

OUTWARD SOUND Business Development Grant Support Document

This document should be read in conjunction with completion of the Outward Sound Business Development grant application template. Failure to follow the appropriate guidelines may render your application null and void.

Consult the Export Manager if you are unsure of any information contained herein.

INTRODUCTION

The purpose of providing assistance for market development initiatives is to encourage the entry of New Zealand music and musicians into global markets. New Zealand music industry practitioners (artists, managers etc) and firms (record companies, associated businesses) can apply for assistance through the programme. The business support grant provides specific assistance to attend tradeshows (Midem, SXSW, CMJ, Big Sound etc) to improve and broaden international commercial links. The grant provides basic costs (Airfares, Accommodation, Per Diems) for one or two people traveling to a specific event.

The Outward Sound programme is implemented and managed by the New Zealand Music Commission. It is inclusive of music from all genres, styles and niches and applicants may target relevant markets around the world. Applicants at different stages of international market development can access the programme. The foundations of the programme are research, collaboration, network development and information sharing.

GUIDELINES FOR COMPLETING OUTWARD SOUND APPLICATION FORM

Before sending in an application you must engage with the Outward Sound office to discuss your project and gain approval to apply for funding. This applies to resubmitting an application that was previously turned down, or any new project.

Applications must be completed electronically for ease of processing. You are required to print the whole document, sign the declaration page and supply an original copy when submitting your application. In addition to this it is essential to email a copy to international@nzmusic.org.nz no later than 5pm on the closing day of the round.

A signed copy must be received by the Outward Sound office no later than 5pm on the closing day of the round, **no exceptions**.

Handwritten applications will not be accepted.

General Points in Relation to the Business Development Grant

- The minimum grant available is \$1,000 i.e. \$2,000 of eligible costs.
- The maximum Business Development grant available is \$5000 i.e. \$10,000 of eligible costs.
- Grants are funded on a dollar for dollar matched basis.

- Expenditure must be paid for in advance of reclaim.
- In the case of air travel applicants may be requested to show evidence of travel by boarding pass, therefore airline-boarding passes should be retained in all cases.
- Reporting is a mandatory requirement of all grants not only in direct relation to the project period, but also following the grant for statistical purposes.
- A portion of the grant will be withheld until final reports have been submitted.
- Applicants must be GST registered. (For any exceptions please contact the Outward Sound office)
- It is essential you have a well thought out business plan for your company/project.
- As this is a business development grants program you will need to show how this will grow your business internationally.

Retrospective Funding

Outward Sound grants are not retrospective. This means that the retrospective date is only allocated when a complete proposal has been received by the Outward Sound office. Any costs incurred before the application is received will not be eligible for reimbursement should the grant request be successful.

Internal Costs

- Outward Sound grants do not cover internal staff costs i.e. salary or wage costs. Nor do they cover any business as usual costs already being incurred by the individual or company.

OUTWARD SOUND BUSINESS DEVELOPMENT GRANT PROGRAM

Business Development Grant

- Grants up to - \$5000 i.e. Projects up to the value of \$10000

Outward Sound Business Development grants enable up to 2 representatives to undertake a market development visit. This involves traveling to the desired market (or markets) and meeting with companies/individuals associated with your business plan. This grant applies to managers, artists, companies wanting to expand their business by attending tradeshows and associated events.

REPORTING

In all cases detailed reporting is required at the end project. Any reporting should:

- Describe the activities undertaken, the costs of those activities and any actual or potential gains made.
- Identify strategic networks being targeted or being used.
- Summarise the outcomes resulting from the trip.
- Modify or confirm the business plan (including, if appropriate, a schedule of next steps as a basis for further support).

APPLICANT ELIGIBILITY

An applicant may be a business, music industry practitioner or artist, but must be:

- A clearly defined legal entity (e.g. individual person, company, registered partnership, trust).
- Artist must be a New Zealand citizen.
- Registered in New Zealand for tax purposes.
- Operating or intending to operate in a commercial environment.
- Financially viable to the extent that they can demonstrate how they can finance at least 50 percent of the cost of the marketing initiative.
- Able to demonstrate they have the capacity and capability to carry the initiative through to completion.
- Crown entities, government departments and their agencies are ineligible for support from Outward Sound grants.

MARKET ELIGIBILITY

The following requirements apply to each applicant's international market development initiatives when seeking an Outward Sound grant:

- The repertoire promoted must be by a New Zealand citizen.
- The initiative must have the realistic potential to increase the applicant's commercial viability and sustainability.
- The marketing initiative must add value to the applicant's existing business.
- It is expected that the applicant retain a portion of the value of the business generated through the initiative in New Zealand.
- The application must demonstrate how the initiative could impact for the benefit of the New Zealand economy both quantitatively and qualitatively.
- The activity must be consistent with relevant laws and regulations.

ELIGIBILITY CRITERIA

Market development expenditure must support a strategic market development initiative in an overseas territory. The assessment of eligible activity will take into account New Zealand's international multilateral and bilateral trade commitments.

