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# DEVELOPMENT FUND PROGRAM POLICY

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This document is a guide to doing business with Media Development (MD) and intended to increase transparency and predictability in dealings between MD and recipients of funding. For details on how this policy is administered, refer to the Business Guidelines.

Where there is a discrepancy between this document and a Transfer Payment Agreement (TPA) between a funding recipient and the Government of Yukon, as represented by the Minister of the Department of Economic Development, the TPA will prevail.

Government of Yukon reserves the right to modify this policy, in compliance with the *Financial Administration Act* and its associated policies, at any time and without notice. Please consult Yukon.ca for the latest news and documentation.

MD retains full discretion in the evaluation of projects receiving funding contributions from MD and the application of these policies. In all questions of interpretation of this document, the interpretation of MD shall prevail.

## 1 Program Goals

The goals of the Yukon media funding programs are to:

1. Maintain and ultimately increase the level of total independent media production and expenditure in the Yukon;
2. Maximize Yukon employment opportunities for Yukoners resulting from media production in the Yukon; and
3. Encourage sustainable growth in the Yukon media production sector, resulting in a stronger infrastructure of skills and services.

This Development Fund provides a predictable source of development funding for Eligible Applicants that have obtained a commitment from an Eligible Trigger. During the development stage, Eligible Costs may include those necessary to prepare production-ready

projects. Success in the Development Fund will be primarily measured by the number of funded projects that, after completing development, move into production and their economic benefit to the Yukon.

## 2 Application Process

MD will begin receiving applications on a yearly opening date published on Yukon.ca. Processing of applications will be conducted as expeditiously as possible on a first-come, first-served basis until resources for the program are depleted, at which time the program will be closed. If multiple Complete Applications are submitted within 10 business days from the opening date, creating oversubscription, MD will prioritize the submissions according to the criteria published in the MD Business Guidelines.

There is no restriction on the number of applications that may receive funding per Eligible Applicant.

### 2.1 Complete Application

The following documentation is required at time of submission to submit a Complete Application:

- Completed and signed application form;
- Synopsis of the Project and any other existing creative materials;
- Description of activities to be undertaken and deliverables to be completed during the development stage;
- Description of the production company including its structure and ownership, the names and addresses of shareholders, and incorporation documents;
- Co-production agreements, if applicable;
- Brief biographies of all personnel involved in the Project, noting which positions will be filled by Yukon Residents;
- Development budget identifying the proposed Yukon spend;
- A letter of commitment, licence agreement or deal memo from an Eligible Trigger;
- Financing plan for development, including letters of commitment equivalent to 100% of the development budget (net of MD's funding contribution) which evidence the terms, conditions and value of the contributions from financial sources; and
- Other documents as requested by Media Development.

Applications seeking letters of commitment ("comfort letters") will also be accepted. Applications for a letter of commitment must include the documentation noted above with the exception that they must demonstrate that a minimum of 30% of funding (not including the amount requested from the Development Fund) is in place. Letters of commitment will expire four months from date of issue.

Templates for the above documents can be found on Yukon.ca. MD may also ask for other documents considered necessary to confirm eligibility.

Incomplete and ineligible applications will be removed from further consideration. To avoid being removed from the queue and having to resubmit, Applicants are strongly encouraged to contact MD to discuss their questions before submitting a Complete Application.

The decisions of MD are final and no feedback will be provided on the relative competitiveness of prioritized submissions. Applicants are welcome to resubmit an unsuccessful application due to oversubscription at a future opening date, provided the planned activities have not commenced.

### 3 Funding Contribution

Eligible Applicants that meet the requirements of the Development Fund will receive the lesser of:

- \$40,000 or 50% of the approved cash expenditures in the development budget. The approved cash expenditures will be net of all deferrals, in-kind contributions, and investments from individuals and businesses participating in the Project that exceed 25% of the total maximum Producer Fees cap and Corporate Overhead cap.
- If the Yukon Production Company retains less than 51% of ownership and control of the project, the Project Maximums are reduced proportionate to the ownership share. For example, if the Yukon production owned 25% of a project in development, they would only be eligible for 25% of \$40,000 or \$10,000 net of all deferrals, in-kind contributions, and investments from individuals and businesses participating in the Project that exceed 25% of the total maximum Producer Fees cap and Corporate Overhead cap.

After 100% of financial sources are secured (net of MD's funding contribution), the successful Applicant will sign a TPA with the Government of Yukon in accordance with the *Financial Administration Act* and its associated policies

Any costs that were considered in determining a funding allocation for the same project under the Predevelopment Fund will not be considered under this program.

Development contributions will be deducted from production funding awarded:

- upon approval of funding under the Media Production Fund for the same project; or
- upon other use, sale, transfer, assignment or other disposition of the script(s) or other Project deliverables created with funding from MD.

Projects that receive development funding may subsequently be submitted to the MD Production Fund. Any funding contribution received in this program in addition to funding in other MD programs will be integrated into that Project's production budget and financial structure.

