FUNDING FOR NATIONAL SERVICE ORGANIZATIONS

Program Guidelines 2025-2026

Program Intent

The Funding for National Service Organizations program is intended to increase the creation of and access to a diversity of Canadian music for audiences everywhere. Funding for NSO activities needs to develop and increase the competitiveness of the Canadian-owned music industry at home and abroad.

This program ensures that initiatives by NSOs support Canadian artists and Canadian-owned music entrepreneurs that enhance the career development of Canadian artists, the promotion of their music, and the overall competitiveness of the Canadian independent music sector at home, abroad, and on various platforms. Overall activities must help Canadian artists and industry professionals gain a greater profile, increase artistic and business skills, and build export readiness and competitiveness.

Program Overview

1. Funding for National Service Organizations is to increase collective promotional activities for diverse Canadian music content and artists, while helping to develop Canadian owned music industry expertise.

2. Applicant is to submit a year-long (April 01-March 31) business plan of activities designed to further the careers of Canadian artists, songwriters, and music entrepreneurs.

3. Funding is up to 75% of eligible expenses up to a maximum of $600,000 per fiscal year.

4. Review of the application may take up to eight weeks from the application deadline.

5. Funding for this program is provided by the Department of Canadian Heritage's Canada Music Fund and Canada'sPrivate Radio Broadcasters.

Application Deadline

February 27, 2025, for activities taking place from April 1, 2025, to March 31, 2026

Who Can Apply

6. Canadian not-for-profit organizations. At the time of the application and through to the end of the term of any fundingagreement, the Applicant must:
   a) Be an organization registered or incorporated in Canada under federal or provincial statutes.
   b) Be a non-profit organization whose activities are based primarily in Canada and over half of the members and administrators are Canadians.
   c) Have completed at least two years of continuous operation.
   d) Have an annual budget of at least $300,000 excluding government grants and contributions.
   e) Be a membership-based organization with active members across the country that has provided up to date and approved by-laws.
   f) Serve Canadian artists and music entrepreneurs working in the Canadian-owned music industry.
   g) Be engaged in activities at the national level.
   h) Deliver activities involved in at least two segments of Canada's music industry, such as recording production,publishing, live shows, distribution or marketing or promotion of artists or artistic works.
   i) Demonstrate its capacity to manage the proposed projects.
   j) Have an updated applicant profile that has been reviewed and approved in the FACTOR portal.

7. The following entities are not eligible:
   a) Organizations, and their affiliates, predominantly representing a specific musical genre or demographic.
   b) Organizations, and their affiliates, whose main purpose relates to the organization of galas, award shows or conferences.
   c) Copyright collectives and funding organizations.
   d) Organizations, and their affiliates, representing persons predominantly involved in technical activities related tothe music industry.
   e) Organizations, and their affiliates, that are in default with FACTOR or the Government of Canada from agreements entered with Canadian Heritage or any other government department.

8. New Applicants must contact FACTOR to discuss Applicant eligibility before applying.

9. FACTOR welcomes and encourages applications from people with disabilities. Please contact your Project Administrator to discuss options for accommodations throughout the application process, as well as our Application Accessibility Support Fund.

10. All Applicants should read FACTOR's Business Policies before starting an application.

Applicant Profile Update

11. All NSO clients are required to update their applicant profiles in the FACTOR portal.

12. The deadline for the NSO applicant profile deadline is **February 27, 2025.**

13. Applicants should review and update all sections found in the "Mandatory Review" drop down menu including:
   a) Details of organization structure, board of directors, and signing authority.
   b) Company and Board of Directors diversity and inclusion policy.
   c) Company by-laws.
   d) Current membership information including geographical and demographic breakdown.
   e) Organization Mandate or Mission statement.
   f) A description of your activity sector, including a range of services offered.
   g) Under the '**Gross Revenue** Drop Down Menu'– please ensure there are at least three years of Audited financial statements including one covering the most recently completed reference year, which must end on or after June 30, 2024
   h) Applicants must also ensure they have provided the organization's incorporation documents (Letters Patent, Special Rules, and Resolutions).

Project Eligibility

14. Eligible activities must benefit a group of non-related Canadian artists or music entrepreneurs and be linked to one ofthe two following categories:
   a) Promotion and increased visibility for Canadian music content or artists and the Canadian music industry:
      i. Music showcases.
      ii. Artist recognition events.
      iii. Promotion and marketing of artists and music content.
      iv. Positioning of Canadian music content, including on digital platforms.
   b) Development of services for the Canadian music industry:
      i. Training and professional development for its members.
      ii. Analysis and monitoring of evolving industry trends and issues.
      iii. Development of communication tools.
      iv. Web site development and digital adaptation.
      v. Organization, management, and operation of kiosks (stands) at trade shows.

