CreatePHFilms
Film Development Council of the Philippines

FUND FOR SMALL BUDGET PRODUCTION

GENERAL GUIDELINES

CYCLE 1 2022

FILM DEVELOPMENT COUNCIL OF THE PHILIPPINES

Republic of the Philippines
Office of the President
FILM DEVELOPMENT COUNCIL OF THE PHILIPPINES

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A. Introduction

The vision of the Film Development Council of the Philippines (FDCP) is an empowered Philippine film industry that is supported and championed by the government.

Pursuant to Republic Act 9167, the Film Development Council of the Philippines (FDCP) is mandated to create assistance funds to support the stages of the production of quality films, including but not limited to film development, production, post-production, marketing, distribution, exhibition, and archiving practices in the country.

In line with this, FDCP's CreatePHFilms Funding Program was launched to ensure that the government works with and provides support to filmmakers, producers, and distributors in all stages of filmmaking to complement their efforts to produce quality Filipino films. We look for screenplays and projects with the potential to become great Filipino films with an appeal to local and international audiences, representing the best of Filipino filmmaking.

It is important to note that the selection of projects to be supported and provided funding under CreatePHFilms is dependent on not just the quality and potential of the film project to be a successful film but also on the proposal as to how the fund assistance will be utilized and will complement their activities for development and production, especially considering that the funds to be provided will be sourced from the government.

B. Small Budget Production Financing Overview

The CreatePHFilms Fund for Small Budget Production is a selective and recoupable fund of One Million Pesos (P 1,000,000.0) for the production of Filipino films with an overall production budget of less than Fifteen Million Pesos (P 15,000,000.00). Projects with an overall production budget of Fifteen Million Pesos (P 15,000,000.00) and above may apply to the CreatePHFilms Fund for Large Budget Production.

For accepted projects, the first sixty percent (60%) of the Fund will be released at least two (2) months before the confirmed first day of principal photography of the film, while the remaining forty percent (40%) will be granted upon the submission of Final Report requirements and completion of deliverables.

Each applicant may submit more than one (1) project per cycle. However, only one (1) project per grantee per cycle may be selected. Projects that applied from previous cycles are no longer eligible to apply.

C. Financing Conditions

As the CreatePHFilms Fund for Small Budget Production is recoupable, this means that FDCP stands to receive back its maximum investment sum of One Million Pesos (P 1,000,000.00) from the film's proceeds coming from all possible revenue streams, including but not limited to theatrical release, Video On-Demand, or ancillary rights exploitation. FDCP's share will be the last reimbursable amount to be recouped, only after the deduction of the following: production cost, distribution, sales fees and eligible expenses, collection account fees (if any), and repayment of debt (if any).

FDCP will also be recognized as a co-producer of the film.

You may start spending the Fund after you receive the first sixty percent (60%). The Fund will be subject to eligible expenses and a liquidation process thereafter. Essentially, the Grantee needs to report to FDCP how they spent the Fund based on the eligible expenses indicated in their proposed budget submitted upon their application.

D. Who Can Apply

Applicants for the Fund must satisfy all of these conditions:

1. Must be a Filipino production company duly registered as business in the Philippines serving as the producer of the Project;
2. Must hold or share the intellectual property rights of the Project;
3. Must have all necessary rights to develop, produce, and distribute the film;
4. Must be duly registered at the FDCP National Registry for Companies (NRC);
5. Must be willing to have the theatrical Philippine premiere of their film (for example: as opening or closing film) at the FDCP's organized film festival, Pista ng Pelikulang Pilipino, or in a similar FDCP-partnered or supported project; and
6. Must not have any overdue obligations from any FDCP assistance or funding programs

E. What Projects You Can Apply

Projects that satisfy all of the following conditions may apply for the Fund:

