JURIED SOUND RECORDING: ALBUM

Program Guidelines
2026-2027

Program Intent

The Juried Sound Recording: Album program is intended to support the recording artist with their commercial career. The desired outcome is a budget that suits the specific project, as FACTOR understands this may vary depending on artist and genre.

Program Overview

1. This Juried Sound Recording: Album program provides funding toward the costs of production of an original full-length sound recording and contributes to the marketing and promotion of that Sound Recording under the Marketing, Tour Support, Video, Showcase, and Radio Marketing components.

2. Financial support is set at 50% of eligible expenses, all of which must support the sound recording, to a maximum reimbursement of $65,000 throughout the 18-month term of the project.

3. Applications are assessed by a jury and FACTOR, which may take up to 8 weeks from the application deadline and may be affected by volume of applications and juror availability.

4. Funding for this program is provided by Canada's Private Radio Broadcasters and the Department of Canadian Heritage via the Canada Music Fund's Individual Initiatives component.

Project Deadlines

- The Sound Recording completion is due by **February 26, 2027** – no extensions will be granted.
- Additional components may be submitted after the Sound Recording completion has been submitted and before **September 3, 2027**, excluding tour support.
- The final components (excluding tour support) must be completed no later than **March 3, 2028** – no extensions will be granted.
- Tour support components can be accessed beyond **March 3, 2028**, with the last tour date being on or before **September 1, 2028**.

Who Can Apply

- **Artists rated General and 2**
- **Record labels rated Approved, 2, or 3 with an artist rated General or 2.**
- **Record Labels in Mid-Tier Envelope.**

5. Applicants under 18 years of age must submit a signed Parent or Legal Guardian Consent Form when applying.

6. Artist managers, producers, or music publishers may fill out the application on behalf of an artist, however, only the party that controls the Canadian commercial release rights and exclusive Canadian exploitation rights to the sound recording at the time of application may be the Applicant. Typically, this will be:
   - A Canadian artist, if the artist is "unsigned" or has not licensed the sound recording to another party. If the artist is a band that is not incorporated as a company, then an individual member of the artist band must be the Applicant. You must have both an Updated Artist Profile and an approved Applicant Profile to apply.
   - A Canadian record label that has already signed the artist, or has licensed the sound recording, or has an option to license the sound recording. If the artist owns the underlying copyright in the masters but has licensed the sound recording to a record label, the label must be the Applicant. The record label must have an approved Applicant Profile and the Artist Profile must be updated before the label can apply.

7. An artist should be able to demonstrate recent market success and accelerating momentum in their career. The Additional Information section of the Artist Profile must be up to date at the time of application submission.

8. Artists may only apply to only one juried program (Artist Development, JSR: Single/EP, and JSR: Album) within a fiscal year (April 1 – March 31).

9. FACTOR allows only one open Artist program project at a time (Artist Development, JSR: Single/EP, JSR; Album, or Artist Entrepreneur).

10. An Applicant may receive a maximum of three JSR projects (any combination of Single/EP and Album) in the lifetime of the program.

11. Record label Applicants should note the following policies:
    - Recipients of Top-Tier Envelope Funding are ineligible,
    - Record label Applicants are expected to retain exclusive control of the Canadian exploitation rights in the funded album for at least two years after first commercial release, or termination of the General Agreement. See Business Policies: Disposition of Masters.
    - Record label Applicants are allowed to apply for a maximum of two JSR Album projects per deadline, to the JSR program; the applications must be from different artists.
    - Sound recording components from JSR Album projects must be completed within the same fiscal year in order to apply for new JSR Album projects in the subsequent fiscal year, as open sound recording components will count towards the two-project maximum.
    - Record label Applicants may not have more than two unreleased FACTOR supported JSR Album projects at any time.

12. Francophone artists who are recording primarily in French and primarily developing their careers in a French-language market are expected to apply to Musicaction. Francophone artists may apply if the activities and eligible expenses related to the project are incurred in the development of English-language materials for the English-language market. However, they must meet eligibility as it pertains to the Musicaction Global Company Envelope and tour producers for any live/touring expenses. The intent is there not be any dual funding in those categories.

13. If your Project has been submitted to Musicaction and rejected, it is not eligible for funding by FACTOR.

How to Apply

14. To fill out a JSR: Album application in the FACTOR online system, you will first need a submitted Artist Profile and Applicant Profile.
    - The **Artist Profile** provides details about the artist or group. Provide the mandatory information, then click the Request Review button.
    - The **Applicant Profile** provides the details of the person or party that enters a contract with FACTOR, will receive the funding, and will be incurring the costs. Once you've completed the profile, click the Request Review button.

    Once you have submitted both profiles by clicking the Request Review buttons, they will automatically receive a provisional rating that allows you to apply for funding. You do not have to wait for the profiles to be reviewed by FACTOR before starting your application, but the information will be verified prior to an offer of funding.

15. Go to the How to Apply page on the FACTOR website for step-by-step instructions on creating and sharing profiles, followed by how to submit an application.

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

How Applications are Assessed

17. Assessment tracks are evaluated by an independent jury, accounting for 80% of the overall score (Songs/Vocals/Musicality). The remaining 20% is based on the artist's market activity and release plan.

