CreatePHFilms
Film Development Council of the Philippines

FUND FOR SMALL BUDGET PRODUCTION

INFORMATION SHEET

CYCLE 1 2022

FILM DEVELOPMENT COUNCIL OF THE PHILIPPINES

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

CREATEPHFILMS
Fund for Small Budget Production

INFORMATION SHEET
(Cycle 1 2022)

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).

This document details the information and requirements you need to know once your Project has been SELECTED to receive the Fund.

This must be read in conjunction with the *CreatePHFilms Fund for Small Budget Production General Guidelines*.

A. When will I get the Fund?

Upon the notification of your selection, FDCP will be providing you a Memorandum of Agreement (MOA) for the grant of Fund for your Project and will be conducting a meeting with you to discuss the terms and requirements. The MOA for the Fund is a legally binding document and it is important that you read it carefully before you sign it.

The payment of the Fund shall be made in **three (3) tranches**:

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 after the submission and verification 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 staff (director, producer, cinematographer, editor, production designer) and principal cast
e. List of cast and crew
f. Insurance policy for cast and crew, and public liability insurance
g. Safe Filming Registration
h. If available, proof of financing (guarantee letter from financier or bank)

You will receive the payment of the next **twenty percent (20%)** of the Fund within sixty (60) days, upon the approval of the Final Report which requires the submission of the following:

a. Filled up 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, who 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 recoupment waterfall structure (this determines to whom and in what order film income is distributed) *(Template provided)*

If available,
a. 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. Copy of the international sales agreement(s) or contract(s)
d. Copy of the agreement letter(s) with film festival(s)

You will receive the remaining **twenty percent (20%)** of the Fund once your responsibilities and deliverables of the Final Report and of the final film have been complied and submitted.

In the event of a legal dispute, arbitration, or judicial proceedings, the FDCP reserves the right to withhold the approved fund payment until the matter is settled, or the FDCP is at the impression, after assessment of the dispute, that it is satisfied to release the payment.

B. Do I have to repay the Fund to FDCP?

Yes. As the CreatePHFilms Fund for Small Budget Production is recoupable, this means that FDCP stands to receive back its maximum investment 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, local and international 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).

The Fund can also be nullified with immediate effect and the FDCP can ask for a refund from you upon breach of the terms of the MOA.

C. How do I spend the Fund?

You may start spending the Fund **after you receive the first tranche or sixty percent (60%)**. It is important that you spend the Fund **according to the eligible expenses** declared in your budget proposal.

As FDCP is accountable for the taxpayers' money entrusted to us, we must be able to verify where the Funds that we granted to you were spent. This is why there is a liquidation process during the Final Report stage where you need to submit a cost and narrative report of your spending.

For specific details and documents that you need to submit, please make sure to read the *CreatePHFilms Fund for Small Budget Production Guidelines on Eligible Expenses*.

D. What if I don't fully spend the Fund?

We encourage you to fully spend the Fund and according to the proposed spending in your application documents. However, in the event of partial or under spending of the Fund, you must return the remaining amount to FDCP. You will also still be expected to fulfill all of your responsibilities and obligations under the Agreement.

E. What are my responsibilities and obligations?

All of your responsibilities and obligations will be detailed in the MOA, but we specify here the key elements of your obligations as a recipient of the Fund:

1. Allow the CreatePHFilms Secretariat to conduct meetings to discuss plans, progress, and expectations for deliverables.

2. Spend the Fund according to the guidelines on eligible expenses and provide Certified True Copies of Official Receipts, Sales Invoices, and other documentary requirements.

3. Register the production under the FDCP's Safe Filming Program: www. safefilming.ph and comply with comply with the government's minimum health standard protocols on set and adhere to health and labor-related laws/policies such as, but not limited to, the following:
   a. Republic Act 11058 or the Occupational Safety and Health Standards Act
   b. Republic Act 7877: Anti-Sexual Harassment Act of 1995
   c. Republic Act 11313: Safe Spaces Act
   d. DOLE-FDCP Joint Memorandum Circular 001, Series of 2020 on the Guidelines Governing the Working Conditions and Occupational Safety and Health of Workers in the Audio-Visual Production Industry

4. Allow the CreatePHFilms Secretariat to visit during pre-production, production and/or post-production to shoot promotional behind the scene material: photos, videos, interviews, etc.

5. Comply with the reportorial requirements as set out by the guidelines for the Progress Development Report and Final Report.

6. Notify the FDCP of any change in the production schedule as well as when the Project will start and end the principal photography, start post-production, and completion of the Project.

7. Notify the FDCP via official communication under any of the following circumstances:

   a. If the rights option is going to lapse, be terminated, or be varied.
      You, as the Grantee, must own the rights over the Project, which shall not be assigned to anyone else. The Fund can be nullified, and/or refunded in any case.

   b. Should there occur any force majeure or similar conditions, which may delay or prevent the timely completion or fulfillment of the Project and the attainment of its objectives.

You must specify the cause and its implications and consequences, so we may work together to adopt remedial measures.

c. Should there be a delay in the timeline.
You must specify in the extension request to FDCP with a clear and valid reason and a proposed new delivery date. The request and new delivery date must be approved by FDCP. Otherwise, it will be considered as a breach of Agreement.

8. Allow the FDCP to monitor and audit the Project's eligible expenses up to the fund amount and submit the production's overall expenses based on the budget submitted during the Call for Application.

9. Comply with the recoupment structure of the Fund (see *How will FDCP receive its recoupment?* below for your specific responsibility).

