2021-22 BOOK FUND GUIDELINES

Deadline: June 3, 2021 by 5:00pm ET

The Ontario Creates Book Fund program documentation includes:

- Ontario Creates Book Fund –Guidelines (this document)
- Ontario Creates Program Policies

Applicants must review ALL of the documents listed above prior to submitting an application.

PROGRAM ADJUSTMENTS FOR 2021 – 2022:

Ontario Creates understands that COVID-19 has created many challenges across the creative industries.

- Projects may address necessary COVID-19 responses, in keeping with the program objectives. Companies will be permitted to budget funds for operations-related costs, including salaries. Project outcomes should account for these types of necessary expenses.

- The cost of participating in virtual activities/events that facilitate international business and audience development will be eligible including costs associated with the preparation of marketing materials.

- As the COVID-19 situation evolves, successful applicants will be permitted to make activity changes as necessary.

- Please contact your program consultant in advance to discuss the specifics of your circumstances and projected deliverables.

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1. **Introduction**

The Ontario Creates Book Fund is designed to increase financial viability and overall business growth of Ontario-based publishers through marketing initiatives which profile the works of Canadian authors to both foreign and domestic markets, and/or activities that enable publishers at various levels to achieve business development objectives that best suit their individual corporate goals.

Funding will be provided to support projects that have clear, objective and measurable results and/or indicate direct and positive impact that on the overall long-term business growth of the book publisher. Priority results include enhancement of publisher revenues and the creation/retention of jobs in the Ontario publishing industry. Ontario Creates will measure results of the program based on return on investment and jobs created and retained.

Ontario Creates values and supports diversity and gender parity at all levels and business roles within creative industries. We acknowledge that many communities continue to face systemic barriers, preventing them from participating meaningfully in these industries. Ontario Creates applies a lens of diversity, equity, and inclusion to the evaluation criteria for this program, and directs jury members to do the same. Applicants proposing projects/activities that support, reflect, and strengthen diversity and gender parity in Ontario are expected to tangibly demonstrate a genuine and sustained commitment to these equity-seeking communities. Ontario Creates encourages applications from companies that are led by BIPOC (Black, Indigenous, or People of Colour) or Francophone individuals and applicants that otherwise meet the provincial definition of diversity.

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1. Equity seeking communities are those that face significant collective challenges in participating in society. This marginalization may be caused by, but not limited to, attitudinal, historic, social and environmental barriers based on age, ethnicity, disability, economic status, gender, nationality, race, sexual orientation and transgender status. Equity-seeking communities identify barriers to equal access, opportunities and resources due to disadvantage and discrimination and actively seek social justice and reparation.

2. The provincial definition of diversity states: the dimensions of diversity include, but are not limited to: ancestry, culture, ethnicity, gender identity, gender expression, language, physical and intellectual ability, race, religion (creed), sex, sexual orientation and socio-economic status.
Ontario Creates is committed to fostering respectful workplaces in all sectors and companies we support. Please see Business Policies for more details, including required respectful workplace Applicant Affidavit.

Ontario Creates welcomes applications from people with disabilities, people who are deaf, and people who have barriers to accessing technology. If you would like to request an alternative process or format for submitting an application please contact the relevant Program Consultant a minimum of four weeks before the deadline.

2. **Deadline**

The deadline for complete submissions is Thursday, June 3, 2021, 5:00 pm ET, through the Online Application Portal. Applications and documentation received after this deadline will not be considered.

Decisions will be communicated to applicants in August 2021.

3. **Eligible Applicants**

Independent, Canadian-owned-and-controlled, Ontario-based book publishers may apply for this program.

In the case of affiliated companies and subsidiaries, Ontario Creates will accept applications from independent, Canadian-owned-and-controlled, Ontario-based book publishers for which the same person, or group of persons, holds or controls the majority of shares, but only where the applicant companies maintain full control over their editorial processes, have editorial autonomy from any other publisher applying for this program, and produce separate financial statements.

