



GUIDELINES (as at September 18, 2020)
COVID-19 EMERGENCY RELIEF FUND – CANADIAN ASSOCIATION OF BROADCASTERS (CAB) ALLOCATION
(the “CAB Emergency Relief Fund” or “Fund”)

Please read these Guidelines and the Attestation Form carefully. The CAB expects to be issuing funds to as many as 500 independent broadcasters. Our goal is to issue funds as quickly and efficiently as possible. We are not equipped to handle unnecessary telephone or email inquiries. Such enquires will merely delay our ability to issue funds. Accordingly, please note that we will not respond to enquiries on matters that are clearly addressed in these guidelines. Revised Guidelines may be periodically issued to address new questions that arise in the course of CAB’s administration of the Fund. Please consult the most recent version of the Guidelines before contacting CAB with any questions.

Introduction

The COVID-19 Emergency Support Fund for Cultural, Heritage and Sport Organizations announced by the Prime Minister on April 17, 2020 is an additional temporary relief measure created to help alleviate the financial pressures faced by cultural, heritage and sport organizations due to the COVID-19 pandemic. The objectives of the Emergency Support Fund are to maintain jobs and support business continuity for organizations that have been negatively impacted by the COVID-19 pandemic. The Emergency Support Fund complements other measures by the Government of Canada, such as the Canadian Emergency Wage Subsidy (CEWS), to help Canadian workers and employers impacted by the COVID-19 pandemic.

On May 8, 2020, the Government of Canada announced that a two-phase approach would be used for the Emergency Support Fund and that funding for small broadcasters would be part of the second phase.

On July 7, 2020, the Government of Canada unveiled the components of the second and last phase of the Emergency Support Fund, including funding of \$25 million to independent broadcasters. The Department of Canadian Heritage approached the CAB to be administrator of \$22.5 million of this funding directed to private independent radio, local television and discretionary services. On August 31, 2020, the CAB concluded a contribution agreement with the Government of Canada so it could fulfill this role. On September 16, 2020, the CAB executed an amendment to the Contribution Agreement establishing a 10% cap for individual discretionary services.

CAB Process

Under the Canadian Heritage approved process, independent broadcaster funding under the CAB Emergency Relief Fund will be processed on a Corporate Group or licensee basis.

The CAB has dispensed with a formal Application process. Potential recipients must fully complete, and a responsible officer execute, the Attestation Form (available on the CAB’s website) and submit it online through covid-19@cab-acr.ca. An automated email acknowledgement will be issued on receipt.

General Information

CAB's role in this process is solely as administrator. CAB is neither responsible for, nor has the discretion to alter, the criteria for funding. The magnitude of funding and eligibility criteria have been established by the Department of Canadian Heritage, on behalf of the Government of Canada.

The CAB encourages eligible independent broadcasters of both official language communities to participate in the CAB Emergency Relief Fund and ensure that activities undertaken as a result of funding are done in such a manner that they meet the needs of both communities.

While compliance with the guidelines is a prerequisite to eligibility for funding, compliance does not guarantee entitlement to access the CAB Emergency Relief Fund.

The Government of Canada may adjust its criteria and/or terminate funding not otherwise issued at its sole discretion. Consistent with the terms of its Contribution Agreement, the CAB may be required to exercise limited discretion in the application and interpretation of these funding criteria as set out in guidelines. In all questions of interpretation of either these guidelines, or the spirit and intent of the CAB Emergency Relief Fund, CAB's interpretation, on behalf of the Government of Canada, shall prevail.

Any information, in any form, provided, obtained, created, or communicated in connection with an application is subject to audit and the [Access to Information Act](#) and the [Privacy Act](#).

The CAB Emergency Relief Fund is entirely thanks to, and subject to the availability of funding from, the Government of Canada.

Key Questions

1) How do I know whether I am eligible for the CAB Emergency Relief Fund?

Pursuant to the criteria established by the Department of Canadian Heritage (the "Department"), eligible broadcaster recipients are private independent broadcasters who provide news and information programming.

"Independent" shall have the same meaning as "*independent programming undertaking*", as defined in Section 19(1) of the Broadcasting Distribution Regulations, and described herein:

A programming undertaking for which no licensee of a distribution undertaking or operator of an exempt distribution undertaking, or an affiliate of the licensee or operator, holds, directly or indirectly, an interest or right in the assets.