18. The following information is mandatory in the application. Failure to provide this mandatory material will result in an application being rejected as ineligible:
    a) Name of album and number of songs, which should:
        i. Be new, recently recorded, original songs or compositions that have never been commercially released at the time of application. Jazz and classical artists may submit assessment tracks that are new arrangements of a work previously recorded and commercially released by another artist (e.g. standards, classical repertoire). Such assessment tracks may also have music and lyrics by non-Canadians; or they may be based on works in the public domain.
        ii. Meet MAPL requirements for Canadian content. See Business Policies: MAPL Certification
    b) Genre
    c) First song release date and last song release date
    d) A detailed marketing plan for the proposed sound recording
    e) Artist bio
    f) Demos for only two of the tracks you intend to record. These are called assessment tracks, which should:
        i. Be uploaded in MP3 format; and
        ii. Not be in French/have primarily French lyrics.
    g) Lyrics (if any) to the assessment tracks;
    h) Budget
    i) Total request

    Important note: It is not possible for FACTOR to attach materials to an application once it has been submitted. It is your responsibility to ensure all mandatory documents have been uploaded prior to submitting the application.

19. You are invited to provide additional material that you feel enhances your application, such as letters of support, tour dates, and links to videos. Up to five documents can be uploaded under Additional Information in the Component Information tab of the application.

How This Program Works

20. There are six components to this program: Sound Recording, Marketing, Radio Marketing, Tour Support, Showcase, and Video. All JSR: Album projects must include the Sound Recording component and a minimum of two other components.

21. All JSR: Album applications must include the creation or licensing of a new, previously unreleased, qualifying album. JSR funding cannot be used to acquire or market a title that has already been commercially released.

22. If your application is successful, you must enter into a General Agreement which sets out the terms of the funding.

23. There is no minimum spend for any component outside of Sound Recording; you must incur a minimum of $1,000 in eligible Canadian third-party costs in the Sound Recording component.

24. You must use the Sound Recording component funding to produce a qualifying album that meets the following:
    - It is made up of at least seven tracks with a total running time of more than 30 minutes of music, either packaged as one album, or as a track equivalent album (a series of singles or EPs that will be released within a 12-month period);
    - The underlying compositions and the recordings have never been commercially released. Covers of previously recorded compositions may be allowed if they have special creative merit as determined solely by FACTOR and approved in advance of the application being submitted; and
    - The album is by a Canadian artist and contains at least 50% music and lyrics written by Canadians. Please see Business Policies: MAPL Certification for details of exceptions for jazz and classical music.

25. Once your sound recording is completed, one may apply for further components. Additional component funding must be added by September 3, 2027. No extensions will be applied to the Last Date to Submit New Applications.

26. You may add multiple Marketing, Tour Support, Showcase, Radio Marketing, and Video components as is appropriate for your project's timeline, subject to the program limits. You must submit a budget and complete activity details each time you apply for a component, describing the goals, expected results, and timelines for completing each component and the project as a whole. Tour components must support the Sound Recording.

27. After approval, changes to your project plan should be discussed with your Project Coordinator to ensure your proposed changes to activities or costs remain eligible. Changes to the proposed activities having a budget impact of greater than 20% of eligible costs must have FACTOR pre-approval.

28. The sound recording produced with this funding must be commercially released in Canada. You are expected to use best efforts to market the album in Canada and make it available to Canadian audiences.

29. FACTOR restricts the transfer of ownership and control of full-length sound recordings which it funds under its sound recording programs. Recipients of full-length sound recording funding are obliged, for a period of two years after commercial release, to notify FACTOR of their intention to sell, assign, license, or otherwise transfer the control of the sound recording to another party. FACTOR may require 100% of the funding to be repaid when the sound recording is transferred to a non-Canadian label (including major labels) or a Canadian-owned entity which is recipient of Company Envelope funding. Please see Business Policies: Disposition of Masters for more details.

30. **Recipient Accessibility Support Fund**: FACTOR grant recipients are eligible for top-up support to their project funding for costs related to accessibility. FACTOR will allow applications in this fund for up to $5,000 each fiscal year, not to exceed $5,000 per project. Eligible costs claimed under this fund will be reimbursed at 100%. This fund is open to artists and staff of music companies associated with the project Artist or Applicant. Support for this fund is provided exclusively by Canada's Private Radio Broadcasters. More on FACTOR's Accessibility page.

Funding and Payments

This program offers up to $65,000 for eligible Sound Recording, Marketing, Video, Radio Marketing, and Tour Support components. This can be used flexibly in different components but must include Sound Recording and a minimum of two other components. The maximum funding contributions in this program are as follows:

- 50% of eligible Sound Recording expenses up to $20,000,
- 50% of eligible Marketing expenses up to $25,000,
- 50% of eligible Video expenses up to $20,000,
- 100% of eligible Radio Marketing expenses up to $5,000,
- 75% of eligible Tour Support expenses up to $30,000, of which a maximum of $15,000 can be used for domestic tours and up to the full $30,000 for international tours
- 75% of eligible Showcase expenses up to $7,500, of which a maximum of $5,000 can be used for domestic showcases and up to the full $7,500 for international showcases

Please note that Tour Support and Showcase funding are distributed via a calculated subsidy.

31. Applicants to every FACTOR program must declare any other public funding received or expected to be received toward the same project costs they are claiming to FACTOR. FACTOR's contribution plus any other public funding cannot exceed 100% of the project's total eligible budget. See Glossary: Public Funding.

32. To receive FACTOR funding, you must submit banking information for direct deposit.

33. Please note that the funding received from JSR counts toward the Individual Initiatives portion of the annual funding cap. See Glossary: Annual Funding Cap.

34. FACTOR may issue an advance payment of 50% of the approved funding request for one or more active components. The remainder of the funding for each component is paid out when its Completion has been received, reviewed and accepted by FACTOR. If a project has further active components, FACTOR may issue further advances after initial components have been completed.

35. FACTOR may award the full amount requested in the application but reserves the right to award a lesser amount based on its assessment of the proposed expenses, on the total funding available, or for any other reason.

