



ESSENTIAL INFORMATION GUIDE
COVID-19 EMERGENCY RELIEF FUND – TELEFILM ALLOCATION

PHASE 2 – MOVIE THEATRE PROGRAM
(the “Relief Fund for Movie Theatres”)

1. If I received financing from Telefilm Canada (“Telefilm”), Canadian Heritage or any other organization under Phase 1 of Canadian Heritage’s COVID-19 Emergency Support Fund for Cultural, Heritage and Sport Organizations (the “PCH Emergency Fund”), am I eligible to receive additional financing under this Relief Fund for Movie Theatres?

Emergency funds under this program are in theory reserved for companies that have not already received financing under Phase 1 of the PCH Emergency Fund, regardless of whether these funds were allocated by Telefilm, the Canada Media Fund, the Canada Arts Council, Canadian Heritage or any other organization.

Despite the foregoing, Telefilm clients that have received emergency funds from Telefilm during Phase 1 in connection with one or more movie theatre establishments may be eligible to receive an additional contribution of \$10,000. Recipients from Phase 1 that are eligible to receive this additional contribution shall be contacted directly by Telefilm on Dialogue. These clients must consult the “Task” tab on Dialogue and imperatively answer the question asked regarding the additional contribution before October 27, 2020. No further financing application must be submitted through Dialogue.

2. If I received financing from the Relief Fund for Movie Theatres following an application submitted during the first opening period of this program, am I eligible to receive additional funding? If so, what must I do?

Each eligible applicant that has already received emergency funds during the first opening period of the Relief Fund for Movie Theatres may receive an additional contribution of \$10,000. This contribution is of an amount equivalent to the increase in the base financial participation for the second opening period of the program. Therefore, no recipient shall be disadvantaged by the reopening of the Relief Fund for Movie Theatres.

The recipients that are eligible to receive this additional contribution of \$10,000 shall be contacted directly by Telefilm through the Dialogue platform, in order to confirm their consent and to proceed with the payment. It is thus not necessary for these recipients to present a new financing application in Dialogue, nor to submit any other request to Telefilm. These clients must consult the “Task” tab on Dialogue and imperatively answer the question asked regarding the additional contribution before October 27, 2020.

3. If I received funding from governmental sources other than the PCH Emergency Fund, may I still apply for funding under the Relief Fund for Movie Theatres?

Yes. A company may be eligible under this program, regardless of whether it has received funding from other Government of Canada COVID-19 initiatives (e.g. Canada Emergency Wage Subsidy). However, the funding received from Telefilm under this program must not be used to cover the

same costs as those of the funds received from these other initiatives (i.e. no “double-dipping” of funding to cover the same expenses).

4. Can I apply to more than one institution for funding under Phase 2 of the PCH Emergency Fund?

No. Companies who apply for funding under the Relief Fund for Movie Theatres may not apply for funds under Phase 2 of the Emergency Funds to Canadian Heritage or other organizations, such as the Canada Media Fund and the Canada Council for the Arts.

5. The initial closing date of the Relief Fund for Movie Theatres was on September 4, 2020. Why is this program opening again until November 17, 2020, with an increase of \$10,000 in the base financial participation?

Following the closing of the Relief Fund for Movie Theatres, a portion of the emergency funds for this program was still available due to the number of requests received by Telefilm. The program will therefore be reopened from October 20 to November 17, 2020, in order to allow more eligible applicants to submit a request.

6. If I own and operate my movie theatre establishment(s) as an unincorporated business (i.e. a sole proprietorship), am I still eligible to receive funds under the Relief Fund for Movie Theatres?

No. Telefilm may only distribute emergency funds to organizations with a distinct legal entity from that of their owners, for example business corporations and other not-for-profit corporations.

7. What companies are eligible for financing under the Relief Fund for Movie Theatres?

In order to be eligible for funding under the Relief Fund for Movie Theatres, companies must meet all the criteria under the program guidelines.

In particular, companies must be able to attest an actual or projected 25% negative financial impact due to the COVID-19 pandemic and that they are in need for funding to ensure continuity of operations and to protect jobs.

Companies must also operate one or more movie theatre establishments in Canada having showed one or more Canadian feature films during any of Telefilm’s last three (3) fiscal years.

8. How do you define a movie theatre establishment?

A movie theatre establishment refers to a single location whose primary focus is the commercial exhibition of feature films on one or more screens, and which usually includes a food and drink counter.

For example, a commercial exhibitor that shows films on 2 different screens at a single location is considered to operate a single movie theatre establishment for the purposes of the program.

Please also note that a drive-in theatre may be considered a movie theatre establishment. However, any other location where films are primarily shown either on a non-commercial or

educational basis, or in the context of film premieres or artistic exhibitions (including film festivals), are not considered movie theatre establishments.