Funding amounts and the allocation formula have been determined by Canadian Heritage as follows:

For eligible **independent television services**:

a) Total amount shall be \$3,000,000

- b) Two thirds will be distributed in proportion to each eligible station's share of total expenditures on locally reflective news and information programming over the previous three broadcast years;
- c) One third will be distributed in proportion to the total number of hours of locally reflective news and information programming broadcast by each eligible station over the previous three broadcast years; and
- d) No station or group of stations operated by the same licensee in a given market will receive more than 10% of the funding in any given broadcast year

For eligible **discretionary television services**:

- a. Total amount shall be \$7,250,000.
- b. Funding will be distributed in proportion to each eligible service's share of total programming and production expenses on news and information programming over the previous three broadcast years.
- c. The maximum percentage of the funding that any discretionary service may receive may not exceed 10% of the funding in any given broadcast year.

For eligible **private radio services**:

- a. Total amount shall be \$11,000,000.
- b. Funding will be distributed in proportion to each eligible station's share of total programming and production expenses on news programming over the previous three broadcast years, or such other reasonable proxy as agreed to by the Department.

If you do not qualify under these terms and conditions, please do not contact us for an exception or waiver. The CAB has no discretion to provide funding to anyone other than those who qualify in precise accordance with these criteria as established by Canadian Heritage.

If you wish to raise issues associated with the funding criteria or amounts being made available to private broadcasters, please contact Canadian Heritage at PCH.info-info.PCH@canada.ca

2) How much emergency funding will we receive?

The CAB has been asked to disburse \$22.5 million less CAB administration costs.

Payments will be based on your company's relative proportion of news and information expenditures within each of the three independent broadcaster categories.

The minimum payment for eligible independent broadcaster recipients is \$5,000.

3) Can I apply to more than one institution for funding under the Emergency Support Fund for Cultural, Heritage and Sport Organizations (For example, Telefilm Canada, Canada Media Fund, Canada Council for the Arts, or Canadian Heritage)?

No. The \$500 million Emergency Support Fund for Cultural, Heritage and Sport Organizations Clients is designed so that recipients may only receive funding from one funding organization.

4) What independent broadcasters are eligible for the relief funding?

Independent broadcasters must meet two core criteria.

You must provide news and/or information programming, and have eligible Canadian programming expenditures of at least \$5,000 annually.

You must also attest to an actual or projected 25% negative financial impact due to the COVID-19 Pandemic and be in need for funding to provide news and information programming, ensure continuity of operations and to help safeguard journalistic jobs.

5) I am not a member of CAB. Am I still eligible?

Yes. In disbursing funds CAB is acting solely in a capacity as administrator on behalf of the Government of Canada. In fulfilling this responsibility, the CAB is obliged to treat all eligible independent broadcasters, regardless of membership status, equally.

6) Do I need to fill out a separate application form?

No. CAB's priority is to issue funding to eligible independent broadcasters as fast as possible in order to support broadcasters who are in urgent need of financial support. The CAB will calculate and allocate funding amounts across eligible recipient categories based on the parameters of the Emergency Relief Fund and aggregate CRTC reported expenditures. Once you properly complete and submit the Attestation Form, we will be in a position to issue funds.

7) Will there be multiple disbursements?

There may be a second round of disbursement in the event that independent broadcasters assumed to be eligible do not in fact qualify.

8) How do I assess the "25% negative financial impact"?

An independent broadcaster is responsible of assessing, in a reasonable manner, the negative financial impact of the COVID-19 pandemic.

In general, the use of unaudited financial results or projections can be used to calculate the financial impact. The financial impact of at least 25% can be related to revenues, costs or a combination of both. It can be evaluated over a shorter or longer period (for example, 3 months or 6 months and up to 12 months).

A comparison period would typically use the equivalent period in the preceding year, but may, if appropriate, be an equivalent immediately prior (to COVID-19) period.

Your usual accounting method would normally be used for calculations. You can, however, use the cash method or the accrual method, but you have to use the same approach throughout.

You are not required to file any proof with CAB that you meet the "25% negative financial impact" requirement. Requests for revenue information in the Attestation Information Form are not related to

this. To be eligible to receive funding, however, you must attest to the fact that you meet this requirement.

9) What if I am *wrong* about my meeting the “25% negative financial impact” requirement?