1. Must have a Filipino director;
2. Must be a narrative mid (at least 40 to 79 minutes) to feature-length film (at least 80 minutes);
3. Must be a work of fiction, documentary, or animation;
4. Must be in English or different Filipino languages;
5. Must have a production-ready script or treatment (if documentary);
6. Must have an overall production budget of less than Fifteen Million Pesos (P 15,000,000.00);
7. Must have a financing plan;
8. Must be ready to commence principal photography within six (6) to eight (8) months upon application;
9. Must secure an insurance policy for the production cast and crew, and for public liability;
10. Must have a plan for theatrical, VOD and/or festival release within the Philippines;
11. Must target a distribution guarantee or deal memorandum for theatrical, VOD and/or festival release in the Philippines. The Project must target domestic audiences; and

12. Must apply for the first time to the CreatePHFilms Fund for Small Budget Production, but may have applied before to the CreatePHFilms Fund for Script Development and/or Project Development

F. What Projects You Cannot Apply

The CreatePHFilms Fund for Small Budget Production is NOT available or eligible for:

1. Short films (below 40 minutes);
2. Advertisements or commercials;
3. Television series/programs;
4. Educational or academic film projects;
5. News or current affairs programs;
6. Productions of public or live events;
7. Projects that contain pornography;
8. Projects that promote violence; and
9. Projects that contain issues that insult, offend, and/or portray the Philippines in a negative light as well as threaten national security

G. When to Apply for the Production Fund

Because you can only apply your Project once for this Fund, it's important that you submit your Project at its best and when it is ready. Here's what you need to consider:

1. **Is your project production ready?** If you are, then you must have a production-ready script or documentary treatment, a strong finance plan with funding secured, and a producer with a proven track record. If you're not at this point yet, you might want to consider applying to CreatePHFilms Fund for Script Development or Project Development.

2. **Is your project in the middle of another CreatePHFilm funding program?** A project cannot be submitted for this funding program if it is concurrently being funded by another CreatePHFilms Fund (Script Development or Project Development).

3. **Do you have overdue deliverables or commitments to other CreatePHFilm Funds?** If you have overdue items for any CreatePHFilms funding, including for other projects in previous cycles, you may be ineligible to apply. Please contact the CreatePHFilms Secretariat to check your eligibility and status.

4. **Are you resubmitting a previously declined project?** CreatePHFilms will not accept resubmissions of a project unless there has been significant changes and improvements since its previous submission. If so, these must be explained and specified in the application.

H. What Expenses are Allowed

Eligible expenses are qualified expenses that may be paid out from the CreatePHFilms Fund. You may only spend the Fund on these types of expenses, which are intended to support and aid the grantees with the production of their films. These must be reported to FDCP during the Final Report process, along with original documentary requirements like Certified True

Copies of the Official Receipts and Sales Invoices. For more information about this, see *CreatePHFilms Fund for Small Budget Production Guidelines on Eligible Expenses*.

1. **Salaries, wages, and social contributions.** Keep in mind that these expenses must be paid to Filipinos accompanied by fully executed contracts.

2. **Transportation and travel expenses.** These include transportation fares, vehicle rentals, and travel or safety-related field expenses.

3. **Technical goods and services.** These may include costs for rentals of stages, locations, equipment, furniture machinery, lighting, and sound. For production design, this may include but is not limited to renting or creating/buying of wardrobe, costume, hairstyle and makeup, prosthetics, and set construction.

4. **Visualization and animation expenses.** This may include the preparation of animation and graphic design, including the rental of all equipment involved.

5. **Project-related overheads**. These may include costs for purchase of office supplies, print, and photocopy costs. Purchase of equipment or payment of basic utilities (water, electricity, landline telephone) will not be allowed.

6. **Meals**. Food for the cast and crew during the production.

7. **Accommodations.** These include accommodations in hotels, bed and breakfast, guest houses, cottages, apartments, lodges, etc.

I. What Expenses are Not Allowed

The Fund may NOT be used to cover the costs for the following:

1. Any part of the producer or company's fees;
2. Any expenses outside of the Philippines; and
3. Purchase of any type of equipment (e.g. computers, laptops, tablets, cellular phones, modems, fax machines)

J. How to Apply for the Fund

1. Make sure that you have read and understood the terms of these General Guidelines, as well as the relevant information on *CreatePHFilms Fund for Small Budget Production Guidelines on Eligible Expenses* and the *CreatePHFilms Fund for Small Budget Production Information Sheet* on the expectations and deliverables of the Grantees.