10. Grant FDCP "co-producer" rights and credits in all matters relating to the film, including but not limited to, opening titles and end credits. Presentation credits shall be as follows:

    a. In the opening credits before all other credits or logos: The CreatePHFilms logo and FDCP's full screen animated logo including any logo soundtrack.

    b. In the main credits (wherever they appear - whether at the beginning or end of the film): *"In association with the Film Development Council of the Philippines"*

    c. In the closing/end credits (in sizes and presentations of equal prominence with other financiers): The FDCP's logo and/or name, and the words: *"This film is a recipient of the CreatePHFilms of the Film Development Council of Philippines"*

11. Add the logo of the CreatePHFilms in all applicable promotion materials, posters, DVD, commercials, promotional clips, and all versions of the Project pitched or screened/broadcasted internationally.

12. Provide the FDCP, after completion of the Project, promotional materials, non-commercial communication rights to the following: trailer(s), excerpts, official poster(s) of the film, film stills, behind the scenes, press kit, on-set pictures, interviews of the cast and crew, making of video to promote the FDCP, Filipino locations, cast, and crew.

13. Send a secured screening link of the film for FDCP's approval before release.

14. Deposit a copy of the film and its non-video assets to the FDCP Philippine Film Archive (PFA).

15. Provide to FDCP non-exclusive, non-commercial rights to screen the Film in all platforms including, but not limited to, theatrical, home, digital and online for a maximum of three (3) screenings a year within five (5) years after its first two (2) years of commercial run.

16. Grant FDCP exclusive rights to the Philippine premiere of the Film (for example: as opening or closing film) at the Pista ng Pelikulang Pilipino or in a similar FDCP-

partnered or supported project as determined by the Agency. No payment can be demanded from the FDCP for this screening or for any non-commercial use of the Film.

17. Submit within two (2) years after the conclusion of the Project a full report of domestic and/or international Box Office.

18. Give back to the community by rendering return service through participation in various FDCP programs and activities by either being a guest, mentor, or speaker in FDCP initiated training and workshops in at least four (4) events within two (2) consecutive years after the submission of the Final Report.

19. Hold FDCP harmless and indemnify FDCP against any third-party claim in connection with infringement of any intellectual property right, or any accident, injury, loss, or damage caused by the performance of the Agreement.

Should you renege from your responsibilities as specified therein and/or the FDCP determine the applicant to be in violation of the terms of the MOA, the FDCP reserves the right to prohibit you, your principals, and any parent or subsidiary companies from applying or accessing further funding from FDCP for a period of two (2) consecutive years upon written notice.

F. How will FDCP receive its recoupment?

1. For this Fund, the FDCP stands to receive a Return of Investment (ROI) up to 100% of the fund granted to the Project. This will be the last reimbursable amount from the financing plan to be recouped only after the deduction of the following costs of your production:
   a. Production Costs
   b. Distribution
   c. Sales fees and expenses
   d. Collection account fees *(if any)*
   e. Repayment of debt *(if any)*

2. The FDCP expects to recoup the investment alongside other government funding and similar equity investors including related parties. The recoupment will come from all exploitation of revenue streams, including, but not limited to, theatrical release, VOD, and ancillary rights exploitation.

3. The FDCP may appoint a professional third-party collection agent to collect its return of investment from the film.

4. For this purpose, you must submit to the FDCP a quarterly report of sales and expenses for two (2) years or until such time that FDCP has received its full return of investment.

5. You must remit FDCP's contribution through a manager's check in the FILM DEVELOPMENT COUNCIL OF THE PHILIPPINES' name, delivered within two (2) weeks from the collection of proceeds from each exploitation.

6. FDCP will take ownership of a percentage of the Film Rights (pursuant to the fund investment arrangement) and in accordance with the Financing Plan and Production

Budget, until such time that the maximum return of investment in the amount of One Million Pesos (P 1,000,000.00) is recouped by FDCP.

G. What are the FDCP entitled to?

As a funding partner, the FDCP will be entitled to the following:

1. Approve the terms of all other investment in the production, including independently-sourced private investment.

2. Receive a copy of, or electronic access to, weekly and monthly producer narrative reports, cost reports and balance sheets, duly signed by the Company's representative and accountant.

3. Receive a copy of, or electronic access to, daily call sheets, rushes, daily progress reports (DPRs).

4. Monitor and audit the expenses up to the fund amount and confirm the production's overall expenses.

5. Be consulted before any update of the Chain of Title (new partner, financiers, sharing the rights, etc.) and also be notified of any artistic, financial change in the Project.

You must remember the acronym, ***CREATE***, as your reminder for the CreatePHFilms Fund for Small Budget Production:

- **C**-omply: As a recipient of the Small Budget Production Fund, you have to comply with the deliverables. The CreatePHFilms Secretariat will send you a copy of your calendar of deliverables that will serve as your guide.
- **R**-eview: Always review the guidelines and terms and conditions of the funding, as well as your documents and requirements before submitting them to CreatePHFilms.
- **E**-valuate: Please evaluate and check your Project and schedule. If there are changes, kindly notify and report to us. If you won't be able to submit your deliverables on time, kindly send us a request letter for an extension at createphfilm@fdcp.ph stating your reason and proposed date of completion of requirements.
- **A**-udit: Please keep in mind that all your expenses and receipts must be documented as our Audit Team will check and balance all your necessary spendings and financial transactions related to your Project.
- **T**-imely: Your accomplished deliverables must be submitted on time.
- **E**-xpect further updates from us. We know that it will take time to accomplish all the requirements but our team will extend its efforts to help you.