

PRODUCTION FUNDING

GUIDELINES 2018

Fís Éireann/Screen Ireland (FÉ/SI) provides production loans to assist with the production of projects through the following schemes. Please refer to the FÉ/SI website for particular information on each scheme:

Scheme	Level of Funding Available	Who is Eligible to Apply	Eligible Projects
Fiction: Irish Production *	FÉ/SI can provide up to 65% of	Teams of Irish	Live Action or Animated
	the Budget in line with the Irish	Producer(s), Writer(s)	Feature Films
	Creative Expenditure Guidelines	and Director(s)	
	with the following conditions:		
	1. Microbudget: for projects with		
	budgets of €100,000 , FÉ/SI		
	can fully finance the production		
	2. for projects with budgets of		
	more than €100,000 and not		
	more than €1.5 million, FÉ/SI		
	can provide up to 65% of the		
	budget with a maximum of		
	€600,000		
	3. for projects with budgets of more		
	than €1.5 million and not more		
	than €2 million, FÉ/SI can provide		
	up to 65% of the budget, with a		
	maximum of €700,000		
	4. for projects with budgets of more		
	than €2 million and not more than		
	€3 million, FÉ/SI can provide up		
	to 65% of the budget, with a		
	maximum of €750,000		
	5. for projects with budgets of more		
	than €3 million and not more than		
	€5 million, FÉ/SI can provide up		
	to 65% of the budget, with a		
	maximum of €800,000		
	6. for projects with budgets of more		
*Eligible for enhanced	than €5 million, FÉ/SI can provide		
production funding for female talent	a maximum of €900,000		
Fiction: Creative Co-	1.5:1 spend ratio in line with	Teams of Producer(s),	Live Action or Animated
Production	Admissible Irish Expenditure. FÉ/SI	Writer(s) and Director(s)	Feature Films
	can provide a maximum of €250,000	(where the Irish producer	
	per project	is the minority co-	
		producer)	

Animation TV Production	Up to €300,000	Teams of Irish Producer(s), Writer(s) and Director(s)	Animated TV series
Documentary Production * *Eligible for enhanced production funding for female talent	Up to 65% of the budget with FÉ/SI investment unlikely to exceed €150,000 per project	Teams of Irish Producer(s), Directors(s) and Writer(s)	Cinematic Feature Length Documentaries
Completion	Up to €50,000 for a live action or animated feature length film Up to €15,000 for a feature length documentary film	Teams of Irish (ROI) Producer(s), Director(s) and Writer(s)	Live Action, Animated or Documentary Feature Films
Fiction: International Production	40:1 spend ratio in line with Admissible Irish Expenditure (reducible to 30:1 where the production is taking place outside of the Dublin/Wicklow region) for projects with budgets of €30million and above.	Teams of Producer(s), Writer(s) and Director(s) (where the Irish producer is the servicing/ minority co- producer)	Live Action Feature Films or High End TV Drama Series

^{*}For detailed information on the enhanced production funding available for **Female Talent** within Fiction: Irish Production and Documentary Production, Applicants should consult the FÉ/SI Guidance Note.

Applicants should be thoroughly aware of the regulations and limits that govern the amount of funding FÉ/SI can provide to a project. These can be found on the <u>Regulations & Limits</u> section of the website. Applicants should note that in light of the pressure on FÉ/SI resources, awards considerably less than the maximum amounts available are more likely to be offered.

Production Funding Application Process

Prior to making an application, it is critical that Applicants familiarise themselves with the following sections of the website:

- Principles & Criteria
- Regulations & Limits
- Frequently Asked Questions Section

Please follow the link to the <u>online application system</u> from the FÉ/SI website and follow the instructions. Should you encounter any issues, please consult the <u>Technical FAQ Section</u>. If you wish to make an application for funding by post, please contact 091 561 398 for the relevant application form.

In advance of making an application, it is essential that you make personal contact with a FÉ/SI Project Manager (or the FÉ/SI Inwards Production Manager specifically in relation to Fiction Internal Production) at least three weeks before a deadline to discuss the state of the project and they will advise on its readiness for consideration. Before approaching a Project Manager initial enquires by email about submitting a project can also be made to Jennifer Smyth.

The following are the deadlines for receipt of production and distribution funding applications in 2018. *Applications for Fiction: International Production will be accepted on a rolling deadline basis until further notice.

