

Livres Canada Books MENTORING – FUNDING SUPPORT PROGRAM



2012-2013 Guidelines

Deadline for receipt of applications: Monday, April 2, 2012

➡ **New (additions or modifications)**

Application Forms are available on our website at www.livrescanadabooks.com/en/funding/mentoring

1. General Information

Objective

This funding is designed to give publishers the opportunity to benefit from the knowledge and expertise gained from their participation in the Livres Canada Books Mentoring – Funding Support Program and to implement a targeted marketing strategy.

General Criteria

Applicants must comply with and meet all definitions and conditions listed in these Guidelines.

Conditions of Participation

Eligibility for funding in 2012-2013 under Livres Canada Books assistance programs is conditional upon the applicant having satisfactorily fulfilled all conditions and requirements in force according to the terms of contributions the company has received from the Livres Canada Books in previous years and having fulfilled all contractual obligations with respect to author royalty payments.

Eligibility Criteria

To be eligible for the Mentoring – Funding Support in 2012-2013, the applicant must have been confirmed eligible for the Livres Canada Books Mentoring Program for USA and/or France, France- Switzerland-Belgium and attended all its activities in previous years.

This eligibility status must remain valid in 2012-2013 for the following programs: Support for Publishers component of the Canada Book Fund in 2011-2012, Block Grants 2011(Canada Council for the Arts, Book Publishing Support), or the 2011 Emerging Publisher Grants (Canada Council for the Arts).

The applicant must have eligible export sales of less than \$15,000 over the company's last completed financial period.

The applicant must have fulfilled its contractual obligations with respect to author royalty payments by the application deadline.

Applicants must comply with and meet all definitions and conditions listed in these Guidelines (see sections 1 and 2).

Activity Period

Financial assistance under Mentoring – Funding Support is designated exclusively for export and international marketing activities to be completed by eligible companies between April 1, 2012 and March 31, 2013.

Eligible Activities

All expenses related to an export marketing strategy will be considered eligible.

Twenty-five percent (25%) of total direct international marketing expenses will be accepted as overhead expenses and will not have to be justified with receipts. Overhead expenses include depreciation, rentals/leasing, bank charges and interest, administrative salaries and general office expenses such as telephone/fax, stationery, courier, etc.

Salaries of individuals involved in international marketing (exclusively or not) may be claimed in addition to overhead expenses, for a maximum amount of \$500.

The Chief Executive Officer of the company must confirm in writing the name, position, annual salary of the employee in question.

Ineligible Expenses

Mentoring – Funding Support will not cover the following:

- capital expenditures
- cost of goods sold, including royalties, as per the company's financial statements
- taxes (i.e., GST, PST/HST, VAT, etc.)
- international marketing activities and export-related expenses already covered under FRMAP or a federal or provincial program

Contribution

The amount of funding for recipients of Mentoring – Funding Support will be \$2,000, for eligible expenses of \$2,857.

Cost Sharing

Financial assistance is allocated on a cost-sharing basis. Livres Canada Books contribution will be based on 70% of the eligible expenses of the recipient of the Mentoring – Funding Support, who will assume the remaining 30% of total eligible expenses.

Payment Schedule and Reporting Requirements

Eligible applicants will receive a Livres Canada Books Contribution Agreement confirming their eligibility as well as the contribution approved under Mentoring – Funding Support.

When it has received its contribution for 2012-2013 from the Department of Canadian Heritage, Livres Canada Books will disburse 75% of the Mentoring – Funding Support contribution to eligible applicants who have submitted a signed contribution agreement.

The final installment of the Mentoring – Funding Support contribution, 25%, will be paid after receipt and approval of a final report. Instructions for the preparation of the final report will be sent to successful applicants.

Application Procedure

1. Applicants must complete Part A, B, C, and D of the application form.
2. Only those applicants who do not have an online catalogue must provide the company's most recent catalogue.
3. Applicants with sales of eligible Canadian-authored books according to Canada Book Fund during the reference year equal to or greater than \$2M (field B30 in the Application Form – Part B) including any distribution fee adjustment, will have to provide audited financial statements for the company's most recent financial period. For applicants with sales of Canadian-authored titles below this amount, review engagement reports will be required.

The audited financial statements or review engagement report should not be more than 14 months old.

4. For the confirmation of eligible export sales, the applicant must include in the application either:
 - a. A statement by an independent public accountant confirming the level of their eligible export sales (field B28 in the Application Form - Part B) for their most recently completed financial period (using the relevant text provided under Part D Audited or Review Engagement Report). In either case, the text must be on the independent public accountant's official letterhead. The audited financial statements or review engagement report and the statement by an independent public accountant on eligible export sales must refer to the same financial period.
OR
 - b. audited financial statements or a review engagement report including the eligible export sales.

Important reminder: Sales of foreign-authored titles originally published in Canada are no longer considered as eligible books under the Mentoring – Funding Support 2012-2013 application.