Successful Applicants may receive development funding once per Project.

## 4 Definitions

All Applicants must also abide by the MD Business Guidelines which are an integral part of these program policies. The MD Business Guidelines, which will be amended from time to time, are published on Yukon.ca. Where there is a discrepancy between the following definitions and the MD Business Guidelines, the MD Business Guidelines will prevail.

### 4.1 Eligible Applicants

Only production companies incorporated in the Yukon may access the Development Fund.

The Yukon production company:

- Is registered to conduct business in the Yukon and in good standing with Yukon Corporate Affairs;
- Is majority owned by Yukon Residents;
- Has a Yukon business address;
- Is a production company primarily in the business of developing and producing professional media content;
- Is a for-profit company (i.e. a taxable Canadian corporation, within the meaning of Canada's *Income Tax Act*);
- Owns, controls or has optioned rights (including the underlying rights) sufficient to produce and exploit the Project throughout the world for a minimum of 25 years beginning when the Project is completed and commercially exploitable (with appropriate exceptions for a purchased format);
- Retains a reasonable ongoing financial interest in the Project;
- Is not itself, or related to an entity that is, primarily in the business of broadcasting, distributing or otherwise in the business of disseminating content; and
- Is not in default at MD. Media Development will not assess applications received from an Applicant or related parties that are in default with MD.

### PRODUCERS

Yukon Residents must also be in positions that carry out the functions of a producer, which include having and maintaining responsibility and control over:

- The Project's development;
- The creative, artistic, technical and financial aspects of the Project;

- The selection, hiring and firing of the key artists and creative personnel involved in the Project;
- All expenditures and budget overages related to the Project;
- The Project bank accounts (sole and unfettered cheque signing authority); and
- The negotiation of initial exploitation agreements.

The Yukon production company and Yukon Resident producer(s) must receive fees payable to producers and corporate overhead during the development phase. Yukon Resident producers should be clearly, predominantly and solely identified in credits on screen in the main titles, all billing blocks and promotion materials in the final production.

An exemption for a credit for a non-Yukon Resident producer or non-Yukon production company (for example: Executive Producer, Supervising Producer or Associate Producer) may be granted by MD where their function does not interfere with the Eligible Applicant and Yukon Resident producer(s).

## CO-PRODUCTIONS

A Yukon production company in co-production with a non-Yukon production company may access the Development Fund provided they retain a share in the ownership and above-listed producer functions that is at least equal to the share of funding contributed from Yukon to the total development budget. The Yukon production company and Yukon Resident producer(s) must also receive a share of fees payable to producers and corporate overhead that is at least equal to the share of funding contributed from the Yukon and receive at least equal credit placement to the non-Yukon production company and producer(s).

If the Yukon production company retains less than 51% of the ownership and control of the Project, the maximum amount of development funding will be reduced proportionate to their ownership share<sup>1</sup>.

## 4.2 Eligible Development Costs

Eligible Development Costs are defined in the MD Business Guidelines.

## 4.3 Eligible Projects

The Eligible Project must be a professional film, television or digital media project of economic benefit to Yukon.

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<sup>1</sup> For example: if Yukon Residents retains 45% of the ownership and control of the Project, the maximum funding is 45% of \$40,000 = \$18,000.

The following are NOT eligible for the Development Fund<sup>2</sup>:

- Interactive content not eligible for licencing by an Eligible Trigger;
- User-generated, non-professional videos by amateurs that have no experience or formal training in professional media production as a paid occupation;
- News, current events or public affairs programming, or a program that includes weather or market reports;
- Sports event or activity;
- Gala presentation or an awards show;
- Production that solicits funds;
- Pornography;
- Advertising (including commercials and infomercials);
- Production produced primarily for industrial, corporate or institutional purposes;
- Production, other than a documentary, all or substantially all of which consists of stock footage; and
- Production in respect of a game, questionnaire or contest (other than a production directed primarily at minors).

MD recognizes that projects at the development stage are necessarily early-stage, evolving works that may not strictly comply at application with all the requirements of this definition. As such, MD will review the components of the Complete Application to ensure there is a reasonable likelihood that the Project will comply with these requirements.

#### 4.4 Eligible Trigger

Eligible Triggers are defined in the MD Business Guidelines. MD reserves the right to independently determine the acceptability of each Eligible Trigger. As broadcasters, distributors, online platforms and channels are rapidly evolving, MD may update and publish the list of Eligible Triggers in the MD Business Guidelines.

#### 4.5 Final Deliverables

Upon completion of the development phase of the Project, the Applicant will deliver to MD:

- Final Cost Documents according to the MD Business Guidelines and TPA;
- Final list of personnel involved in the Project, noting which positions were filled by Yukon Residents;
- Copies of Project materials completed during the development phase, in a format as prescribed in the TPA; and
- Any other required deliverables as outlined in the TPA.

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<sup>2</sup> Relevant genre definitions can be found on [CAVCO's website here](#).