- 1. Wednesday 31st January 2018
- 2. Friday 30th March 2018
- 3. Thursday 31st May 2018

- 4. Tuesday 31st July 2018
- 5. Friday 28th September 2018
- 6. Friday 30th November 2018

Decisions will generally be reached within 8-10 weeks of the submission deadline. The relevant personnel are:

Fiction: Irish Production	Celine Haddad, Dearbhla Regan, Lesley McKimm
Fiction: Creative Co-Production	Celine Haddad, Dearbhla Regan, Lesley McKimm
Animation TV Production	Celine Haddad, Dearbhla Regan, Lesley McKimm
Documentary Production	Celine Haddad, Dearbhla Regan, Lesley McKimm
Completion	Celine Haddad, Dearbhla Regan, Lesley McKimm
Distribution	Emma Scott
Fiction: International Production	James Hickey, Steven Davenport

Production Funding Assessment Process

A project will be considered for production funding by FÉ/SI only if:

- the application is made by a bona fide Irish tax compliant producer with a production company established in the Republic of Ireland;
- the production company can show that it makes an ongoing significant contribution to the culture and development of the Film and TV industry in the Republic of Ireland: and
- there is a Director committed to making the film.

Applications will be assessed by members of the Project Group utilising FÉ/SI Principles & Criteria at a funding meeting comprising of all members of FÉ/SI Production, Development & Distribution team, members of the Legal & Business Affairs team and, on an ad hoc basis, consultants drawn from a small pool of non-FÉ/SI professionals retained for their specific skills. The decisions taken by the Project Group will be expressed as recommendations to the Board of FÉ/SI and will then require endorsement by the Board of FÉ/SI to give effect and thereafter be communicated to Applicants.

Following a negative decision by the Board, a project may be re-submitted to FÉ/SI only if significant, material changes have been made to the package (i.e. to the screenplay, to key creative elements such as casting, or to the production cost). FÉ/SI will only consider a project submitted to a funding programme twice – if an application is unsuccessful following a second submission, it is no longer eligible within that funding programme.

Production Funding Options

If an application is awarded funding by FÉ/SI, applicants may receive one of two offers as follows:

- 1. A **Provisional Offer of Commitment** (with no amount dictated) of production funding available for a <u>six</u> month period only with no extensions.
- 2. A **Quantified** award of production funding available for <u>six month</u> period only. A **single** extension of three months may be available only if strong material evidence of the advancement towards contracting is presented.

All offers are subject to the availability of FÉ/SI funding. Due to the pressure on FÉ/SI funding, the duration and terms of offers are non-negotiable.

Production Funding Conditions

- A. Funding is provided in the form of limited-recourse loans recoverable from a share of revenues from the exploitation of the project and also entitling FÉ/SI to a share of net profits.
- B. In making funding available, FÉ/SI pays close attention to the previous work of all individuals involved

(including producers, co-financiers, sales agents and distributors) taking into account their creative abilities in audio-visual media as well as their professional competence and reliability. FÉ/SI production funding is generally provided during production in accordance with an agreed cashflow. Before starting to fund, FÉ/SI will need to be satisfied that all other providers of finance to the production are contracted and securely committed, and that the amount of finance available is sufficient to cover the entire budget.

- C. An approved completion bond is a normal requirement by FÉ/SI where its funding is to be made available during production. The appointment of a collection agent is also normally required.
- D. FÉ/SI funding may only be incurred on Irish costs (see guidelines on Admissible Irish Creative Expenditure below).
- E. FÉ/SI contractually requires that all rights relating to a project (especially a Documentary) be cleared worldwide and in perpetuity across all media. This includes rights in all underlying materials, performers, music, archive footage etc.
- F. All projects in receipt of funding must be eligible for E&O insurance and have an allowance for this within the submitted production budget.
- G. All projects in receipt of funding must allow for **10% contingency** within the submitted production budget. Exceptions may be made in the case of documentaries.
- H. FÉ/SI will require viable theatrical windows for all projects especially those involving Broadcaster support. In the case of documentaries, FÉ/SI requires an **eighteen month** theatrical window from the date of first theatrical screening. In the case of feature films, FÉ/SI requires a **twenty four month** theatrical window from the date of the first theatrical screening.
- I. Projects supported by FÉ/SI Creative Co-production funding must be approved as official co-productions under a bilateral treaty or the European Convention on Cinematographic Co-Production. Where in exceptional cases FÉ/SI agrees to waive this requirement, the film must still be structured as a bona fide co-production in which ownership, rights and revenues are shared among the co-producers. FÉ/SI will not waive the requirement for official status in respect of co-productions with the UK and as a result FÉ/SI cannot become involved in projects which have EIS or SEIS funding as part of their financing.
- J. In relation to Animation TV Production, the maximum amount available is predicated upon the production of the maximum number of standard episodes in a series (e.g 52 x 11'). Where a fewer number of episodes are proposed, FÉ/SI investment is likely to reflect this.