Component Overview

Sound Recording

36. Funding under the Sound Recording component must always be used to produce a qualifying album and to license an already produced but unreleased qualifying album. To be considered a qualifying album, the final sound recording must:
    a) Be performed by a Canadian artist and meet FACTOR's MAPL criteria for Canadian content (see Business Policies: MAPL Certification);
    b) Be a full-length album or track equivalent album of at least seven tracks, with at least 30 minutes of recorded material;

c) Be comprised of all new sound recording masters that, as of the date of application, have not been previously Commercially Released; and
d) Have no more than 50% French lyrics. The lyrics may otherwise be in English or any language other than French. French-language sound recordings may be supported by Musicaction.

37. It is a condition of funding in all full-length sound recording programs that the funded sound recording must be commercially released according to the terms of the General Agreement.

Marketing

38. The Marketing component funding supports a range of activities in the marketing and promotion of a FACTOR-funded qualifying album. Typical marketing activities funded under this component include (but are not limited to):
    - Advertising and publicity campaigns in print, TV, radio, and online media;
    - Digital and social media marketing initiatives;
    - Promotional appearances by the artist;
    - Production expenses related to an album release party (excluding hospitality costs).

39. Non-promotional live appearances, the production of video content, and commercial radio advertising are funded under the Tour Support, Video, and Radio Marketing components, respectively.

Tour Support

40. Artists eligible for support from the Radio Starmaker Fund (RSF) are eligible for Tour Support funding; however, FACTOR will not fund the same tour dates nor the same expenses as RSF.

41. A tour date is a calendar date on which the artist is contracted to publicly perform during a tour. A tour date must be contracted and paid in some form of cash consideration, such as a guaranteed fee or a share of revenues, or a combination of both. All performances taking place during one calendar day constitute one tour date.

42. When the Tour Support component is part of a sound recording program, there is no minimum number of tour dates that constitute a tour, and no limitation in the number of tour dates that are home shows, school shows, or return engagements. Tour components must support the Sound Recording.

43. If the performance fees for the tour result in an average exceeding $10,000 per paid performance, the tour is not eligible for FACTOR support. Unpaid dates will not be included in the calculation when determining the average performance fee. Do not exclude any dates from your tour when applying.

44. “Residencies” (performances in the same venue on more than two consecutive nights, or on the same night in more than two consecutive weeks) are ineligible for Tour Support in all programs.

45. In the application, the Applicant must provide confirmation that the tour dates have been booked, such as a performance contract, the booking agent’s itinerary, or an email from the venue or promoter that the tour date is confirmed. Confirmations must include the date, city, venue, capacity, set length, and contracted performance fee.

46. An eligible traveler is a person who:
    a) Is a credited, full-time member of the artist group; or
    b) Is a hired musician or crew member whose services have been engaged by the artist for the tour’s duration;
    c) Is not receiving funding to attend the tour under the Business Travel component; and
    d) Has been approved by FACTOR as an eligible cost.

47. A hired musician is a musician who is contracted to provide their services on a project basis, in exchange for wages. If claimed as an eligible cost, the hired musician must be Canadian, unless pre-approved by FACTOR. A full-time member of the artist group, or an eligible crew member, cannot also be claimed as a hired musician.

48. An eligible crew member is a person contracted by the artist to provide only the services of tour manager, driver, road/equipment technician, lighting technician, sound mixer, merchandise seller, photographer/ social media manager, or childcare support hired to care for the artist’s children, or a combination of the foregoing, in exchange for wages. Eligible crew must travel with the artist for all or a substantial portion of the tour. Eligible crew must be Canadian unless otherwise approved by FACTOR. A full-time member of the artist group, or a hired musician, cannot also be claimed as an eligible crew member.

49. A signed agreement or deal memo for hired musicians and eligible crew must be submitted on application. It should set out at a minimum the names and addresses of the contracting parties, a description of the services to be provided, the rate of pay, and the dates for which the person is being hired.

50. Funding under the Tour Support component will equal the lesser of (i) the final subsidy calculation, or (ii) 75% of the total eligible budget; to the program maximum.

51. Tour Support funding is calculated as a flat rate per eligible tour date (the "Total Subsidy"), the base rate of which is based on the number of eligible travelers, with additional amounts for the distance traveled and the venue capacity. Venue capacity must be verifiable.

52. The tour subsidy will calculate automatically in the application. For reference, see the rates in the chart below:

Tour Date	**A = Base Rate**	**B = Territory**	**C = Venue Capacity**	**D = Subsidy per Tour Date**
First Tour Date	Add up the eligible travelers. The result equals A. First eligible traveler = $200 Each additional eligible traveler = add $75 To a max. of 8 eligible travelers	Multiply A using these rates. The result equals B. Canada = 0 US = x 50% UK/Europe = x 80% Rest of World = x 140%	Multiply (total of A+B) using these rates. The result equals C. Under 200 = 0 200 - 349 = x 25% 350 - 499 = x 40% 500+/major festivals = x 50%	A+B+C=D
For each Tour Date	Do as above	Do as above	Do as above	Do as above
			Then calculate the sum of column D.	The sum of this column is the total subsidy

Video

53. The Video component funds the production of high-quality music videos and visual content that supports sound recordings by Canadian artists. Examples of eligible materials and activities include:
    a) Traditional music videos (i.e. for a single track from a qualifying album)
    b) Promotional videos
        i. Documentary or "behind-the-scenes" vignettes
        ii. Album or tour trailers
        iii. Electronic Press Kits
        iv. Other promotional video media intended for online distribution
    c) Pre-recorded live performance videos
    d) Lyric videos
    e) Visual albums (a single, self-contained video that incorporates two or more tracks from a qualifying album)
    f) Interactive videos
    g) Live streaming of performances or other marketing activities

54. The company or individual engaged to create the video content produced within this component must be Canadian. Exceptions may be made for non-Canadian companies that are working within Canada. These cases must be discussed with FACTOR prior to applying.