9. How do I assess the “25% negative financial impact”?

The corporate group is responsible of assessing, in a reasonable manner, the negative financial impact of the COVID-19 pandemic on all of the companies that are part of it.

In general, financial projections can be used to calculate the financial impact.

The financial impact of at least 25% can be related to revenues, costs or a combination of both. It can be evaluated over a short period (for example, 3 months or 6 months and up to 12 months).

The comparison period could include the period preceding the one subject to financial projections or a comparable period. Use your usual accounting method for calculations. You can use the cash method or the accrual method, but you have to use the same approach throughout.

10. How will Telefilm ensure that funding is used in accordance with the objectives of the Relief Fund for Movie Theatres?

All applicant companies are required to complete and sign an Attestation (available on the program’s [webpage](#)) under which they attest to an actual or projected 25% negative financial impact due to the COVID-19 pandemic and that they are in need for funding to ensure continuity of operations and to protect jobs and further, that they will use the funds for business continuity, additional costs relating to the suspension of operations and to support workers.

Telefilm reserves the right to conduct audits to validate and ensure that these funds were used in accordance with the program guidelines.

11. How do I apply to the Relief Fund for Movie Theatres?

In order to apply for funding under the program, an applicant must have or create a Dialogue account. Dialogue is an electronic platform that is accessible from all electronic devices and that centralizes all tasks and communications related to the application process. For more information on how to create a Dialogue account or to navigate the platform, please refer to the [Dialogue User Guide](#).

Please note that our teams will need to verify your company’s registration to the Dialogue platform. As a result, you will be asked to provide certain corporate documents of your company (i.e. a certificate of incorporation and a list of senior managers and directors), as well as a fully completed and signed certificate of authorization (a template will be provided). Lastly, the identity of the individual that will act as the administrator of your company’s Dialogue account will need to be verified using an electronic form that will be sent to you by email.

12. If my company operates multiple movie theatre establishment(s), may I submit an application for emergency funds for each one of these movie theatre establishment(s)?

No. Applicants must submit a single application for all movie theatre establishments that are owned and operated by members of its corporate group (i.e. the applicant and its related parties), regardless of the name under which the movie theatre establishments are operated.

13. Will applications be considered on a first come, first served basis?

Yes. Given the funding available, financing will be attributed on a first come, first served basis, until the available funding is exhausted or the closing date of the program, whichever comes first.

14. What is the turnaround time from submitting an application to receiving funds?

Telefilm's team is processing the applications as they come in, including contracting and disbursement of monies. Complete applications from eligible applicants should be processed quickly. Given the funds are allocated on a first come, first served basis, we encourage applicants to apply as soon as possible after the opening date and not wait until the end of the application period.

15. How do you define the term "Regional Company" for the purposes of allocating the additional financial participation?

Under the program guidelines, the term "Regional Company" is defined as a company whose head office is in any part of Canada that is more than 150 km by the shortest reasonable roadway route from Toronto or Montreal. Telefilm shall determine which applicants fall within that definition based on the head office address provided to Telefilm by the applicants in the program application form.

16. How do you define the term "Underrepresented Groups" for the purposes of allocating the additional financial participation?

Under the program guidelines, the term "Underrepresented Group" is defined as either one of the following groups: indigenous, LGBTQ2+, official language minority communities, persons with disabilities, racialized persons and women. Applicants will be asked to voluntarily disclose, in the program application form, whether their corporate group is composed of companies that are majority-owned and controlled by persons identifying as members of such groups.

17. If my company meets the definition of more than one designated diversity group, for example a regional company that is majority-owned and controlled by women, may I receive a greater amount of additional financial participation?

No. Eligible applicants may only receive a single additional contribution of \$11,000. Meeting the definition of more than one designated diversity group will not have the effect of increasing the additional contribution amount.

18. How do you define "racialized persons" in the underrepresented groups?

"Racialized persons" refers to persons who are non-Caucasian in race and not Indigenous. It includes, but is not limited to, individuals who identify as Black or People of Colour or of mixed racial background.

19. How do you define "person with a disability" in the underrepresented groups?

"Person with a disability" means a person who lives with a long-term, persistent or recurring physical, mental, sensory, psychiatric or learning impairment, activity limitation or participation



restriction. It also means a person who is regarded as having an impairment, limitation or restriction, whether their disability is visible or invisible to others.

20. What is the fiscal treatment of the financial participation of Telefilm under the Relief Fund for Movie Theatres?

Telefilm's financial participation under the Relief Fund for Movie Theatres is a non-repayable contribution. **Please note that it may be taxable.** We recommend that you consult your tax advisors to determine the tax treatment applicable to the amounts you may receive.

21. Will the funds be sent to eligible applicants by cheque or direct deposit?

The allocations of relief funds will be disbursed in the form of electronic payments by direct deposit.