

Alberta Cultural Industries Association (ACIA)

Cultural Industries Guarantee Fund:

The Alberta Cultural Industries Association (ACIA) created the Cultural Industries Guarantee Fund with funds from the Alberta Foundation for the Arts (AFA) and Canadian Heritage. The original plan was to provide guarantees to financial institutions for companies working in 4 specific cultural industries - film/video producers, book publishers, sound recording companies and magazine publishers. The Fund recently expanded the guidelines to provide direct loans and short term interim financing.

As outlined in ACIA's original agreement with Canadian Heritage, the objective of the Fund is to assist "cultural industries companies for the purpose of corporate development, which includes, but is not restricted to, improvement of human and/or technological resources in order to achieve sustainable company growth and/or better fiscal performance. Expenses associated with such corporate development may include marketing and/or distribution capacity, upgrading computer/network infrastructure, new office equipment, acquisition of strategic properties specific to a cultural industry, etc. The companies making application to the fund must demonstrate that the use of fund capital will result in "improved corporate performance that is sustainable" after use of the funds.

The Board of the ACIA manages the revolving fund of approximately \$2 million dollars for the 4 separate cultural industries. A Selection Committee of experienced professionals, appointed by ACIA's member organizations, and the Fund Manager, review applications for recommendations for funding. (The Board also includes ex-officio representation from the Federal government).

General Conditions:

- The Fund can provide guarantees to financial institutions (not to exceed \$250,000) for corporate development loans or lines of credit for corporate operating, development and growth. If the lender is willing to lend more than the guaranteed amount, this can be considered by the Fund.
- The Fund can act as a direct lender to provide "micro-loans" (not to exceed \$25,000) to assist in corporate development.
- The Fund will not take an equity position in companies applying to the Fund.
- All applicants must meet the general eligibility criteria, in addition to sector specific eligibility criteria.

- Applications by members in good standing of the Alberta Motion Picture Industries Association (AMPIA) will be reviewed with no administrative fee. Other eligible companies who are not members will be assessed a \$750 non-returnable, administrative review fee for each application.
- A Fund guarantee generally will be stepped down over the life of the guarantee agreement. The guarantee may not necessarily start at 100 percent of the loan.
- Meeting eligibility requirements does not mean a company will receive a guarantee or loan. Decisions will be made on the basis of the applicant's growth strategy, company viability and on the availability of funds.

General Eligibility Criteria

Applicants must be:

- Registered businesses which are 51 percent owned by people domiciled in Alberta, and with effective managerial, creative and financial control by people domiciled in Alberta, and with their head offices in Alberta;
- At least 80 percent owned by Canadian citizens or landed immigrants, or fully owned and controlled by Canadian institutions or associations which are in turn at least 80 percent controlled by Canadian citizens or landed immigrants;
- Businesses that demonstrate that the production and/or distribution of film/video is a major, not peripheral, activity of their business;
- Businesses that demonstrate a reasonable expectation of profit;
- Businesses that demonstrate a commitment to the use and development of Alberta talent, personnel, goods, services and facilities;
- In the case of applications for guarantees, preference will be given to those businesses that can demonstrate interest from a financial institution, or an offer to finance contingent on approval of the Guarantee.

Specific Conditions for AMPIA's Producer Members:

- An independent producer shall:
 - Show evidence of having completed a minimum of 60 minutes of completed productions OR have completed productions that qualify for a minimum of twenty five points from any combinations of productions weighted according to the Production Schedule below:
 - Production Schedule: Film or video productions in the province of Alberta in the previous 4 four years, including dramatic, entertainment, educational, documentary instructional, motivational, music video or home video: for every five minutes of running time...2 points. For

television commercials or public service announcements produced in the province of Alberta in the previous 4 years which have been broadcast or have been accepted for broadcast on commercial television: for each fifteen seconds of running time.... 2 points.

Application Materials:

Company Information

All applicants must submit:

- Legal name (and operating name if different),
- Mailing address with postal code,
- Ownership structure (name of parent company, if applicable); and
- Registration and signing authorities.

For micro-loans from the Fund, applicants must submit:

- A **brief** profile of the business, describing history, activities, and key personnel;
- The proposed uses for the loan amount.
- The increased business activity that will be facilitated by the loan.
- A budget indicating the benefit to be derived from expending the loan proceeds, as well as the anticipated repayment timelines of the loan repayment.
- Financial statements for the company's most recent fiscal year.
- Copies of promotional materials or company products may be included in support of the company's application.

For applications for guarantees from ACIA to a financial institution, applicants must submit:

- A profile of the company, including history, general goals and objectives, and number of projects completed, in development, and planned for the next fiscal year;
- A concise financial history of the company, which includes the most recent financial statement, recent volume of sales in dollars, usual overhead costs, wages, methods of funding, and present and planned arrangements for and and/or government financing;
- The nature of the company's sales and marketing arrangements, specifying all relevant percentages, salaries and discounts;
- A realistic forecast of the company's performance, including expected sales, profits and losses, expenses, and cash-flow forecasts over the term of the proposal.
- The company's future prospects, including possible expansion, changes in personnel, plans for development and acquisition of intellectual properties, sales and marketing strategies, and expected financial health;

- A profile of key personnel and their duties;
- A description of all related company business and affiliations; and
- An outline of the use to be made of the loan, line of credit or interim financing;
- In the case of interim financing, proof of the appropriate receivable.
- Copies of promotional materials or company products may be included in support of the company's application.

Applications should be sent to

Alberta Cultural Industries Association
Box 200
21-10405 Jasper Ave.
Edmonton, Alberta
T5J 3S2

For additional information call:
780-498-5536