   If you have any questions or clarifications, the CreatePHFilms Secretariat is here to help. Please email createphfilms@fdcp.ph.

2. If the terms of the Fund are acceptable to you and when you are ready to apply, download the *"Call for Application"* folder that includes the guidelines and the latest application form of the Fund from www.fdcp.ph/createphfilms. Please make sure that you peruse the latest guidelines and application forms as these are regularly updated on the website.

3. Fill in and submit the *CreatePHFilms Fund for Small Budget Production - Call for Application Form* and all required documents to createphfilms@fdcp.ph during one (1) of the two (2) application cycles per year. Please be guided by the following:

    a. Application and other forms must be supplied in English or Filipino only.

    b. Submit the soft copy of the full application with the subject field labeled: **CPHFilms - SBP - CALL FOR APPLICATION - [Project Title]**.

    c. When submitting your fully accomplished application, all documents including attachments/annexes must be grouped into a single PDF file (except for the Application Form which should be in Word Format and submitted separately from the PDF file) with all annexes grouped and labeled with the name of the Project in all capital letters (compress the file size to around 10MB if possible) or a file-sharing link well-organized with all the annexes properly named as per the requirement checklist and the name of your Project.

    d. DO NOT send any element or item from your application individually or in separate emails. The CreatePHFilms Secretariat will disregard these and consider your application incomplete.

    e. The official date of submission will be the date the CreatePHFilms Secretariat confirms that your application requirements are complete.

4. The CreatePHFilms Secretariat will verify all the documents and may ask you to provide further supporting documents, should it be decided that the submitted documents contain inadequate details.

5. Once the application is verified complete, please send the hard copy of your signed and notarized Statutory Declaration.

6. After confirming the completion of the application, the CreatePHFilms Secretariat will submit the applicant's Project to the CreatePHFilms Selection Committee for review and consideration.

K. What to Include in your Application

Your application must include all of the following requirements as well as notes on what we will be looking for in your documents:

1. **CreatePHFilms Fund for Small Budget Production - Call for Application Form**

2. **Logline, Synopsis, and Script of the Project.** The synopsis must convey the story of the film, including the ending in two hundred and fifty (250) words, while the script must be production-ready and must be ninety (90) to one hundred twenty (120) pages in industry standard format.

3. **A Copy of the Treatment of the Project.** Make sure that the treatment is able to demonstrate the structure and premise of the story, and the characters and their unique voices and journeys. Animation projects are required to submit an artistic portfolio of the Project (i.e moodboard, storyboard, URL to teaser or inspired short films, etc.), but optional for feature films.

4. **Resume and Filmography**. This should reflect the applicant's relevant works (audiovisual, written, production etc) to demonstrate experience.

5. **Director's Statement**. As a key part of your application, this should reflect the director's creative vision of the Project, personal perspective on the theme, how he/she sees the Project progressing, and intention on how the narrative can relate and appeal to the audience.

6. **Producer's Statement.** This should reflect why the producer wants to produce the film and his/her belief in the Project and the director, as well as plans on pushing forward with the film's production (funding, distribution, and exhibition plans).

7. **Scriptwriter's Certification** *(Template Provided)*

8. **Production Schedule** *(Template Provided)***.** The timeline should detail the target dates for your milestones on when you intend to start your principal photography, post-production and distribution plans. This should reflect that the production is ready to commence its principal photography within six (6) to eight (8) months upon application.