To be eligible to apply, the corporation must:

- be a book publisher, defined as a corporation that undertakes professional activity involving the selection, development and editing of manuscripts or draft manuscripts, entering into contractual agreements with authors or copyright holders, publishing books under the publisher’s own imprint, in printed or other form, and assuming the risks associated with their production and marketing;
- be Ontario-based, with its central place of business located in Ontario, file Ontario corporate taxes and carry out three of the following primarily through its Ontario office: editing, production, marketing, sales, distribution or management. In addition, at least 50% of the publisher’s employees must be based in the Ontario office;
- be Canadian-owned and controlled, as defined in the Investment Canada Act (Canada);
- have been incorporated in a Canadian jurisdiction for at least two fiscal years;
• have published at least two books per year for the previous two years or have published a minimum of four books during the previous two years;
• distribute its books through normal bookselling channels;
• have annual net book sales revenue of at least $20,000 (calculated as the average of the most recent two fiscal years);
• derive more than 50% of their total sales revenues for the applicant Company from book sales;
• have at least six Canadian-authored titles in print;
• provide financial statements for the past two complete fiscal years including a balance sheet and an income statement at time of application. Review engagement and/or audited financial statements are preferred; however, Notice-to-Reader financial statements will be accepted. Exceptions may be considered for companies with less than two years of operations. Companies in this situation should contact Ontario Creates in advance of the application submission deadline;
• be financially solvent and be deemed by Ontario Creates to be an ongoing entity; and
• be in good standing, i.e., not in default of any contractual obligations, with Ontario Creates at time of application submission. This includes any reports, interim or final, that are to be submitted by or prior to the deadline date of this application round. Applications from publishers not in good standing with Ontario Creates will be considered ineligible and will not be accepted.

In addition:
• At least 50% of titles published by the corporation in each of its two most recent fiscal years must be Canadian-authored;
• Revenues derived from the sale of vanity titles must not exceed 25% of the corporation’s total revenues; and
• At least 50% of the titles published during the financial year for which the application is made must have been written by authors who are neither shareholders nor owners of the publishing firm.

4. Eligible Sales Revenue

Eligible sales revenue is defined as the total of the following:
• The revenues for eligible titles (see below) by Canadian authors sold net of trade discounts for returns and allowances; and
• Revenues from the sale of rights and permissions for eligible titles.

To be eligible for inclusion in sales figures, titles must meet the following criteria:
• be Canadian-authored (written by a Canadian citizen or permanent resident);
• bear an ISBN given to the publisher, be published under the publisher’s own imprint or under an imprint for which the publisher has acquired publishing, management and marketing rights;
• have a minimum of 48 bound pages, except in the case of children’s books;
• be free of hate propaganda, depictions of sexual exploitation, excessive violence and denigration of an identifiable group;
• not be a vanity title (a publication dependent on financial contribution from and/or initial purchase by the author); and
• have substantive editorial content.

The following publications are specifically not eligible for inclusion in sales revenue:
• calendars, agendas, or almanacs;
• coloring books or comic books; however, collections of cartoons in book form by Canadian cartoonists meeting all other criteria are eligible, as are collections of drawings, illustrations and other artwork by Canadian artists in book form;
• instructional books;
• university or college dissertations;
• conference papers or reports;
• government reports or exhibition catalogues;
• instruction books or manuals;
• publications containing primarily maps;
• workbooks, kits, activity manuals or educational games;
• reference books such as directories, index compilations, compilations of statutes, rule books, or bibliographies; and
• publications that are primarily musical notation.

5. **Partnership Projects**

Partners may be involved in your project.

An eligible partner must:
• be one or more content creation companies from the book and magazine, film and television, interactive digital media, or music industries that was eligible to submit an application at the immediately preceding deadline for one of Ontario Creates’ Content, Marketing or Export Funds, or the Ontario Music Fund;
• be an Ontario-based organization; and
• be a Canadian-owned and -controlled organization.

The profit participation share of the partners should be in appropriate proportion to the ownership of the project and should conform to standard industry practices. (Please note that preference may be given to projects that are substantially owned by Ontario-based organizations.) If you are considering working with a partner, please contact Ontario Creates in advance of your application.
6. **Eligible Projects and Activities**

Applicants may submit only one application but may include multiple activities within the application. Each activity should be properly detailed; the budget should also provide a detailed cost breakdown by activity.

**There is no distinction between digital and marketing projects, and/or the types of marketing projects.** Eligible projects and activities may include, but are not limited, to:

- book/ imprint launches;
- creation of additional marketing tools and/or materials;
- enhanced advertising and co-op programs;
- specialized catalogues and mailings;
- consumer contests;
- backlist promotions;
- attendance and costs associated with attending and exhibiting at international fairs, trade shows, conferences, provided these are not ones requested for support from the Export Fund - Book program. Costs supported by the Export Fund are not be eligible for support under the Book Fund;
- re-launch/re-brand activities;
- redesign/upgrade of website to include shopping cart for direct consumer purchases;
- author podcasts, videos, webcasts;
- digital rights management;
- interactive game based on book content;
- search optimization of titles and/or catalog;
- digitization of backlist for institutional and library sales;
- original content in digital format, or bundled packaging of certain books or genres for exploitation on digital platforms;
- exploration of alternate sales channels;
- research and development of a digital transformation strategy/business plan.

