



The Association for the Export of Canadian Books

MENTORING – FUNDING SUPPORT

2009-2010 GUIDELINES

Deadline for receipt of applications: Friday, March 6, 2009

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 AECB Mentoring 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 2009-2010 under AECB 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 AECB 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 2009-2010, the applicant must have been confirmed eligible for the AECB Mentoring Program for Paris 2006, 2007, 2008 or 2009 and/or BEA 2006 or 2007 and attended all its activities.

This eligibility status must remain valid in 2009-2010 for the following programs: Aid to Publishers component of the Book Publishing Industry Development Program (BPIDP) in 2008-2009, Block Grants 2008 (Canada Council for the Arts, Book Publishing Support), or the 2008 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.

An applicant who is eligible under 2009-2010 EMAP cannot be eligible for the Mentoring – Funding Support.

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, 2009 and March 31, 2010.

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

Cost Sharing

Financial assistance is allocated on a cost-sharing basis. AECB 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 an AECB Contribution Agreement confirming their eligibility as well as the contribution approved under Mentoring – Funding Support.

When it has received its contribution for 2009-2010 from the Department of Canadian Heritage, the AECB 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 BPIDP 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. Applicants must provide 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 in the enclosed sample Audited or Review Engagement Report, see annex). In either case, the text must be on the independent public accountant's official letterhead. The audited financial statements or review engagements report and the statement by an independent public accountant on Eligible Export Sales must refer to the same financial period.

As is the case for BPIDP, the AECB 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. The AECB may also increase the number of recipient audits per year.

In reviewing applications for Mentoring – Funding Support, the AECB will consult documents provided by applicants the AECB, BPIDP (Canadian Heritage), 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.

Appeals

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

Appeals will be entertained by the Appeals Committee only when there is clear and unmistakable evidence of procedural improprieties and/or mistakes made by the AECB Secretariat in processing the application.

Audit

The AECB 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 AECB's auditor, the cost of the audit will be borne by the applicant.

For Further Information

Any applicant with questions on AECB Application Procedure should contact us as soon as possible so we can provide an answer before the deadline of Friday, March 6, 2009.

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2. Definitions

The following definitions apply to the eligibility criteria of AECB 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.

Eligible Books

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

- published under the publisher's imprint or under an imprint for which it has acquired publishing, management and marketing rights
- printed in Canada, except for co-published books or books with an acceptable justification
- written by a foreign author and adapted or translated by a Canadian author
- written by a Canadian or foreign author co-published by a Canadian publisher
- written by a foreign author and published for the first time, in book format, by a Canadian publisher

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

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

Export Sales of Foreign-Authored Titles

A maximum of 25% of the Total Net Export Sales of Eligible Titles According to BPIDP (rights and finished products) will be included in the Accepted Export Sales Amount of Foreign-Authored Titles under the Mentoring – Funding Support.

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 BPIDP's website at the Department of Canadian Heritage:

<http://www.canadianheritage.gc.ca/bpidp/dem-app/atp/atp2008-eng.cfm>