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5. **For the confirmation of royalty payments, the applicant must include in the application a statement by an independent public accountant confirming the applicant has fulfilled all contractual obligations with respect to author royalty payments or any other method of paying authors for their most recently completed financial period.**
 6. If the applicant has submitted an application for the Canada Book Fund, Support for Publishers component in 2012-2013, the applicant must provide financial documents to the Livres Canada Books from the same reference year.

As is the case for the Canada Book Fund, Livres Canada Books nonetheless reserves the right to require audited financial statements from publishers with fewer than \$2M in sales of eligible Canadian-authored books, should it feel individual cases warrant such a level of assurance. Such publishers will be advised of this requirement in a timely manner. Livres Canada Books may also increase the number of recipient audits per year.

In reviewing applications for Mentoring – Funding Support, Livres Canada Books will consult the documents provided by applicants to Livres Canada Books, with the Canada Book Fund, and the Canada Council for the Arts to verify required information and documents.

NOTE: Applications cannot be processed until all information and documents required under the Application Procedure section are complete.

Appeal

Applicants may appeal Mentoring – Funding Support decisions in writing to the Chair of Livres Canada Books. Appeals must be received no later than thirty (30) calendar days after the date the decision of Livres Canada Books was communicated to the applicant.

Appeals will be reviewed by the Appeals Committee only when there is clear and unmistakable evidence of procedural improprieties and/or errors made by the Livres Canada Books Secretariat in processing the application.

Audit Provision

Livres Canada Books reserves the right to conduct an audit of any company funded under the Mentoring – Funding Support including random audits. If a material difference exists between the applicant's report and that of the Livres Canada Books' auditor, 50% of the cost of the audit will be borne by the recipient. The decision on the selection of firms to be audited is made randomly. Notwithstanding such random selection, the Programs Manager in consultation with the Executive Director may select for audit a firm or firms whose financial data, reports or other material contain questionable or inconsistent information.

For Further Information

Any applicant with questions on Livres Canada Books application procedure should contact us as soon as possible so we can provide an answer before the deadline of April 2, 2012.

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2. Definitions

The following definitions apply to the eligibility criteria of Livres Canada Books' programs:

Co-publishing

Joint financial investment by two or more publishers to conceive, produce and print, under their respective imprints, individual titles or collections to be sold in their respective markets. Provided all other eligibility criteria are satisfied, co-published books are eligible, but applicants may claim as eligible sales only their portion of the total revenue. The partner publisher of the applicant may be foreign-owned.

Co-publishing may also include situations in which an applicant sells rights to an own eligible title to foreign publishers and coordinates production of the books. The applicant's revenues associated with such arrangements may be considered eligible export sales.

Eligible Books

Important reminder: Sales of foreign-authored titles originally published in Canada are no longer considered as eligible books under the Mentoring – Funding Support 2012-2013 application.

To be eligible, titles must meet the following criteria:

- either written by a Canadian author or adapted or translated by a Canadian
- at least 48 pages in length, except for children's books, which can be less than 48 pages
- clearly and publicly attributed to the author(s) or translator(s)
- the publisher's own title and bears an ISBN assigned to or acquired by the publisher (exceptions may apply in the case of international co-publication)
- published under the publisher's imprint or under an imprint for which it has acquired publishing, management and marketing rights
- print edition, a physical non-print edition of an eligible book, a digital edition of an eligible book
- printed in Canada, except for co-published books or books with an acceptable justification

Notes on eligible books

A book with more than one author is considered Canadian-authored if at least one of the authors is Canadian. The editor of a collective work is considered the author if the book is clearly and publicly attributed to the editor and he or she has written a preface, introduction, afterword, or conclusion to the book. The editing regularly done by a publisher in order to bring a manuscript to publishable form is not considered authorship.

For children's picture books only, an illustrator is considered an author.

The author or translator is always the person to whom the book is publicly attributed. The name of the author(s) or translator(s) must appear on the outside of the cover, the spine or the copyright page.

Also Eligible

- non-print material derived from an eligible Canadian-authored, printed book
- learning kits
- book packs

Eligible Export Sales

Important reminder: Sales of foreign-authored titles originally published in Canada are no longer considered as eligible books under the Mentoring – Funding Support 2012-2013 application.

Eligible export sales constitute the total of the following:

- revenue from the sale of eligible titles net of trade discounts and credits for returns and allowances
- revenue from the sale of rights and permissions of eligible books
- amounts withheld by distributors for the sale of eligible titles. If the amount withheld by distributors is not already included in net sales, this amount may be added. The adjustment is for distribution fees only and must not include the trade discount

Independent public accountant

A professional designated a Chartered Accountant (CA), Certified General Accountant (CGA), or Certified Management Accountant (CMA) operating at arm's length from the applicant and from the firm or individual who maintains the applicant's financial records and statements. Applicants that wish to have their application documents prepared by an accountant holding a different designation should contact the program in advance.

For any other definitions, visit Canada Book Fund's website at the Department of Canadian Heritage:

www.pch.gc.ca/eng/1290024798836