55. Applicants must submit a production plan and video treatment that outlines the creative direction of the video content, including notes on script, action, and "look and feel". If the video treatment provided upon application does not comply with FACTOR's policies regarding Offensive Material the application will be rejected.

56. FACTOR must be recognized in the end credits, including the FACTOR logo, acknowledgments, and the Canada wordmark. This includes all digital and physical copies of the video wherever production credits for the track may be listed, even if the video content is being licensed, co-produced, shared, or released outside of Canada by a third party. Read the Logo and Acknowledgment Guide for the proper formatting as this may affect your funding.

57. The funded video must be commercially released no later than three months after Completion.

58. As a condition of funding, FACTOR reserves the right to use all or a portion of the funded video(s) for FACTOR's own promotional purposes.

Showcase

59. Funding under the Showcase component will equal the lesser of (i) the final subsidy calculation plus administration fee, or (ii) 75% of the total eligible budget; to the program maximum.

60. Showcase component funding is calculated as a flat rate per eligible Showcase (the "Total Subsidy"), the base rate of which is based on the number of eligible travelers, with additional amounts for the distance traveled.

61. An eligible traveler is a person who:
    a) Is a credited, full-time member of the artist group; or
    b) Is a hired musician or eligible crew member whose paid services have been engaged by the artist for the duration of the showcase;
    c) Is not receiving funding to attend the showcase under the Business Travel component; and
    d) Has been approved by FACTOR as an eligible cost.

62. A hired musician is a musician who is contreacted to provide their services on a project basis, in exchange for wages. If claimed as an eligible cost, the hired musician must be Canadian, unless pre-approved by FACTOR. A full-time member of the artist group, or an eligible crew member, cannot also be claimed as a hired musician.

63. An eligible crew member is a person contracted by the artist for a showcase to provide only the services of tour manager, driver, road/equipment technician, lighting technician, sound mixer, merchandise seller, or childcare support hired to care for the artist's children, or a combination of the foregoing, in exchange for wages. Eligible crew must travel with the artist for all or a substantial portion of the showcase. Eligible crew must be Canadian unless otherwise approved by FACTOR. A full-time member of the artist group, or a hired musician, cannot also be claimed as an eligible crew member.

64. A signed agreement for hired musicians and eligible crew must be submitted on application. It should set out at a minimum the names and addresses of the contracting parties, a description of the services to be provided, the rate of pay, and the dates for which the person is being hired.

65. The showcase subsidy will calculate automatically in the application. For reference, see the chart below.

Showcase	**A = Base Rate**	**B = Territory**	**C = Subsidy per Showcase**
For each showcase	Add up the eligible travelers. The result equals A. First eligible traveler = $800 Each additional eligible traveler = add $100 To a max. of 8 eligible travelers	Multiply A with these rates. The result equals B. Canada = 0 US = x 50% UK/Europe = x 80% Rest of World = x 140%	A+B = C This sum is the total subsidy

Radio Marketing

66. The Radio Marketing component is used to buy radio ads and promotional campaigns; as well as engaging Canadian commercial radio stations or radio broadcast groups, Canadian-owned satellite radio broadcasters such as SiriusXM Canada and Stingray, and Canadian community and campus radio stations, as marketing partners.

Project Completion

67. If approved, you will be given a Completion deadline per component. On or before that deadline, you must compile and organize all invoices, receipts, and proofs of payment, then enter the amounts being claimed into the FACTOR Cost Report which can be downloaded from the Completion. Applicants must upload the Cost Report along with all related payment documentation, then complete and submit all other sections of the Completion.

68. Once submitted to FACTOR, the Completion will be deemed by FACTOR to be the recipient's true, accurate, and final accounting, and may not be unsubmitted, amended, or deleted.

69. You must acknowledge FACTOR on all physical and digital copies of the release, and/or wherever production credits for the track are listed, such as in the artwork and the metadata of the digital file. You must also provide the appropriate logo and acknowledgment on any press and marketing materials, promotional items, and audiovisual materials produced under this program. Please see FACTOR's Logo and Acknowledgment Guide. Failure to provide appropriate logos and acknowledgment could result in a loss of some or all of your funding.

70. Applicants should retain all their invoices, receipts, and proofs of payment for seven years for FACTOR and Revenue Canada taxation purposes.

71. In addition to the program completion requirements, to complete the Sound Recording the Applicant must:
    a) Submit a copy of the finished sound recording in MP3 format, along with lyrics, songwriting, and production credits. MP3s should be uploaded to the Component Information section of the Completion. See Business Policies: Completions and Delivery of Completion Documentation for details;
    b) Upload a copy of the album artwork. This should be the finished graphics for the commercial release, and must include the required acknowledgement and logo(s);
    c) Submit a Supplier's Declaration and Undertaking signed by the producer of the sound recording;
    d) Complete the product submission of the commercially released album. After completion and no later than 30 days after commercial release of the funded sound recording you must deliver to FACTOR via email, a link to your commercially release sound recording (i.e. Spotify, Apple Music) and a digital copy of the final, as-released album artwork clearly showing the required logos and acknowledgments.

72. You will also be given a Commercial Release Confirmation date on which you must email a finished digital copy of the sound recording, lyrics, artwork, and metadata to your Project Coordinator.

73. In addition to the program completion requirements, to complete the Tour Support component the Applicant must:
    a) Submit proof of performance that each performance took place and was performed as contracted. As proof of performance, FACTOR will accept a copy of the promoter's settlement sheet or the booking agency's final statement. These must indicate the date, city, venue and final payment received. Tour itineraries, posters and print ads will not be accepted as proof of performance.
    b) If there is a change of personnel, you must indicate those changes in the Eligible Travelers table in your Completion. You must submit corresponding agreements for new eligible travelers.