9. **Proposed Budget for Production and Financing Plan** *(Template Provided)*. For the financing plan, this must be matched to the budget and supported by documentation and must include the following, but not limited to:

    a. Distribution agreement/deal memo offer from an established theatrical distributor for a Philippine release;
    b. An acceptable offer to represent the Project for Rest of World (ROW) sales;
    c. Details of any third party financiers including any letter of interest/commitment with terms of their offer from those parties on their letterhead;
    d. Letter from a lender advising their terms for any finance elements that require to be cash flowed;
    e. Letter from related parties outlining acceptable terms of reinvestment or deferral;
    f. Letter of interest on agent or representation letterhead for any named key talent; and
    g. Financing from another government agency - the decision date is required and a plan how this gap would be filled if unsuccessful

10. **Recoupment Waterfall Structure** *(Template Provided)***.** This determines to whom and in what order the film income will be distributed.

11. **Marketing and Distribution Budget and Strategy.** This can be within the Philippines and/or abroad setting out the target audience and how to reach them.

12. **Statutory Declaration** *(Template Provided)***.** This certifies that as an applicant, you have read and understood the terms and guidelines of the Fund.

If applicable,
1. A copy of the **source material or previous script** if it is a rewritten work.
2. For adapted works, **authorization letter for the adaptation** issued by the copyright holder
3. For confirmed financial resources, **proof of the financing** in place. Keep in mind that applicants must update the CreatePHFilms Secretariat if there will be a new financing partner in the production
4. For confirmed key personnel, cast and crew, **letters of agreements**

If available,

1. **Documents relating to the "Chain of Title" and underlying rights**. These are documents that the producer (if attached already) owns or controls the required rights to produce the film
2. **Copy of the Insurance Coverage.** The applicant's company must provide insurance coverage for cast and crew, and public liability insurance required to make the Project.
3. **Evidence of an International Sales Agent**
4. **Documentary proof for the distribution of the Project.** This can be a release in a festival/commercial/VOD distribution.

Kindly take note that you make your application at your own risk. The FDCP will not be liable for any loss, damage, or costs arising directly or indirectly from the application process, the FDCP's decision to refuse your Project, or from dealing with your application in any manner.

L. What Happens to Your Application

Once your application has been accepted, your Project will be evaluated by a Selection Committee, an independent body composed of members with expertise across the areas of film production. All the information you provided in your application will be held by the FDCP on a strictly commercial-in-confidence basis and will only be shared to the CreatePHFilms Secretariat, the Agency's Philippine government counterparts, Selection Committee, and consultants if necessary.

The review of projects will be based on the following:

1. Degree to which the work promotes the Philippine culture and territory;
2. Degree to which the production contributes to the Philippine film industry's economic development;
3. Financial strength and stability of the Project;
4. Degree to which the Project encourages diversity and inclusion;
5. Distribution potential through festivals, theatrical release, and other platforms in order to reach domestic audience;
6. Quality of the team and talent, script, scriptwriter, producer and production company attached to the Project; and
7. Proposal on where the applicant intends to spend the Fund

If necessary, FDCP will seek the advice of one or more independent film production consultants on a strictly commercial-in-confidence basis to provide an independent assessment on the expenditures and budget of the Project.

Please note that in addition to the above considerations, your application may be accepted or declined if it does not comply with all of the guidelines of the Fund as stated herein.

The decision of the Selection Committee is final and irrevocable. The Committee is not obliged to give any further explanation for the results.

M. Next Steps

1. After the Selection process, you will be notified of the results of the Selection via an official letter.

2. If your Project is approved, an e-meeting will be held with the CreatePHFilms Secretariat to discuss the Project and sign the Memorandum of Agreement (MOA) with you.

3. Your production shoot must begin within six (6) to eight (8) months after you sign the MOA.

4. You will receive the first sixty percent (60%) of the Fund at least two (2) months before the confirmed first day of the principal photography of the film, upon submission of all of the following documentary proof:

   a. Cover Letter *(Template Provided)*
   b. Production Schedule (with confirmed locations)
   c. Detailed Updated Production Budget
   d. Signed Contracts with the Above the Line Crew (director, producer, cinematographer, editor, production designer) and Principal Cast
   e. List of Crew and Cast
   f. Insurance policy for cast and crew, and public liability insurance
   g. If available, Proof of Financing (Guarantee Letter from Financier or Bank)
   h. Safe Filming Registration

5. Grantees must coordinate with CreatePHFilms Secretariat to conduct meetings to discuss plans, progress, and expectations for deliverables. Aside from the meetings, a production visit must be also conducted during production, and/or post-production to shoot promotional behind the scene material: photos, videos, interviews, etc.

