
Canada Feature Film Fund

Guidelines

Development Program For English-Language Productions



Ce document est également disponible en français.

GL / CFFF Development English-language productions / v.1 / Published date: April 1, 2011

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1. CANADA FEATURE FILM FUND - ENGLISH LANGUAGE DEVELOPMENT

1.1. Guidelines

These guidelines are for the English-language script development program of the Canada Feature Film Fund (CFFF). These guidelines are designed to reflect the unique realities of the English-language market. Separate guidelines for the French-language market and for other CFFF programs (including production, marketing and complementary activities) are available on the Telefilm Canada (Telefilm) [website](#).

There are two financing instruments within this program:

Selective component: The selective component is primarily for producers without a box office track record sufficient to obtain a performance envelope. Telefilm selects from amongst projects in a highly competitive and oversubscribed environment.

Performance component: Resources are reserved for producers who achieve success at the Canadian box office in the form of performance envelopes. Producers with envelopes have greater autonomy, discretion and flexibility in the use of their envelope toward the development, production and marketing of Canadian feature films.

While compliance with these guidelines is a prerequisite to eligibility for funding, compliance does not guarantee entitlement to Telefilm funds. Telefilm may make adjustments to its guidelines and application forms from time to time as required. Telefilm has full discretion in the application of, or exception to, these guidelines to ensure that its funding is provided to those projects that meet its spirit and intent. In all questions of interpretation of either these guidelines, or the spirit and intent of this program, Telefilm's interpretation shall prevail.

1.2. Goal, Spirit and Intent

The overall goal of the CFFF is to increase the Canadian theatrical box office for Canadian feature films.

Development of a diverse portfolio of English-language productions is an important strategy to achieving this goal. In addition to genre diversity, Telefilm encourages diversity in feature film production by supporting a range of budgets, companies and regions.

While Telefilm does not intend to restrict filmmakers in their choices of stories or their natural settings, Telefilm's policies and decision making process will prioritize projects that demonstrate the highest potential to attract Canadian audiences, contain significant Canadian creative elements and present a distinctly Canadian point of view.

The CFFF may provide financing to individual projects of up to a potential cumulative maximum of \$305,000 across three stages of development: scriptwriting (section 4.2.2), packaging (section 4.2.3) and greenlight (section 4.2.4).

2. ELIGIBLE APPLICANTS

2.1. Basic Criteria

In order to be considered eligible to apply to this program, an applicant must be a Canadian-owned and controlled corporation, as determined under sections 26 to 28 of the [Investment Canada Act](#), with its head office based in Canada. In addition, when assessing an applicant's eligibility, Telefilm will take into consideration:

- if the applicant's activities take place in Canada;
- the financial stability of the applicant (with appropriate exceptions for new production companies without established parent companies); and
- whether or not the applicant operates principally as a feature film production entity.

Furthermore individual producers, and other key production personnel exercising creative, financial and distribution control over the project submitted to Telefilm, must be Canadian citizens, within the definition of the [Citizenship Act](#), or permanent residents within the definition of the [Immigration and Refugee Protection Act](#).

Eligible production companies must demonstrate to Telefilm's satisfaction a commitment to developing scripts for Canadian feature films and must possess the experience and level of expertise necessary to complete the project. The track record of the writer, the director and the producer will be taken into account. Telefilm's specific requirements will vary depending on the nature and scope of the project.

3. ELIGIBLE PROJECTS

3.1. Basic Criteria

In administering the CFFF, Telefilm will seek to support the development of feature films that are owned and controlled by eligible applicants. To be considered eligible, a project must:

- be a script written in English and intended as an English-language feature-length fictional film¹;

¹ The project is at least 75 minutes in duration. Projects, whose first window is more likely home video, or television broadcast, are ineligible. Telefilm recognizes documentaries as eligible only when being funded through a performance envelope that has been earned for a documentary project.