Any individual found in breach of their contractual obligations to FÉ/SI is not in a position to sign the Declaration of Compliance requirement when submitting an application. FÉ/SI will impose strict sanctions on any individual found in default of a contract which may involve precluding them from making any further funding applications to FÉ/SI for a designated period of time and reducing or cancelling any outstanding payments owing on a project.

Production Funding Admissible Irish Creative Expenditure Guidelines

A fundamental principle of FÉ/SI funding for production is that the entire amount invested in a project must be spent on Irish personnel, goods and services. Where only part of the production of a project will take place in the Republic of Ireland, producers should be aware that the amount of funding requested from FÉ/SI may be limited by the amount of such Irish creative expenditure to be incurred.

In relation to the amount of investment to be sought from FÉ/SI for a project and the amount of Admissible Irish Creative Expenditure to be incurred, FÉ/SI requires a **1.5 to 1 spend ratio** on its investment with the exception of Fiction International Production where FÉ/SI requires a 40 to 1 spend ratio (based on the Section 481 Eligible Expenditure) on its investment.

The definition of admissible Irish creative expenditure governing the level of FÉ/SI funding in a project is different from the definition of eligible Irish expenditure under the Section 481 tax incentive provisions. FÉ/SI currently regards the following as "Admissible Irish Creative Expenditure" for the purposes of its own investment:

- · Fees and salaries paid to Irish persons working in the Republic of Ireland or abroad
- Per diems paid to any persons while working in the Republic of Ireland
- Expenditure on goods and services purchased in the Republic of Ireland.

Please note that the following costs are *not eligible* as Admissible Irish Creative Expenditure:

- travel costs of non-Irish persons unless travelling to/from Ireland in order to carry out work in Ireland
- · payments for insurances, including completion bond
- payments for rights clearances in respect of music, literary work, archive material, etc.
- financing costs

With regard to development costs, these will be assessed on a case-by-case basis. Payments to Irish persons (e.g. screenwriters) will clearly be admissible; other costs will be assessed taking account of the nationality of the producer primarily responsible for development and, in some cases, the provenance of development finance.

The above conditions on Admissible Irish Creative Expenditure are applicable to Fiction: Irish Production, Fiction: Creative Co-Production and Animation TV Production. It is likely to apply particularly to projects structured as minority Irish co-productions and eligible for Fiction: Creative Co-production funding. They may also be relevant to animation feature films (typically made as multi-country co-productions) and to Fiction: Irish Production projects where little or no shooting takes place in Ireland. *Please note that FÉ/SI Guidelines on Admissible Irish Creative Expenditure are subject to a periodic review.*

Production Funding Policy on Marketing Materials

Production budgets for projects submitted for funding must contain line items adequate to cover the production of good quality marketing materials for your film. Micro budget films with production budgets of €100,000 or less are exempt from this.

Marketing materials to be produced for delivery to sales agents and distributors must include:

- A wide range of approved cast stills, cleared for use in key art (posters, etc) and for other promotional purposes;
- A wide range of production stills;
- Professionally prepared production notes, to include detailed interviews with director, screenwriter, producer, topline cast and key crew;
- An EPK (Electronic Press Kit), to include scenes from the film cleared for promotional use, interviews with topline cast, and behind-the-scenes footage showing production of the film.
- A publicist should be appointed to oversee the production of these items and assure their delivery. The
 budget allowances for marketing materials and personnel will be subject to FÉ/SI approval, and FÉ/SI will
 have the right to approve the appointed publicist, stills photographer and EPK team.
- FÉ/SI should be appropriately credited in any press coverage and on advertising/marketing materials including online databases such as IMDB etc.

Production, Development & Distribution Team Contacts

James Hickey Chief Executive james.hickey@screenireland.ie
 Celine Haddad Project Manager celine.haddad@screenireland.ie
 Lesley McKimm Project Manager lesley.mckimm@screenireland.ie
 Dearbhla Regan Project Manager dearbhla.regan@screenireland.ie
 Emma Scott Production & Distribution Manager gemma.scott@screenireland.ie
 Jennifer Smyth Production & Development Coordinator Jennifer.smyth@screenireland.ie
 Steven Davenport Inward Production Manager steven.davenport@screenireland.ie

Please refer to the <u>Producers Resource Section</u> of the FÉ/SI website for other useful documents and information. If you require further information that you cannot find on the website, or if anything in these Guidelines is not clear, please contact the Production & Development Coordinator Jennifer Smyth at Jennifer.smyth@screenireland.ie