74. In addition to the program completion requirements, to complete the Video component the Applicant must:
    a) Submit a permanent link to streaming copy of the video(s) (e.g. YouTube, Vimeo, artist's website): and
    b) Submit a Supplier's Declaration and Under taking signed by each video producer.

75. In addition to the program completion requirements, to complete the Showcase component the Applicant must:
    a) Submit proof of performance that the performance took place, such as programs, official festival schedules, photographs, ticket samples, videos, or live show reviews from external publications.
    b) If there is a change of personnel, you must indicate those changes in the Eligible Travelers table in your Completion. You must submit corresponding agreements for new eligible travelers.

Eligible Costs

76. Only costs identified by the Applicant in the application and approved by FACTOR will be deemed eligible.

77. Eligible costs must be:
    a) Incurred after the application has been submitted and paid before the final Completion deadline;
    b) Bona fide costs paid out-of-pocket by the Applicant to providers that are not employed by or related parties to the Applicant; and
    c) Paid to Canadians and Canadian owned and controlled companies, for goods and services delivered in Canada. Goods and services purchased from individual Canadians living outside of Canada or Canadian-owned businesses physically located outside of Canada are eligible costs.

78. Ineligible costs include, but are not limited to:
    a) Equipment purchases and purchases of capital assets;
    b) Taxes that are subject to rebate to the recipient (such as VAT, HST);
    c) Musicians' union dues, penalties, fines, pension contributions, and any other union-mandated payments;

d) CD, vinyl, or other music media manufacturing and duplication costs, except where allowed within the allowance for promotional, not-for sale costs.
e) Donated services for musicians' fees.

79. FACTOR will only recognize costs it deems eligible and will remove ineligible costs from the budget. The FACTOR contribution may be reduced accordingly. If you have any questions about the eligibility of a cost, please contact FACTOR in advance.

80. In this program, FACTOR allows administration expenses to be included in the total eligible costs, capped 15% of total eligible costs. The current schedule of Administration Expenses is set out in Schedule A of the Business Policies. The administration cap is intended to contribute to overhead costs such as occupancy, staffing, and other day-to-day costs of running a business, which costs cannot be claimed elsewhere in the budget. The administration expenses are required to be documented on Completion.

81. The administration fee is not required by FACTOR to be paid to a grant writer, administrator, or any other supplier. The amount and method of payment due to a grant writer or any other supplier is a matter of contract between the recipient and such supplier.

82. Where FACTOR allows eligible costs to be expended in-house, those costs must be charged, in FACTOR's sole opinion, at verifiable fair market value with no mark-up. For in-house services, the party providing the services must be in the business of, or professionally employed to provide such services. Likewise, allowable costs paid to related parties must also be charged at verifiable fair market value with no mark-up.

83. Unless otherwise explicitly allowed by FACTOR, in-house and/or related party transactions are capped at a maximum of 25% of the total eligible costs. Some exceptions may apply.

84. Costs must be verifiable with invoices, receipts, and proof of payment. Unless otherwise noted or explicitly allowed by FACTOR, proof of payment must be submitted upon Completion, as a condition of funding.
    a) Receipts must include:
        i. The name and address of the provider of the goods or services;
        ii. The name of the individual who purchased the goods or service.
        iii. The goods or services purchased in detail, such as item description, quantity, unit price, extended price, additional charges and applicable taxes.
        iv. The transaction date (including the dates of service or delivery if applicable).
    b) Eligible proof of payment include cheque, e-transfer, credit card, bank and wire transfer, and money orders.

85. Musicians' fees - where applicable, fees paid to musicians will be recognized as follows:
    a) For sound recording work, musicians' fees will be capped at a rate of $400 per studio session, to a maximum of one session per track. The day rate includes overtime pay for the session, if any.
    b) "Leader fees" paid to third-parties will be eligible at up to double the day rate, but only if the session is contracted pursuant to a musician's union contract, and that contract is submitted to FACTOR. Royalty players (i.e. the artist and its members) may not claim a leader fee to FACTOR.
    c) For live performances, musicians' fees will be capped at a show rate of $300 per show. The show rate includes all paid performances in one calendar day.
    d) Cash payments to musicians may only be eligible for FACTOR reimbursement if they conform to the policy on Cash Payments set out above. For reimbursement by FACTOR, the musician's fee must be supported by an invoice from the musician to the Applicant, along with proof of payment showing the invoice was paid.
    e) Per diems paid to musicians will be recognized in addition to the above rates, to a maximum of $50 per person per day. Claims to FACTOR for reimbursement of per diems paid in cash must be accompanied by a Receipt for Services form.

86. Travel costs - travel costs follow the rates specified in the Government of Canada Travel Directive.
    a) Accommodations are eligible to a maximum of $300 per room, per night. See Business Policies: Eligible Costs - General Terms.
    b) Flight costs at economy rate only.
    c) No dollar value will be attributable to air miles, frequent flyer points or similar programs. However, FACTOR may recognize a cash fee charged by the points provider.
    d) Applicants are urged to ensure that each person traveling is covered by trip cancellation, health/medical and accident insurance appropriate to the length and location of the visit to the country in which any funded travel occurs. If a trip or any portion thereof is canceled such that all or any portion of approved eligible costs is forfeit, the Applicant is required to recover the maximum amount available under its travel insurance. FACTOR will cover 50% of any remaining non-refundable costs.

87. FACTOR reserves the right at all times to allow, disallow, or modify costs. It is advisable to discuss any significant changes to your budget before Completion. For a project and costs to remain eligible, Applicants must notify FACTOR immediately of any changes impacting more than 20% of the budget.