The Government of Canada expects potential recipients of emergency relief funding to act in good faith, and not make fraudulent or knowingly incorrect claims.

The CAB will not advise potential recipients on compliance with the “25% negative financial impact” criterion. Any recipient found to be in non-compliance with this condition will be required to return funds. Any recipient found to be in willful non-compliance will be subject to legal sanction.

10) What if I am already receiving support from CEWS or another federal or provincial support program?

You are required to attest that funds received from the CAB Emergency Relief Fund will not be used to cover expenses which are already funded under Government of Canada COVID-19 emergency measures, including but not limited to the Canada Emergency Response Benefit, the Canada Emergency Wage Subsidy, the Canada Emergency Business Account, and the Canada Emergency Commercial Rent Assistance for small businesses, as well as any other federal, provincial or territory and municipal emergency measures.

In meeting this condition, you are required to attest that all funding received from the CAB Emergency Relief Fund does not exceed 100% of your yearly average Canadian programming expenditures on news and information programming over the previous three broadcast years and that total government assistance (federal, provincial, territorial and municipal assistance) does not exceed 100% of your yearly average broadcasting expenditures over the previous three broadcast years (stacking limit). You are not required to specifically disaggregate news and information programming expenses as between that funded by CEWS and that funded pursuant to the CAB Emergency Relief Fund.

The Department of Canadian Heritage has confirmed that funding from the Independent Local News Fund (ILNF), or any other *non-government* funding source cannot trigger non-compliance pursuant to this requirement.

11) Why am I required to attest that we will meet payment requirements for contractual obligations, including payments to workers and individuals who may not be eligible to the Canada Emergency Wage Subsidy, such as journalists, on air talent and technical staff that support news and information programming

As already noted, the Emergency Support Fund complements other measures by the Government of Canada, such as the Canadian Emergency Wage Subsidy (CEWS), to help Canadian workers and employers impacted by the COVID-19 pandemic.

The Government of Canada recognizes that some employers will not be in a position to retain all staff, retain staff at the same level of working hours or pay full salaries, for *bone fide* COVID-19 related reasons. The Government of Canada nevertheless expects that recipients of CAB Emergency Relief Fund funding will respect employee contractual rights and obligations. The Government of Canada reserves the right to investigate any employee complaints that an CAB Emergency Relief Fund recipient has not honoured this requirement, and take appropriate action.

12) What is the fiscal treatment of monies received under the CAB Emergency Relief Fund?

Assuming compliance with eligibility requirements, payments under the CAB Emergency Relief Fund are Non-Repayable. Please note that they are taxable revenues, and are to be accrued for the 2020 broadcast year. We nevertheless recommend that you consult your tax advisors to confirm the tax treatment applicable to any amounts you may receive.

13) Will the funds be sent to the applicant by cheque or direct deposit?

The allocations of relief funds will be dispersed in the form of electronic payments by direct deposit. You will be required to complete and return a direct deposit authorization form with your banking information after your completed attestation is received.

14) How will the CAB ensure that funding is used in accordance with the objectives of the Fund?

All applicant companies are required to complete and sign the Attestation Form under which they attest to an actual or projected 25% negative financial impact due to the COVID-19 Pandemic and that they are in need for funding to support news and information programming, ensure continuity of news operations and to safeguard jobs.

CAB is required by Canadian Heritage to conduct random audits after program completion to validate and ensure that these funds were used in accordance with the Emergency Relief Fund's criteria.

15) What are my "official language obligations in respect of any public communications related to the Emergency Relief Fund"?

You are not obliged to make any public communications related to the Emergency Relief Fund, but if you do so you must comply with the Department of Canadian Heritage's Guide on the Public Acknowledgment of Financial Support which can be found at the following address:

<https://www.canada.ca/en/canadian-heritage/services/funding/acknowledgement-financial-support.html>.

16) Are all the questions included in the Attestation for eligibility purposes?

No. Some questions are for statistical purposes in order for CAB to report to Canadian Heritage on the success of the Emergency Relief Fund.

For any funding related questions not addressed in these Guidelines or the Attestation Form, you may contact CAB at covid19@cab-acr.ca. Please note that we will not respond to enquiries on matters that are clearly addressed in these guidelines. Please also note that we reserve the right to delay responding to unique/tangential inquires, in favour of issuing funds as soon as possible to recipients who need no additional guidance.