Eligible Expenses

15. Eligible expenses are for activities between April 1, 2025, and March 31, 2026. The eligible expenses may include costs related to:

a) Independent Professional Consultant/ Contractor fees (excluding legal and accounting fees)
b) Holding an event in-person or virtually.
c) Travel (transportation and accommodations) that are directly related to activities in the business plan. These costs must not exceed the rates specified in the Government of Canada Travel Directive.
d) Rental costs for vehicles privately owned by someone other than the Applicant.
e) Training and professional development that benefits the Membership.
f) Promotion and communication of event.
g) Salaries of employees who directly participate in the proposed activities in the business plan.
h) Equipment rental for the activity.
i) Overhead costs will be calculated as an administration fee at a maximum of 15% of third-party expenses and must be included as a separate expense line in the overall budget total. Overhead costs include rent, internet access charges, web related costs, printing and photocopying, couriers, project management fees, etc.

Ineligible Expenses

16. The following are considered ineligible expenses:
    a) All expenses paid in cash.
    b) Salaries/benefits and overhead costs not directly related to the eligible project.
    c) Writing grant applications.
    d) Exchange of services, in kind expenses.
    e) Audit, legal, and interest fees.
    f) Recoverable taxes on goods and services for which the recipient is eligible to claim reimbursement.
    g) Capital expenditures, depreciation, amortization.
    h) Internal training, including hiring and training of staff.
    i) Expenses incurred outside of the eligibility annual window.

How This Program Works

17. Applicant must meet all eligibility requirements and submit a complete application to be considered for funding. Incomplete applications will be rejected. A complete application package includes the following:
    a) A business plan outlining all proposed activities for 2025-2026 with clear objectives and proposed measurable results.
    b) A detailed budget that takes into account the revenues (confirmed/pending) and eligible expenses related to each proposed activity in the business plan for which funding is requested

18. The business plan submitted with your application must include the following elements:
    a) A brief history of your organization and its achievements.
    b) A description of your organization's strategic priorities for the music industry; a breakdown of the specific activities to be undertaken between April 1, 2025, and March 31, 2026, and for which financial assistance is required. The proposed activities must be clearly linked to the strategic priorities of your organization and the objective of the component, with measurable outcomes.
    c) Provide an overview of all collaborations and partnerships with other organizations, associations, affiliates, or entities by proposed Activity.
    d) Include members of diverse groups within your project's participants and contract workers. Note that you will be reporting on the participation of priority groups in your project completion.
    e) An account of your organization's financial situation over the past two years and short- and medium-term financial forecasts (one to three years).

19. The Recipient shall take measures conducive to creating events and a workplace free from harassment, abuse, anddiscrimination.

How Applications are Assessed

20. Funding decisions are based on the number and quality of applications received on the application deadline. Theapplication will be reviewed for eligibility and then evaluated based on the criteria below. Note that meeting the eligibility criteria does not guarantee funding.

21. The financial viability of your organization will be determined based on the information in your application form andfinancial statements submitted.

22. FACTOR will evaluate all eligible applications using the following criteria:
    a) The degree to which the proposed activities in your business plan contribute to the strategic priorities of your organization and the program objective.
    b) Your organization's capacity to implement the business plan within the allotted timeframe, e.g., experience, human and financial resources.
    c) Membership demographics list.
    d) The degree to which the expected outcomes are measurable.
    e) The impact of the project on the music community.

23. Please note that decisions regarding eligibility and funding amounts are final.

24. FACTOR reserves the right to deem any activities and expenses ineligible that are not in the spirit of the program.

Funding and Payments

25. Upon receipt of signed project agreement, the Applicant will receive an advance of up to 50% of the offer.

26. A 40% payment upon the receipt of both a narrative and budget interim report.

27. The remaining 10% will be paid out upon the receipt and review of a completion report.

28. Additional conditions may apply and will be included in your funding agreement.

Completion is due April 30, 2026

29. Financial statements prepared by a Chartered Accountant are also required. FACTOR will accept audited financial statements, review engagement reports, or notice-to-reader statements.

30. FACTOR may request specific invoices and proofs of payments.