Sound Recording

88. Sound Recording component funding can be used to pay for the cost of recording and producing a high-quality qualifying album. Eligible costs can include:
    - Studio time,
    - Hiring an engineer, producer and musicians,
    - Renting recording equipment,
    - Mixing and mastering, and
    - Graphic design for album artwork,
    - Distribution costs, including fees and set-up costs.

89. Ineligible costs for sound recordings include, but are not limited to:
    a) Most expenses paid for in cash (see Business Policies: Cash Payments);
    b) Duplication and manufacturing expenses;
    c) Management and legal fees;
    d) Purchases of equipment, musical instruments and related supplies;
    e) Transportation, per diem, food, hotel and hospitality expenses for local recording activities. These costs may be considered for out-of-town personnel (personnel based more than 300km ground travel from artist's home city). When approved by FACTOR, per diems for out-of-town personnel are capped at $50/day.
    f) Any in-kind or donated services;
    g) Fees and expenses for non-Canadian musicians and personnel (members of the artist group excepted);
    h) Mechanical royalties and associated costs; and
    i) Vocal lessons and instrument training.

90. Costs must be paid to Canadian companies located in Canada or paid to Canadian citizens/permanent residents for work performed within Canada. (See Business Policies: Eligible Costs – General Terms).

91. **Recording outside of Canada**: If you intend to record outside of Canada, you are encouraged to discuss it with your Project Coordinator in advance of making an application and provide a thorough explanation in your application. If approved, FACTOR may allow artist fees, travel costs and per diems for Canadian musicians (including non-Canadian artist members) and personnel traveling outside of Canada, on a case-by-case basis.

92. **Bringing a non-Canadian producer to Canada**: FACTOR may allow the costs of a non-Canadian producer coming to work in a Canadian recording studio located in Canada, provided that the majority of tracking and production occurs in Canada in a Canadian studio. Such costs may include travel, accommodation, and producer fees. Non-Canadian costs must be discussed with your Project Coordinator in advance applying and a thorough explanation must be provided in your application.

93. FACTOR will not recognize any costs related to songwriting or composition of music and lyrics, or any other costs related to the underlying copyrights in the compositions. Arranger fees may be recognized when they are paid to a third party (not the Artist) who is hired on a fee-for-service basis to create an arrangement specifically for the funded sound recording and where that arranger does not have ownership in any of the resulting copyrights.

94. Pre-production costs, such as rehearsal space fees or rentals, must be paid to third parties and may not exceed 25% of eligible costs in the Sound Recording component. FACTOR does not recognize any in-house costs for pre-production. FACTOR will only recognize pre-production costs incurred after the date of application.

95. FACTOR will recognize a maximum number of sessions per musician equal to the number of tracks on the final project (i.e. one track equals one session).

96. In-house and/or related party transactions are capped at a maximum of 25% of the total eligible costs. Applicants must disclose all in-house and related party transactions in the Expense Details section of both the Application Budget and Completion Cost Report.

97. **Self-Production Allowance**: recognizes artist members who complete production work on the sound recording. To claim a Self-Production Allowance as an eligible cost in the budget:
    a) The artist, not a record label, must be the Applicant for the project; and
    b) Artist members must complete all tracking, including their own engineering.

98. The Self-Production Allowance is an in-house expense calculated as up to $500 per track for a maximum of 10 tracks ($5,000 maximum per project). The allowance covers studio rental, tracking, mixing, and mastering provided by the artist. When the artist is the Applicant for the project, an artist's producer fee is ineligible.

99. The eligible Self-Production Allowance costs are reduced by:
    a) Third-party studio rental fees,
    b) Third-party mixing fees, and
    c) The in-house expense limit of 25% of total eligible costs for the sound recording component. Note that the final Self-Production Allowance is an in-house expense.

    Tip: To find the amount of in-house expenses the applicant can claim, add up the total eligible third-party expenses and divide that number by 3. The result is the total allowable in-house amount. To qualify for the full $5,000 Self-Production Allowance, you must have a minimum of $15,000 in eligible third-party expenses.

100. If the reductions bring the Self-Production Allowance to zero, then no Self-Production Allowance will be available, but all third-party costs will be allowed.

101. Artists may claim the Self-Production Allowance and third-party producer fees and mastering fees.

102. Production costs for tracks exceeding the Self-Production Allowance maximum of 10 can be claimed separately if completed by a third-party provider.

103. The Sound Recording Cost Report includes a Self-Production Allowance tab for claiming upon completion.

Marketing

104. Marketing funding is used to pay for the cost of marketing initiatives that are specific to the artist and approved qualifying album. Eligible costs can include, publicity, radio tracking, print, radio and TV advertising, development of web assets, and digital and social marketing initiatives. The following expenses are eligible:
    a) Printed materials including posters, handbills, and banners without limit as to number of units or cost;
    b) The cost of manufacturing or purchasing promotional CDs, vinyl LPs, dropcards, USB keys, or any other sound recording media format at a maximum aggregate number of 500 units. Manufacturing receipts or account statements from the label or distributor showing the cost must be provided upon Completion;
    c) Other promotional merchandise, such as t-shirts, buttons, and other soft goods, at cost. Manufacturing or purchase receipts showing the cost must be provided at Completion to claim all promotional items;
    d) Ongoing web maintenance costs (such as page re-design, updating content, programming, domain and hosting fees) that are artist-specific at a maximum of $1,000 per month;
    e) A Luminate subscription if it is artist-specific (such as title reports, venue settlement);
    f) Costs incurred by a third-party distributor and charged back to the recipient's account, provided that the recipient submits (a) an itemized list of expenses incurred, along with a detailed accounting of the charge-backs (supplier name, invoice date, invoice number, dollar amount, purpose of item) and (b) all of the required delivery materials and supporting documentation that would be demanded of the Recipient as if it had incurred those costs out-of-pocket, such as invoices, receipts, and proofs of payment;
    g) Graphic design for digital or print assets, merchandise, and promotional materials;
    h) Fees associated with song remixes; and
    i) Marketing consultants contracted to plan and execute a marketing campaign.