- be intended for production in the English-language and aimed primarily at English-language Canadian audiences, and for the Canadian theatrical market;
- be under Canadian ownership, that is, its copyright must be owned by Canadians;
- be under Canadian financial and creative control, as well as its rights and options necessary for the full and complete exploitation of the project must be held by an eligible production company;
- plan to have Canadians in the roles of scriptwriter and director²;
- plan to have a Canadian in the role of lead performer;
- with respect to Canadian content certification, plan to be **either**:
 - certified by the Canadian Audio-visual Certification Office (CAVCO) as a “Canadian film or video production” with a minimum of 8 out of 10 points under the provisions of the [Income Tax Act](#) (Canada); **or**
 - certified as an official treaty coproduction by the Minister of Canadian Heritage (refer to Telefilm’s guidelines entitled [International Coproductions](#));
- not contain any element of serious and gratuitous or explicit and excessive violence, any element which is predominantly characterized by the undue exploitation of matters of a sexual nature, or matters of a sexual nature and one or more of the following subjects: crime, horror, cruelty and violence, or any other sexual offence under the [Criminal Code](#) or any matter which is libelous, obscene or in any other way unlawful; and
- with respect to projects for the packaging and greenlight stages, projects must have an eligible distributor³ attached.

4. SELECTIVE COMPONENT

Telefilm selects from amongst projects in a highly competitive and oversubscribed environment. **Priority** is given to eligible applicants not already accessing financing from either a performance envelope, or another Telefilm program.

4.1. Evaluation Criteria

All fictional genres are eligible for development financing including, but not limited to, comedy, mystery, drama, thriller, science fiction/fantasy, romantic comedy and action adventure. Eligible applicants are strongly encouraged to meet with their local feature film executive to discuss the potential for development support at each stage. Submitted projects are in competition with other projects from the same region. The regions are: Atlantic, Quebec, Ontario and Nunavut and the Western Region.

² Telefilm will continue to consider appropriate exceptions to these criteria on a case by case basis particularly where the level of financial request to the CFFF is low, and there are other significant Canadian creative elements (including a distinctly Canadian point of view).

³ The criteria for an eligible distributor are outlined in the CFFF Marketing program [guidelines](#).

As a result of over-subscription, and limited resources, many eligible projects will not be selected for development financing. Telefilm will finance a much broader range of promising projects at the earlier scriptwriting stage, and then narrow its support at the packaging and greenlight stages. Each office, while continuing to place emphasis on the box office potential of a film, will also seek to use its resources to encourage a diversity of voices, genres, budgets and regions as well as assist in the development of emerging talent.

To this end, local feature film executives will base their evaluation on the following criteria:

- the originality and quality of the creative materials;
- the track record of the creative team, in particular the producer, writer and director (to be attached);
- the potential to attract market interest at the production stage and the track record and commitment of any attached eligible distributor at the packaging and greenlight stages; and
- the project's contribution to the diversity of their local development portfolio.

4.1.1. Official coproductions

Telefilm wishes to support the development of projects that may become official coproductions, with scripts that reflect the stories, characters and settings of the coproducing countries. Telefilm's participation in such projects will be up to an amount equivalent to the coproducing country's national film financier and subject to Telefilm's maximum participation amounts.

However an advance ruling, or certification as an official coproduction, does not render an applicant or project automatically eligible for funding from the CFFF.

4.2. Financing

4.2.1. Scriptwriting stage

The scriptwriting stage provides the opportunity for a producer and writer to develop a project to the point where other essential market elements can be attached.

Financial support for the scriptwriting stage is available for all phases of a project's creative development, from story outline⁴ or treatment⁵ through to the final draft of a screenplay as follows:

⁴ The story outline is at least 10 pages. It is a narrative exploration of the story that covers concept, character, plot, main conflict, setting, theme, structure, tone and cinematic intent of the writer. It contains the main story points and the structural framework as it will be told on screen. With every phase of development, Telefilm must also receive a rewrite plan.

⁵ Treatment is a scene-by-scene, well-detailed, development and structuring of the full narrative of the story in screen terms. It provides a schematic of the feature film script to be written from it. It should be at least 10 to 15 pages. With every phase of development, Telefilm must also receive a rewrite plan.

Phases of scriptwriting stage	Standard amounts
Story outline or treatment to first draft	\$30,000
2nd and subsequent drafts	(per draft) \$25,000
Project cap	\$80,000

Given that Telefilm supports only up to 80% of total eligible costs (as described in Annex 1), lesser per-phase requests will be considered.

4.2.2. Packaging stage

The packaging stage provides support for the subsequent drafts of a screenplay where market elements have been attached. Applications at this stage must have attached a director (as shown by a fully executed director’s agreement) and an eligible distributor. Telefilm will provide financial support toward the further development of: a screenplay that incorporates the director’s vision and input from the eligible distributor, a business and financing plan as well as a preliminary theatrical marketing plan. The preliminary marketing plan should identify the following: target audience(s), commercial potential and a preliminary theatrical release strategy in Canada.

