Association of Film Commissioners International.

9. Fiscal Year

The period beginning on April 1 in one year and ending on March 31 in the next calendar year.

10. Good Standing

Not having any past-due deliverables relating to a previous financial contribution agreement with the Government of the Northwest Territories.

11. Industry

All those persons, non-governmental organizations, associations and businesses involved in film, television and digital media.

12. Market Relevant Source

A broadcaster, distributor, pay television, or media-focused funding agency that can act as a trigger to warrant support for commercially viable activities.

13. NWT Business

A business, that complies with the legal requirements to carry on business in the NWT, and is either:

- (a) a corporation registered and in good standing under the NWT Business Corporations Act; or,
- (b) a co-operative association in good standing under the NWT Co-operative Associations Act; or,
- (c) a partnership or sole proprietorship duly registered and in good standing with the Department of Justice, Legal Registries Division, where required, and a holder of a valid NWT municipal business licence, where required.

14. NWT Resident

An individual who, for income tax purposes, has maintained a principal residence in the Northwest Territories and has filed their income tax report in the Northwest Territories for the year preceding the date of application to the program.

15. NWT Production Company

A film and/or digital media business that is owned and operated in the NWT by an NWT resident(s).

16. NWT Professional Media Association

A member-driven organization that represents the media professionals working in the NWT.

17. Operational Overhead

Expenses which are related to the operation of the applicant NWT business such as rent, utilities, telecommunications, etc., but not employee salaries or staff-related expenses.

6. AUTHORITY AND ACCOUNTABILITY

1. General

This policy is issued in accordance with Financial Management Board direction to delegate to Ministers authority to establish grants and contributions programs. Authority and accountability is further defined in Financial Administration directive 805, and as follows:

(a) Minister

The Minister is accountable to the Financial Management Board for the administration of this policy. The Minister will table annually in the Legislative Assembly a summary report of contributions, providing the amount of each contribution, the projects being supported, and the name of the recipients.

(b) Deputy Minister

The Deputy Minister is accountable to the Minister for the administration of this policy.

2. Specific

(a) Minister

The Minister may:

- a. approve changes to this policy,
- b. approve grants and contributions according to the terms and conditions outlined in this policy, and.
- c. delegate the authority to approve contributions.

(b) Deputy Minister

The Deputy Minister may:

- a. establish administrative and operational guidelines for the program, and,
- b. delegate the authority to establish administrative and operational guidelines for the program.

(c) Assistant Deputy Minister

The Assistant Deputy Minister:

- a. is the final authority to rule on appeals on decisions regarding applications.

7. PROVISIONS

- a. The meeting of eligibility criteria for this Policy, in and of itself, does not guarantee subsequent approval of financial support. Financial assistance may be provided to those projects deemed as providing the greatest economic benefit to the NWT.

- b. Maximum contribution per project will not exceed \$35,000 (\$10,000 from pre-development category and \$25,000 for development category).
- c. Funding will be distributed on a first come, first served basis until the budget is committed per fiscal year beginning April 1 and ending March 31.
- d. Co-productions are eligible to apply, however the NWT Production Company must own 51 percent of the project or greater.
- e. Digital web series whose primary distribution strategy is web-focused are eligible to apply; the onus is on the applicant to demonstrate that the market trigger is an industry-recognized web distributor and that the strategy for monetization is viable.
- f. Projects that have received support through the NWT Film Industry Funding Schedule (per the Support for Entrepreneurs and Economic Development Policy) may be eligible under PIPP as well; however, no duplication in funded activities will be allowed. Applications will be reviewed on a case-by-case basis. Total funding through both programs cannot exceed the total project budget.
- g. In order to maximize opportunities for a greater number of applicants in NWT, applicants will be limited to two PIPP applications per fiscal year, and no applicant may have more than one active PIPP application at a time.
- h. Projects that receive funding must complete their PIPP-funded activities within the same fiscal year that they receive funding in.
- i. Applicants must be in good standing with the Government of the Northwest Territories.
- j. Capital assets are not an eligible expense under either category.
- k. Distributors, broadcasters and/or broadcast affiliates are not eligible to apply.

APPLICATION PROCESS AND FUNDING

Application forms, guidelines, and any other relevant application information for the PIPP can be found on the NWT Film Commission website at: (www.nwtfilm.com).