105. In-house and related party transactions are capped at a maximum of 25% of the total eligible costs. In addition:
    a) When the Applicant is a record label, personnel and salary costs for existing employees and contractors of the company working on the approved sound recording project will be accepted as eligible costs and not capped as in-house costs provided that the services are directly in support of the sound recording project and fall into the category of: marketing, publicity/PR, social media, digital marketing, graphic design and artwork, and new website design and development (not web maintenance). All such claims must be supported by a detailed Employee Time Allocation Form. FACTOR may at its option request additional information including the employment agreement and/or job description; and
    b) Artist members may provide services including those set out above; however, artist member fees for any work other than graphic design, artwork, or photography will be capped at 25% of total eligible costs.

106. Ineligible costs include:
    a) General company wages, services, supplies, and any other company overhead core cost or expense;
    b) Any costs for initiatives previously claimed within another FACTOR supported project;

c) Contest prizes, unless they meet the definition of “promotional merchandise” set out above;
d) Costs associated with applications for prize or award nominations;
e) Donated services;
f) Ticket buys;
g) Artist management fees;
h) Distribution set-up fees; and
i) Memberships to music organizations (e.g. CIMA, provincial or territorial Music Industry Associations)

Tour Support

107. Although Tour Support funding is calculated as a subsidy, you may be asked to submit a final budget on Completion. FACTOR will only recognize and reimburse up to 75% of the eligible costs in your budget. If you claim costs that are ineligible, FACTOR will remove them from the budget and your offer may be reduced accordingly. If you have any questions about the eligibility of a cost, please contact FACTOR in advance.

108. Eligible costs are those paid to the Canadian Applicant entity. Eligible crew must be Canadian unless otherwise approved by FACTOR. FACTOR may make an exception if the cost of hiring non-Canadian musicians and tour personnel who are resident in the territory being toured is significantly more cost effective; however, this must be approved in advance by FACTOR.

109. In-house costs are allowed in this component. In-house and related party transactions are capped at a maximum of 25% of the total eligible costs. Artist members’ performance fees will not count towards the in-house cap.

110. Eligible costs for tours include:
    a) Artist and hired musician fees to a maximum of $300 per performance (or $300 per day if the artist performs more than once in a day). When the Applicant is the artist, FACTOR will recognize donated services for artist members to a maximum of $150 per artist member per day. Donated services in total cannot exceed 25% of total eligible costs. Please see Business Policies: Donated Services;
    b) Travel fares, registration, and accommodation expenses that are booked and paid before submission of the tour application, provided that those costs must be clearly connected to the tour;
    c) Per diems to a maximum of the number of days on the tour (including travel days) plus two days before the first tour date and two days after the last tour date. Per diems are recognized to a maximum of $50 per person per calendar day;
    d) Vehicle costs and airfare;
    e) Basic vehicle maintenance costs resulting from tour travel, such as oil changes. FACTOR reviews these costs on a case-by-case basis, and the dates of the costs must be consistent with the dates of the tour;
    f) Use of a privately-owned vehicle, tallied at an all-in gas and mileage rate of $0.70/km. If the all-in private vehicle rate is claimed, then gas receipts will not be eligible. A Vehicle Log is available for documentation;
    g) Local ground transportation (i.e. taxis, public transit) and parking costs up to a maximum of $100 per day;
    h) Fees related to obtaining a visa for an applicable touring market;
    i) Pre-tour expenses, such as rehearsal time, capped at 15% of total eligible costs;
    j) Musical supplies subject to normal wear and tear, such as guitar strings, drum skins, and batteries, up to a maximum of 10% of the total cost of the purchase. Date of the purchase receipt must be consistent with the date of the tour;
    k) Printed materials, such as handbills, posters, banners etc., capped at $400;
    l) Costs of designing, manufacturing and producing items of non-music merchandise sold on the tour (e.g. t-shirts, tote bags). For non-Canadian tours, the costs of non-music merchandise items manufactured outside of Canada may be eligible. Manufacturing receipts or account statements from label or distributor showing the per-unit cost must be provided at Completion to claim these costs;
    m) The costs of not-for-sale promotional CDs, vinyl, and dropcards to an aggregate maximum of 500 units. Manufacturing receipts or account statements from label or distributor showing the per-unit and total cost must be provided at Completion to claim these costs;
    n) Third-party artist management fees and commissions up to 20% of verified performance income. A statement, invoice, or settlement sheet showing commission payable must be provided; and
    o) Third-party booking agency fees and commissions up to 20% of negotiated and verified performance income. A statement, invoice or settlement sheet showing commission payable must be provided at Completion to claim this cost.

111. **Ineligible costs for tours include but are not limited to:**
    a) Any expenses related to personally-owned vehicles outside of mileage allowance;
    b) Repairs to a rental vehicle;
    c) Capital purchases of musical instruments and equipment;

d) Office rent, staff wages, rental and purchase of office equipment, and any company overhead charge;
e) Any costs related to a person attending any or all the tour funded under the Business Travel component;
f) AFM/CFM dues;
g) Donated services except as described above;
h) Booking and/or management fees where the Applicant is self-booking and/or self-managing; and
i) Any expenses such as hotel rooms, advertising, equipment, and personnel costs paid for by the promoter and then deducted from gross ticket revenue prior to the split point (i.e. the calculation of the artist's revenue share, if any). These are deemed by FACTOR to be promoter's costs and are ineligible.