Eligible distributors who provide their expertise at the packaging stage may be compensated on a fee for service basis, or receive a right of first negotiation for the Canadian distribution rights to the subsequent feature film, or enter into a standard distribution agreement.

Telefilm may support projects at an amount less than the maximum.

4.2.3. Greenlight stage

The greenlight stage advance is only available for those feature film projects that have already received a commitment letter from Telefilm for production financing.

Telefilm may support projects at an amount less than the maximum. Applicants should be aware that greenlight advance financing is not in addition to Telefilm’s offer of production financing. If an applicant receives a greenlight advance, the amount will form part of Telefilm’s total equity investment in a production, as outlined in a commitment letter from Telefilm.

5. PERFORMANCE COMPONENT

5.1. Envelope System

The CFFF recognizes achievement at the Canadian box office by earmarking resources to production companies successful in the English-language market. The minimum value of a production envelope is set at \$750,000 per fiscal year. If the total amount of the envelope, for which a production company is otherwise entitled does not reach at least \$750,000, the production company will be attributed a development envelope. The value of the development envelope will be determined by the envelope calculation starting at \$50,000 (minimum) and not exceeding \$155,000. Lesser amounts than the minimum will not be awarded. Please refer to Annex I of the CFFF guidelines for [Production program for English-language productions](#) for the full details about *How a performance envelope is calculated and allocated*.

The following objectives govern the envelope system as a means to achieve the overall goal of the CFFF:

- envelopes should only be earmarked for those companies with the most distinguished track record of performance at the Canadian box office;
- performance envelopes must be sufficiently large to avoid the companies having to apply to the selective components for top-up resources; and
- the envelopes should afford these exceptional companies greater predictability of financial support, decision-making autonomy and greater flexibility in using the resources, as compared to companies that must apply to the selective components.

In the event of changes in management or ownership of a company for which an envelope has been earmarked (such as a sale, merger, change in management, etc.), Telefilm will review the degree to which those involved in creating the exceptional track record in Canadian box office remain involved and, thus, merit the increased autonomy and flexibility as provided by performance envelopes. In the event that Telefilm, in its sole discretion, is not satisfied that the ongoing earmarking of the performance envelope will meet the spirit and intent of the CFFF, these funds will be transferred for use in the selective component to which all production companies will be eligible to apply.

Clients, and especially those producers who have been offered performance envelopes in a given year, are hereby advised that they should not rely on past guidelines and practice for anticipating or predicting an envelope for the following year and beyond.

5.2. Accessing the Envelopes

Producers with performance envelopes for development have conditional privileges that are not provided to companies that must apply to the highly oversubscribed and competitive selective process. **Under no circumstances are the envelopes transferable.** Financing available through a performance

envelope must be used during the fiscal year in which the envelope was obtained.

A company that does not meet the eligibility criteria set forth in Section 2 of these guidelines at the time a project is submitted shall not have access to any performance envelope generated by the exploitation of the resulting film for as long as that performance envelope shall last. Consequently, if a film is made as a coproduction involving:

- a (majority) company eligible for funding from the CFFF; and
- a (minority) company ineligible for funding from the CFFF.

and if the exploitation of the film results in a performance envelope, only the company eligible for CFFF funding at the time the project is submitted shall have access to the performance envelope funds (calculated in proportion to its financial participation in the project).

5.2.1 Meaningful involvement

Telefilm will ensure that producers access their envelopes in support of projects in which they are meaningfully involved. Telefilm considers meaningful involvement a safeguard to prevent envelopes from being traded as assets. Performance envelopes provide greater autonomy, discretion and flexibility in the use of CFFF funds. Telefilm expects producers to apply their strong track record of box office performance to the use of their CFFF envelopes. The producer must take responsibility and retain decision-making authority for the project from development through pre-production, production, post-production and marketing.

Within this context, the following are Telefilm's minimum requirements to demonstrate a producer's meaningful involvement in a project or projects. Telefilm may apply additional requirements to ensure meaningful involvement as deemed necessary.

