



Notes for a speech by
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Virtual Town Hall
COVID-19 Emergency Relief Fund – Telefilm Allocation

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(Check against delivery)

Hi, and good afternoon everyone. Before we begin, I just want to say that I hope you and your loved ones are in good health. Like all of you, I'm working from home, and please rest assured that everyone at Telefilm has been working remotely for some time now. We are fully operational and are putting all our energy into supporting the industry. We appreciate the impact these unprecedented times have had on our industry and your companies.

There is a lot to cover today with regards to the COVID-19 Emergency Relief Fund – Telefilm Allocation, and I'll walk you through how these funds will be distributed.

As we all know, \$ 27 million of emergency relief funds were attributed to Telefilm, \$ 88.8 million to the Canada Media Fund (which will be administered by Telefilm on the CMF's behalf), and \$55 million to the Canada Council for the Arts, as well as a variety of portfolios through Canadian Heritage.

So, let's dive right in to how the Telefilm portion works.

First, the guiding principles that are uniform and common to all partner agencies and based on the Government of Canada's parameters.

The purpose and intent of this punctual funding are two-fold: job security and to stabilize the sector. This aid complements, and does not duplicate, the other federal COVID-19 related emergency measures to which workers and companies in the sector already have access. This means that while you can have access to pre-existing federal government aid – be it the Canada Emergency Wage Subsidy, Canada Emergency Business Account or other – they simply cannot be used to cover the same costs.

These funds are non-recoupable but are taxable. These funds are intended to help ease the financial impacts due directly to COVID-19 and to help companies remain resilient. They will not eradicate all the financial burdens companies are facing.

The CMF and Telefilm are working together to disburse these funds quickly and efficiently, since many clients do business with both organizations, at the same time. In this case, clients can only go to one agency, so we must make sure there is no overlap.

To be clear, this is not a selective process. Clients will receive emergency relief funds from the organization from which they, on average, receive the most amount of financing annually. The same goes with potential overlaps with Canadian Heritage or the Canada Council for the Arts.

Roughly 10% of Telefilm clients receive funds from both organizations (by that I mean Telefilm and the CMF). Our dedicated team is already sifting through data and will be on the ready to assist in answering questions for companies, beginning next Wednesday, to be able to determine where you apply if it is not obvious.

Eligibility

All Canadian audiovisual clients (that is a Canadian production company, distribution company, commercial exhibitor, festival and initiative) that have received funding directly from Telefilm in the last 3 fiscals are eligible (i.e. between the period of April 1st, 2017 to March 31st, 2020).

Eligibility is granted to parent companies only. The Emergency Relief funding is allocated to the active parent company of each group of companies. This is calculated in proportion to their participation in each project funded over the last 3 years. And a reminder that the aid is paid by the organization that has given them the most funds for this period.

Companies are eligible for up to 25% of an annual 3-year average. There are 3 tiers, which I will walk you through now.

You combine the total of applicable program funds received in the last three fiscal years, and then divide by three to ascertain your eligible annual average.

Tier 1

- All companies having received annually a sum of up to \$500K
- Are eligible for 25% of their average
- With a minimum guarantee of \$5K
- And a maximum of \$125K

Tier 2

- All companies having received annually between \$500K to \$1M
- Are eligible for 20% of their average
- With a minimum guarantee of \$125K
- And a maximum of \$200K

Tier 3

- All companies having received annually over \$1M
- Are eligible for 15% of their average
- With a minimum guarantee of \$200K
- And a maximum of \$400K

Top-Ups

There are two different types of top-ups:

A) Interrupted Shoots

There will be top-ups for interrupted shoots of Telefilm-funded projects (exclusively) that were either in the production or post-production stages. Interrupted projects in the pre-production phase are not considered in this emergency relief fund

To be clear, this top-up will have a cap and can be stacked with the funds from Tiers 1 through 3. However, the 2 sums once added together cannot exceed the 25% maximum as directed by government.

We will be reaching out to the producers of the nearly 27 productions to discuss directly with them in the coming weeks.

B) Under-Represented Communities

Of the \$27M, up to 15% has been set aside for an additional top-up reserved for under-represented communities: Regional, Indigenous, Women, Official language minority, Visible minority, and other under-represented communities.

Clients will be asked to self-identify on the application form. These amounts will be dispersed in a second wave, following the initial application period once we have assessed all requests.

Also, a reminder that in all cases, these funds are non-recoupable, but are taxable.

Timelines

- Guidelines and the attestation are all available on our website
- The Dialogue portal will open on **Wednesday, May 20th for 3 weeks. It is currently scheduled to close on June 12, at 8:00 pm (EST).**

The application window is limited in order to ensure that we get the dollars to clients quickly and to be the least disruptive to our regular programs.

Important to note: No additional documentation is required. This is a much more simplified application process compared to other Telefilm applications. In the future, and by government request, Telefilm will be conducting spot-check audits to ensure that these funds were properly used.

We are giving you some time to begin to look at everything from your company's side, and it will allow us the time to train the dedicated team, so that they can answer your questions, and process your applications. It will also allow us to do final testing of this process in Dialogue.

Attestation

Elements included for instance (but are not limited to):

- No other similar request to another federal funding agency (eg PCH, CMF, Canada Council for the Arts)
- Company is not insolvent or bankrupt

- Company is active in the audio-visual sector and intends to remain active
- Funds will be used for business continuity and support workers such as self-employed, freelance workers, artists and creators. We'd like to stress the trickle-down factor is very important to government.... And the expectation is that this works in harmony with the other government funds
- Telefilm has right to audit

Conclusion / Client Support

- This is not a regular program, and it is meant for immediate relief, so we've kept the process as simple as possible
- A reminder that the emergency relief aid is being administered by a special dedicated team at Telefilm. If you have active files with Telefilm, your coordinator or analyst will remain focused on those files and redirect all emergency fund questions to the dedicated team.
- **Parameters** that have been pre-determined by the government are guiding the attestation process and are not up for interpretation

- It is vital for our clients that we disburse this funding quickly. As always, Telefilm will be working in partnership with the industry

This is good news for our industry and will allow us to focus on the next phase: how we best support you going forward in these unprecedented circumstances and for when our industry restarts. I am so proud of all the staff at Telefilm, those who have helped to develop the program and its systems, the employees who remain focused on current applications and those who have been reassigned to help get our eligible clients their money as quickly as possible.

We now will take your questions. Thank you all.