Video

112. Funding in a Video component must be used to pay for the cost of producing video-based marketing materials, such as hiring a producer, videographer, video editor, production personnel and talent, rental equipment and facilities, and post-production.

113. Costs must be paid to Canadian companies located in Canada or paid to Canadian citizens/permanent residents for work performed within Canada. However, if the production is taking place outside of Canada, FACTOR may allow costs related to Canadian personnel traveling to work on the video production in a non-Canadian location, such as airfare, hotels, and per diems. You must discuss non-Canadian costs with FACTOR in advance and provide a thorough explanation in your application.

114. If a production company is used and charges an "all-inclusive" fee, a copy of their itemized cost breakdown ("top sheet") listing all in-house and sub-contractors costs is required when submitting your Completion to FACTOR. FACTOR reserves the right to audit any of the costs included in that all-inclusive fee, and to reject any costs it deems ineligible. It is advisable to inform the production company of this rule ahead of time, so that proper documentation can be provided when requested by FACTOR.

115. In-house and related party transactions are capped at a maximum of 25% of the total eligible costs.

116. **Ineligible costs** for Video include:
    a) Non-Canadian producer fees and related costs;
    b) Non-Canadian production costs such as equipment rentals, facilities fees, and non-Canadian talent;
    c) All in-kind and donated services;
    d) Artist member performance fees; and
    e) Grant writing, grant administration, and grant management services.

Showcase

117. Although the Showcase funding is calculated as a subsidy, you may be asked to submit a final budget on Completion. FACTOR will only recognize and reimburse up to 75% of the eligible costs in your budget. If you claim costs that are ineligible, FACTOR will remove them from the budget and reduced your offer accordingly. If you have any questions about the eligibility of a cost, please contact FACTOR in advance.

118. Eligible costs for showcases include:
    a) Artist and hired musician fees to a maximum of $300 per performance (or $300 per day if the artist performs more than once in a day). When the Applicant is the artist, FACTOR will recognize donated services for artist members to a maximum of $150 per artist member per day. Donated services in total cannot exceed 25% of total eligible costs. Please see Business Policies: Donated Services;
    b) Travel fares, registration, and accommodation expenses that are booked and paid before submission of the showcase application, provided that those costs must be clearly connected to the showcase;
    c) Per diems and accommodations to a maximum of five days for a domestic showcase and seven days for an international showcase. Per diems are recognized to a maximum of $50 per person per calendar day;
    d) Vehicle costs and airfare;
    e) Basic vehicle maintenance costs resulting from showcase travel, such as oil changes are reviewed on a case-by-case basis, and the dates of the costs must be consistent with the date of the showcase;
    f) Use of a privately-owned vehicle, tallied at an all-in gas and mileage rate of $0.70/km. If the all-in private vehicle rate is claimed, then gas receipts will not be eligible. A Vehicle Log is available for documentation;
    g) Local ground transportation (i.e. taxis, public transit) and parking costs up to a maximum of $100 per day;
    h) Pre-showcase expenses, such as rehearsal time, capped at 15% of total eligible costs;
    i) Equipment purchases up to a maximum of 10% of the total cost of the purchase. Date of the purchase receipt must be consistent with the date of the showcase;

j) Musical supplies subject to normal wear and tear, such as guitar strings, drum skins, and batteries; however, capital purchases of musical instruments and equipment, or PA equipment, are considered equipment purchases (not supplies), and are subject to cap.
k) Printed materials, such as handbills, posters, banners etc., capped at $400;
l) Costs of designing, manufacturing and producing items of non-music merchandise sold at the showcase (e.g. t-shirts, tote bags). For non-Canadian showcases, the costs of non-music merchandise items manufactured outside of Canada may be eligible. Manufacturing receipts or account statements from label or distributor showing the per-unit cost must be provided at Completion to claim these costs;
m) The costs of not-for-sale promotional CDs, vinyl, and dropcards to an aggregate maximum of 500 units. Manufacturing receipts or account statements from label or distributor showing the per-unit and total cost must be provided at Completion to claim these costs;
n) Third-party artist management fees and commissions up to 20% of verified performance income. A statement, invoice or settlement sheet showing commission payable must be provided; and
o) Third-party booking agency fees and commissions up to 20% of negotiated and verified performance income. A statement, invoice or settlement sheet showing commission payable must be provided at Completion to claim this cost.

119. **Ineligible costs for showcases include but are not limited to:**
    a) Any expenses related to a personally-owned vehicle outside of mileage allowance;
    b) Repairs to a rental vehicle;
    c) Annual membership fees;
    d) Showcase and awards application expenses and award show ticket purchases;
    e) Office rent, staff wages, rental and purchase of office equipment, and any company overhead charge;
    f) Any costs related to a person attending the showcase funded under the Business Travel component;
    g) AFM/CFM dues;
    h) Costs to attend songwriting circles or music reviews panels (“date with a tape” events) at conferences;
    i) Booth fees;
    j) Donated services when the Applicant is a party other than the artist;
    k) Donated services for hired musicians and eligible crew; and
    l) Booking or management fees where the Applicant is self-booking or self-managing.

Radio Marketing

120. Costs will be considered eligible dating from the date of application for the Sound Recording component.

121. The funds must be spent on direct Canadian radio station costs (e.g. advertising buys). Non-traditional radio marketing costs, such as website advertising, related to websites owned and operated by licensed commercial radio stations as well as community and campus radio stations are eligible.

122. Campus, community, and commercially licensed stations funded by public donation, (i.e. CKUA) are eligible.

123. No funds may be used toward costs of hiring a promotions company, radio plugger, any travel costs, lodging, costs for showcasing, equipment etc.

124. No funds may be spent with CBC/Radio-Canada, its subsidiaries, or other Canadian public broadcasters.

125. No administration expenses are eligible for this component.