Producers with performance envelopes:

- must own no less than 51% copyright ownership in the eligible project for which they are applying for development financing;
- receive a share of producer's fees and corporate overhead commensurate with their ownership interest;
- retain control commensurate with their ownership in the development; and
- must be signatories to the Telefilm agreement.

5.2.2. Accessing financing from the selective component

Producers with envelopes are restricted in their access to the selective component. Producers with a development or a production envelope can only apply to the selective component after January, should

additional funding remain in the selective component of the fiscal year, and only if their performance envelope is fully committed on eligible projects.

Development performance envelopes earned for a documentary must be used for the development of a documentary film. Similarly, development performance envelopes earned for a fictional film must be used for the development of a fictional film.

5.3. Financing

5.3.1. Access to performance funds for development

No track record or creative assessment is made by Telefilm of projects submitted for development financing through a producer's performance envelope. Telefilm will limit its assessment of applications to eligibility criteria.

Applications at the packaging stage must have attached a director (as shown by a fully executed director's agreement) and an eligible distributor.

A commitment letter for production financing from Telefilm at the greenlight stage is not required. To be eligible for financing at the greenlight stage, the producer must submit a complete application for production financing, and demonstrate that they have sufficient resources within their envelope to complete the production financing of an otherwise eligible project to which an eligible distributor is attached.

Eligible producers may apply, with a single application, for the combined screenwriting and/or packaging stages.

6. FINANCIAL PARTICIPATION

Telefilm's financing will be in the form of a non-interest bearing repayable advance equal to the lesser of:

- the amount requested by the applicant;
- the uncommitted balance of the performance envelope;
- 80% of eligible costs; or
- the following per stage maximums:

Stages	Maximum Participation
Scriptwriting stage	\$80,000
Packaging stage	\$75,000
Greenlight stage	\$150,000
Combined maximum per project	\$305,000

Telefilm's maximum participation is inclusive of its financial participation in development from this or any other Telefilm program, initiative or component.

7. REPAYMENT

7.1. Scriptwriting and Packaging Stages

Advances are repayable in accordance with the contract that Telefilm and the producer enter into⁶.

7.2. Greenlight Stage

Telefilm's financial participation at this stage is in the form of an advance against Telefilm's production financing and the greenlight advance is repayable in accordance with the contract that Telefilm and the producer enter into.

In the event that the project proceeds into production **with** financial support from Telefilm this greenlight advance will be converted into an equity investment in the production.

In the event that the project proceeds into production **without** financial support from Telefilm or **does not proceed** into production, the greenlight advance will be treated as a non-equity repayable advance similar to a development advance at the scriptwriting and packaging stages.

8. APPLICATION PROCESS

All applicants must now apply on-line. Applicants should submit the appropriate application form, duly completed and signed, together with the Telefilm standard budget (if applicable) and all required documentation, via eTelefilm by the applicable deadline(s). [Application forms](#) and the [Client Service Charter](#) are available on Telefilm's [website](#).

8.1. How to Apply

Apply on-line

To apply, applicants must use the on-line services of [eTelefilm](#). Applicants who do not have the access code for our eTelefilm services can request one online or by contacting eTelefilm's Technical Support available between 8:00 AM to 8:00 PM (EST) at 1-800-567-0890 extension 3911.

⁶Generally on the earlier of: the first day of principal photography or any other use of the script or the sale, assignment or other disposition of the rights to the project.

eTelefilm offers users a range of secure, simple, and speedy on-line services that are available from anywhere and on any platform, between 6 a.m. and 1 a.m. (EST). Among other functions, eTelefilm allows applicants to submit an application electronically, follow the progress of the file, and have access to the direct deposit of funds. In addition, applications sent to Telefilm via eTelefilm can be submitted until 11:59 p.m. (EST) on the application cut-off date.

Applicants in remote communities without access to the internet may continue to apply by mail and should contact their local office for address details.

8.2. When to Apply

8.2.1. Selective component

English-language (all regions, except Quebec)

There is no application deadline for English-language development outside of Quebec; applications are evaluated and processed on a case-by-case basis until funds are exhausted.

English-language (in Quebec region)

For deadlines associated with English-language projects in the Quebec region, please refer to the Telefilm's [website](#).

8.2.2. Performance component

For a detailed explanation of performance envelope disbursement requirements, and relevant dates, please refer to [Date References for Performance Envelope Calculations and Disbursements](#) on Telefilm's website. Please note that Telefilm's fiscal year runs from April 1 to March 31.