6. a. **Ontario Author Tour Support Activity**

Please note that there is no separate Ontario Authors on Tour Program (OATS) but is now delivered through the Book Fund. Eligible activities include participations in festivals, readings, signings, school appearances and other events which enable authors to directly engage with the audience and will lead to sales of the authors’ works.

If applying for this type of activity, please note that the author must:

- have a signed book contract with the applicant company and be promoting that book at the activity/event;
- be a Canadian citizen or landed immigrant / permanent resident; and
- be a Canadian resident.
Events organized by the publisher are allowable but must involve some public element and books must be available for sale. Please note:

- Proposed activities and events may take place in North America and/or internationally
- The particular activity/event must be at least 100 kilometres from the author’s normal place of residence.

The following are eligible expenses which can be included for author touring activities include:

- **Travel Costs** - Including flight, train and/or other method of transportation. Travel should be budgeted at economy rates. For travel by car, Ontario Creates will relate to an amount of $0.40 per km, the current Ontario government rate.
- **Accommodation Costs** - Hotel expenses should be at moderate per night rates and should reflect the average for the travel destination/activity.
- **Per Diems** - Capped at C$75/day. Including daily meals and incidentals.
- **Marketing Materials** - Including design, production and shipping material specifically created for the proposed activities. Acceptable marketing materials include activity-specific printed catalogs, event program advertisements, post cards, flyers/one sheets, product samples and demos.
- **Venue Costs** – for publisher-organized events

All projects must:

- be an activity not already underway at the time of submitting the application or, if for an existing activity already in progress, demonstrate how funding would enhance the scope and impact of the activity (expenses incurred prior to notification of funding are not eligible);
- not be for routine materials or expenses such as catalogues, sales conference, and existing staff costs which are considered a normal part of the publishing business;
- be focused on driving sales and increasing publisher revenue in a tangible and measurable manner and/or improving operational efficiencies and productivity (Note: Expected return on investment is a key criterion for the jury in their review of marketing project applications) or expected direct and positive impact on the Company’s overall business strategy must be stated; and
- be completed by February 17, 2023.

7. **Budget, Financing and Timeline Requirements**

**Eligible Project Budget Expenses**

Eligible costs directly associated with the project must be included in the budget detail. The funding from this program can represent up to a maximum of 75% of the total budget, with the remaining 25% of the total budget from the publisher and/or other
funding sources including other government sources, and third party participation (such as retail partners).

Funding from other sources, including from the book publisher, should have an accompanying letter of intent indicating their commitment to the project and ability to finance the portion of the budget indicated in the application. If outside services are required for the plan, it is advisable to include quotes as backup.

Realistically valued “in-kind” services may be included as part or all of the 25% costs that must come from sources other than the Ontario Creates Book Fund.

A budget template has been created that must be used to provide the budget details for your project(s).

**Ineligible Expenses**
Expenses that are ongoing operational costs are not eligible. For digital projects and/or projects with digital components, capital expenses related directly to the project (i.e., hardware, software) may be included to a maximum of 15% of the total project budget.

For projects which are enhancements of an activity already underway any expenses incurred up to notification of project funding are not eligible.

For new projects being undertaken, it should be noted that Ontario Creates will not relate to expenses incurred prior to the date the application is submitted. Companies are welcome to submit an application in advance of the deadline and begin their project. However, they do so at their own risk; notification of project funding will be in August.

Ineligible expenses include costs associated with:
- salaries and wages of staff not directly related to the project;
- staff benefit costs;
- fixed overhead costs (such as machine costs: telephone, fax, photocopier, computer); however, costs for long distance phone and fax, paper costs, couriers and other expenses directly related to the project may be included;
- occupancy costs (rent or mortgage of facilities); and
- hospitality.

**Ontario Creates Funding**
Eligible applicants may apply for funding based on their level of eligible sales revenue.

**Applicants should note that this is a competitive application process** and a jury of industry experts will review which eligible applications will receive funding from this program.
Ontario Creates funding can represent a maximum of 75% of the total project budget. There are caps on the maximum funding levels based on the applicant’s eligible sales revenue which, for purposes of this program is defined as all revenues for Canadian authored titles. Grants, funding and donations are not considered revenue for the purpose of this program and should not be included when calculating eligible sales revenue.