1. Intake

Applications will be accepted on an on-going basis throughout the fiscal year, but application should be made prior to commencement of the project. Expenditures made prior to the date of application will not be considered. Only one application at a time will be considered from any applicant.

2. Evaluation

Completed applications will be evaluated by staff and delegates of the NWT Film Commission, according to a published grading rubric and approved by the Director of Economic Diversification.

Applications that reflect the goals and objectives stated in these guidelines, specifically benefitting the NWT economy and utilizing NWT services will be graded higher in the grading rubric than applications that do not.

Successful applicants will be notified by the NWT Film Commission and will be provided with a written estimate of the pre-approved amount followed by a contribution agreement.

3. Notification

Applicants will be informed in writing within thirty (30) calendar days whether approval of the application has been granted and what eligible costs have been approved.

4. Funding

The NWT Film Commission and the applicant will finalize the contribution agreement, including the funding schedule which outlines the deliverables and requirements due to the NWT Film Commission.

5. Appeals

An applicant who is not satisfied with the decision of the approving authority regarding the amount, if any, of contribution assistance may appeal to the Assistant Deputy Minister.

Appeals must be in writing and received by the Assistant Deputy Minister no later than thirty (30) calendar days following the date that the applicant has received notification of the approving authority's decision.

6. Eligible Applicants

Applicants under this policy must represent an NWT Production Company:

- with at least one professional project which has been distributed by a broadcaster or distributor recognized by the Canadian Radio-television and Telecommunications Commission (CRTC);

OR

- which has previously received project support from a market relevant source.

7. Eligible Projects

Feature films, television content (movies of the week, sitcoms, dramatic series, docu-series), documentaries, reality and lifestyle series and animated programming. The NWT Film Commission may consider other project types and formats at its sole discretion.

8. Ineligible Projects

- a. Films and videos of a promotional or instructional nature for commercial, industrial, or institutional purposes;
- b. Student projects produced as part of any educational or training program;
- c. Music promotional videos;
- d. Game shows, contests, sporting events, news, weather and current affairs reporting;
- e. Gala and/or award presentation shows;

- f. Projects that contravene any civil or criminal law; and,
- g. Productions containing explicit sex, excessive violence, sexual violence or sexual exploitation or any matter which is libelous, obscene or in any other way unlawful or which does not respect territorial, provincial and/or federal civil or criminal laws.

PROGRAM CATEGORIES

Category 1: Pre-Development

Category limit per project: 80 percent of pre-development budget up to \$10,000

This category assists with the costs of developing a project sufficiently to present to broadcasters and other financiers. (i.e.: concept-to-outline writing and creation of pitching materials). This phase does not require evidence of market interest.

Eligible costs include (but are not limited to):

- script writing/consulting and editing fees;
- producer fees (capped at 20% of total pre-development budget up to \$2,500);
- operational overhead (capped at 20% of total pre-development budget up to \$2,500);
- legal fees;
- development of demo reel and pitching material (treatment, outline, bible, or script);
- preliminary research;
- option or acquisition of rights;
- travel costs for research; and,
- printing and graphic design fees.

Category 2: Development

Category limit per project: 80 percent of development budget up to \$25,000

This category supports the continuing development of projects that have been successful in securing at least 20% of their budgets from a market relevant source.

Eligible costs include (but are not limited to):

- pre-casting fees and preliminary location scouting expenses;


- legal fees;
- development of a shooting schedule;
- creation of a marketing plan;
- preparation of the final budget;
- option fees on works owned by a third party;
- writer and story editor fees (script/treatment polish);
- producer fees (capped at 20% of total development budget up to \$6,250);
- operational overhead (capped at 20% of total development budget up to \$6,250);
- travel costs for research or to meet with national/international coproduction partners (capped at 10% of total development budget up to \$3125);
- costs related to production of sizzle reels, and other video marketing materials;
- final financing of the film; and,
- research costs.

FINANCIAL RESOURCES

Financial resources required under this policy are conditional on approval of funds by the Legislative Assembly and there being a sufficient unencumbered balance in the appropriate activity for the fiscal year for which the funds would be required.

PREROGATIVE OF THE MINISTER

Nothing in this program will in any way be construed to limit the prerogative of the Minister to make decisions or to take actions respecting contributions or any other form of related assistance, either direct or indirect, outside the provisions of this program.



Minister

June 1, 2021
Date