Performance envelopes must be fully committed, contracted and no less than 90% drawn down (disbursed) by March 31. For Telefilm's cash management purposes, those companies that have not fully committed their performance envelope by early October (production), and early January (development) will be required to submit formal applications for funding of projects that will fully draw down any remaining envelope amount by March 31 (save for an amount representing no more than 10% of the total envelope, which is not required to be drawn down).

In order to satisfy Telefilm's cash management requirements, that portion of a performance envelope which is not contracted by the required date will no longer be available to the company. Furthermore, that portion of the performance envelope that is not expected to be drawn down⁷ by March 31 will no

⁷ Save for a maximum of 10% of the total performance envelope that need not be drawn down.

longer be available to the company. That portion of a performance envelope that will not be contracted and drawn down by March 31 will be reallocated to the selective component.

Any amount that is undertaken to be drawn down, and is not, will no longer be available to the company. Should such a company qualify for a performance envelope for a subsequent fiscal year, an amount equal to the amount not drawn down will be deducted from the envelope to which the company would otherwise be entitled. For those companies that do not qualify for an envelope in a subsequent fiscal year, Telefilm may consider restricting such companies' access to the selective component of the CFFF for the following fiscal year.

ANNEX I: ELIGIBLE COSTS

1. Eligible Costs

Standard development budgets are available on Telefilm's [Website](#).

Producers' fees and overhead (PFOH) are considered to be eligible expenses provided that neither exceeds 20% of eligible costs.

Expenses incurred and/or paid previous to submission of the application are not eligible.

Only Canadian costs are eligible, with the following exceptions:

- non-Canadian costs eligible in an official coproduction, or an intended coproduction (see section 3 below); and
- for all stages of development, non-Canadian script editors and consultants whose services do not result in any copyright ownership in the project.

Eligible costs are as follows:

Scriptwriting stage

Eligible costs are limited to optioning fees, writer's fees, script editor fees and PFOH. Please refer to Telefilm's standard development budget, under the scriptwriting stage. Applicants may include, within their development budget, all other costs typically related to developing a screenplay, provided they are able to demonstrate sufficient alternative sources of financing.

Packaging stage

Eligible costs include, but are not limited to: those associated with writing and script editing or consulting; costs associated with the attached director and distributor; those related to raising financing, casting, preliminary location scouting and budget breakdown; and all other costs typically associated with the development and packaging of a screenplay.

Greenlight stage

Eligible costs at this stage include those associated with the final polish of the screenplay, closing agreements with financial participants, attaching cast and early pre-production; in other words, generally those costs associated with fulfilling the conditions outlined in the production commitment letter.

2. Requests for Exception to Eligible Costs

In the scriptwriting stage of the selective component, Telefilm will consider requests for exceptions to each phase of the eligible costs upon which Telefilm's participation is calculated (and, in turn, the standard financial participation) where the applicant can demonstrate the potential of the exception to contribute to the national box office objective.

In the scriptwriting and/or packaging stages of the performance component, Telefilm will consider requests for exceptions to the eligible costs upon which Telefilm's participation is calculated (and, in turn, the maximum financial participation) where the applicant is able to demonstrate to Telefilm's satisfaction the reasonableness of such costs in the screenwriting and packaging stages of development.

In the greenlight stage, to assist producers who wish to secure certain **pay or play**⁸ arrangements, and in certain instances where casting will assure the project/film marketplace access, Telefilm will consider participating beyond the published greenlight maximum amount.

Applicants must make their request for an exception prior to contracting. To ensure consistency and transparency across the offices, recommendations for exceptions within the selective component would be made by the Local Feature Film Executive for approval by the National Feature Film Executive. Recommendations within the performance component would be made by the Local Business Affairs Lead Analyst for approval by the Director, National Business Affairs.

3. Eligible Costs in Official Coproductions

During the scriptwriting stage, Telefilm will allow writing fees for a non-Canadian writer to be eligible for support when: the project is intended to be an official coproduction, the writer is from the coproducing country, and the equivalent national agency to Telefilm in the coproducing country is also financing the development budget. At the packaging stage, for projects of this type with a non-Canadian writer attached, Telefilm will require that the attached director be Canadian.

⁸A contractual obligation between the producer and generally actors or directors which provides that the producer will pay a stated amount whether or not the services of the actor or director are performed or required.