Publishers may apply for the following levels of funding:

<table>
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<tr>
<th>Eligible Sales Revenues</th>
<th>Total Funding Available</th>
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<tbody>
<tr>
<td>Over $1,500,000</td>
<td>$150,000</td>
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<tr>
<td>$500,001 to $1,500,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>$150,001 to $500,000</td>
<td>$80,000</td>
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<tr>
<td>$20,000 to $150,000 (see note 1)</td>
<td>$30,000</td>
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</tbody>
</table>

1. For publishers with eligible sales revenues of less than $75,000, the funds requested should be proportional to sales, with total request not exceeding 33% of eligible sales revenues and in keeping with 75% of total budget.

2. The average of the publisher’s most recent two fiscal years will be used to calculate eligible sales revenue for the purpose of determining the level of funding for which the applicant may apply.

The number of applicants who will receive funding, and the amount of the funding received, is dependent on the total amount of funding for the program, and the quantity and quality of projects selected. This is a competitive process. A jury of industry experts will review and recommend which eligible applications will receive funding from this program.

Applicants are expected to begin incurring expenses related to their project no more than 90 days following funding approval notification. Projects should be completed with all expenses incurred and all deliverables provided by the applicant’s final report date, and no later than February 17, 2023.

8. **Application Process and Evaluation**

- Applicants must submit their application to Ontario Creates electronically through the Online Application Portal (OAP) at [https://apply.ontariocreates.ca/](https://apply.ontariocreates.ca/).
- Applications must be received at Ontario Creates offices electronically via the OAP system no later than 5:00 pm ET, on the date of the deadline.
• Incomplete and late applications will be considered ineligible.
• Applications must include all the required materials listed on the application form. Supporting documents are to be submitted electronically.
• Applications will be reviewed by Ontario Creates for completeness, eligibility and financial viability.
• Applications that pass this initial review will be assessed by an industry jury and Ontario Creates for final funding recommendations.
• Successful applicants will be notified in August.
• Successful applicants will be required to enter into a signed funding agreement with Ontario Creates prior to receiving any funding.

9. Decision Criteria

All eligible and complete applications will be passed to the jury for their review and consideration. The jury will be looking for projects that demonstrate well-thought out activities that will drive sales, help strengthen the publisher’s stability and author/title profile, and promote business growth.

Ontario Creates applies a lens of diversity, equity, and inclusion to the evaluation criteria for this program, and directs jury members to do the same. Applicants proposing projects/activities that support and reflect diversity are expected to tangibly demonstrate a genuine and sustained commitment to these equity-seeking communities. Ontario Creates may identify particular underrepresented communities within a particular sector. The provincial definition of diversity states: the dimensions of diversity include, but are not limited to: ancestry, culture, ethnicity, gender identity, gender expression, language, physical and intellectual ability, race, religion (creed), sex, sexual orientation and socio-economic status.

The plan, timelines and proposed budget will be evaluated for feasibility, and the expected return on investment will also be carefully considered by the jury.

Specifically the applications will be assessed on the following criteria and relative weightings:

<table>
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<tr>
<th>Feasibility of the project:</th>
<th>25%</th>
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<tr>
<td>• Well-defined project scope</td>
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<td>• Reasonable and detailed budget</td>
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<tr>
<td>• Realistic schedule with milestones and appropriate resources</td>
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<tr>
<td>• Aligns with current/evolving industry standards and innovations</td>
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<tr>
<td>• Thoughtful consultation, collaboration, and participation of equity-seeking communities, particularly underrepresented communities within the book industry.</td>
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</table>
Expected results:
- Clearly stated and supported
- Tangible, measurable, and realistic
- Quantitative and qualitative

Opportunity:
- Clear explanation of the project’s potential to enhance stability, growth, and profitability for the company
- Relevant strategies to promote author/title profiles
- Culturally appropriate initiatives to engage with equity-seeking communities

Background and Ability to Implement the Plan:
- Summary of results from previous participation in Ontario Creates programs.
- Detailed explanation and/or research to support the necessity of the project
- Rationale to support external services (e.g., a consultant)
- Information about the company, including diversity among senior leadership, staff, or contract employees, particularly underrepresented communities within the book industry.
- Explanation of company policies and/or activities that support diversity, equity and inclusion

10. Successful Applicants

Successful applicants will receive funding during the course of their activities, triggered by pre-determined deliverables as follows:
- 60% on execution of the Ontario Creates agreement;
- 25% on delivery of a satisfactory interim report; and
- 15% on delivery of a satisfactory final report and all deliverables outlined in the agreement

11. More Information

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Ontario Creates is an agency of the Government of Ontario that facilitates economic development, investment and collaboration in Ontario’s creative industries including the music, book, magazine, film, television and interactive digital media sectors.
ontariocreates.ca