6. Grantees must accomplish and submit a Progress Development Report within thirty (30) days after the last day of the principal photography. *(Template provided)*

N. Final Report Process for Approved Grantees

1. Grantees must submit the following complete requirements for the Final Report within one (1) year after the signing of the MOA to createphfilms@fdcp.ph with the subject: **CPHFilms - SBP - FINAL REPORT - [Project Title]**.

   a. CreatePHFilms- Small Budget Production Final Report
   b. Shooting bible and/or daily production reports
   c. Copy of the final production schedule *(Template provided)*
   d. Copy of the Filipino filming permits from the local authorities
   e. Copy of the fully executed contracts with the key cast and crew
   f. List of the full personnel, cast and crew, that worked on the Project
   g. Cost and narrative report on the fund amount spent for the production with the corresponding Certified True Copies of qualified and valid Official Receipts and Sales Invoices
   h. Updated distribution plan (theatrical release/festival/broadcast/ VOD platform, etc.) within the Philippines and/or abroad
   i. Final chain of title
   j. Updated final recoupment waterfall structure which determines to whom and in what order film income is distributed. *(Template provided)*

   If available,
   a. Existing communication materials (e.g. poster(s), flyer(s), press release kit(s), etc.)
   b. Distribution contract(s) for a theatrical, VOD and/or festival release in the Philippines

c. A copy of the international sales agreement(s) or contract(s)
d. A copy of the agreement letter(s) with film festival(s)

2. The CreatePHFilms Secretariat will verify all the documents and may ask to provide further supporting documents, should the FDCP decide that the submitted document contains inadequate details.

3. Once the Final Report is verified complete, the Grantee must send the hard copy of all the Certified True Copies of all valid Official Receipts and Sales Invoices corresponding to the declared eligible expenses for the Fund. The hard copies must be sent in an envelope in the following format:

   Envelope Label:
   CreatePHFilms Fund for Small Budget Production Submission
   Final Report
   "Project Name"
   Grantee's Name
   Film Development Council of the Philippines
   855 T. M. Kalaw Street, Ermita Manila, Philippines 1000

4. After confirming the completion of the report, the CreatePHFilms Secretariat will submit the Final Report to the FDCP Accounting Unit for audit.

5. The FDCP Accounting Unit may ask the Grantee to provide further supporting documents for audit purposes.

6. Upon approval of the Final Report, the Grantee will receive the payment of the next twenty percent (20%) of the Fund within sixty (60) days.

7. The remaining twenty percent (20%) of the Fund will be received by the Grantee once the responsibilities and deliverables of the Final Report and of the final film have been complied and submitted.

To learn more about the requirements of grantees who have been approved to receive the Fund, see *CreatePHFilms Fund for Small Budget Production Information Sheet*.

O. Recoupment of Investment

1. As the Project starts earning its proceeds from its exploitations, it will be the responsibility of the Grantee to return FDCP's contribution through a manager's check within two (2) weeks from the collection of proceeds from each exploitation.

2. To monitor this, the Grantee must submit to the CreatePHFilms Secretariat a quarterly audited report of sales and disbursements for two (2) years or until such time that FDCP has received its full return of investment sum, whichever is earlier.

P. Other Funding Opportunities

For projects in different stages of development and production, CreatePHFilms also provides the following Funds:

1. Scriptwriting

2. Project Development
3. Large Budget Production
4. Post-Production

Q. Contact Us

These guidelines are provided by FDCP in order to provide applicants with all the information and details that they need to know and consider if they are qualified to apply and can comply with the requirements of the CreatePHFilms Program.

We recommend that you get in touch with the CreatePHFilms team if you have any questions or clarifications about your application. See our contact details below:

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