Any or all of the following categories may be eligible provided they are justified by the applicant's project plan and are endorsed by the Commission's in-market intelligence and analysis. Only actual costs incurred by the applicant are eligible.

Applicants are expected to comply and obtain the relevant visas for the targeted territory as required.

ELIGIBLE COSTS

Market Visits

- Costs related to travel to particular international destinations.
- Applicants should look to find the most economically priced fare without causing unreasonable disruption to reach their destination. Please note that Outward Sound cannot fund business class flights.
- Accommodation.
- Per Diems (up to \$100 per day per person (Outward Sound will pay up \$50 per person)
- Registration fees relating to attendance at trade fairs and events.

INELIGIBLE COSTS

Ineligible costs include the following:

- Capital expenditure.
- Costs towards (or any subsidy of) the creation, production and distribution of the product that is being marketed and promoted internationally with Outward Sound support (e.g. commercial CDs).
- Costs directly associated with income-generating performances.
- Activity that would more appropriately be supported through the mandate of other agencies (such as Creative New Zealand, NZ On Air, NZ Trade & Enterprise), research and development more suited to the Foundation for Research Science and Technology (FRST), support and tourism-based marketing expenditure that is better suited for Tourism NZ.
- Costs that were not incurred, including redemption of loyalty rewards such as air miles or air points.
- Retrospective costs (i.e. costs incurred by the applicant prior to the completed application being received by the Commission).
- Costs related to existing roles within New Zealand and international markets
- Costs related to transfer pricing or discounts.
- External consultancy / invoiced work being undertaken off-shore by an immediate family member of the applicant, except where that individual is the established and bona fide business representative and demonstrably the best person to undertake the work.
- Costs of anyone with a financial interest in the marketing initiative (e.g. shareholder of the applicant company) except where that individual is the established and bona fide business representative and demonstrably the best person to undertake the work.
- Work being undertaken by the applicant's employees or employees/office holders of any subsidiary/associate/parent company except where that work is specifically for the market initiative and displacing their normal salaried or contracted role within the organization.
- Costs associated with making an application under any government assistance program.
- Taxis/transfers/parking costs unless pre approved by the export manager.
- Fines (Parking fines, speeding tickets etc)
- Cell phone/landline and internet charges.

- No additional allowances will be made for use of accommodation for meetings. Funding is for the primary purpose only i.e. as a place of accommodation. This means also that phone charges, room service, laundry, bar, valet etc are also ineligible.
- Internal staff costs. I.e salary and wages.
- Band equipment i.e. strings, drum sticks, leads etc.

Please note: this list is provided for information purposes and the Commission reserves the right to exclude other costs as ineligible if appropriate i.e. support inconsistent with New Zealand's trade obligations.

OUTWARD SOUND APPLICATION FORM

The information below relates to the Business Grant application.

Part One – Applicant Details

This first section should be self explanatory to applicants. If you are applying for an Outward Sound grant and you are not a registered company, business partnership or sole trader, please verify with the Export Manager that your application will be for consideration.

Part One – General Information

This section allows the Commission to gain an understanding of the business or individual applying for funding. Applicants must have the ability to fund their share of the project costs and may be asked for evidence of this.

Part Two – Information and Planning

This section is for the applicant to put into their own words the planned project.

A company biography and client history is required for all Business Grant applications, this includes an overview of the business and brief historical summary.

Associated with the outline of the activities to be undertaken is the associated timelines and the way in which the Outward Sound grants program will be able to measure success.

A project plan should include the following;

- i) The importance of attending the event for your business/artist.
- ii) The current activity already occurring internationally.
- iii) The key people involved in the project, including an itinerary for the trip.
- iv) Any other factors that the applicant thinks relevant to the project
- v) Overview of the business and historical summary.
- vi) Catalogue being promoted

Funding is designed to allow you to focus on business activities. Therefore you must make a declaration if you intend to have any personal time within the funded activities i.e. taking a weeks holiday. This may result in a reduction of eligible funding.

Part Three – Schedule of Project Costs

You must complete this table for all individual items that you are wishing to apply for grants funding. It is recommended that you show the total cost of the project activity along with the eligible components so the grant assessment panel can see the total contribution that the applicant is making.

Please name the people taking part in the project.

Please include how many days the schedule of costs relates to.

The schedule of projected costs on the application form is divided into three cost areas.

These are:

- **Flights and Accom – National:** For travel costs in NZ only (e.g., travel to Auckland airport from Dunedin etc).
- **Flights and Accom – International:** This includes per diems.
- **Trade Shows:** Costs associated with attending trade shows.

Where you have travel requirements, show the final destination that you will land in and if more than one sector flight is required, indicate this also e.g. flight from Auckland to Los Angeles and then internal flight to Austin. You are not able to claim the cost of rental cars or taxi/bus fares (unless expressly agreed on a case by case in advance).

Where you have accommodation, show the number of nights you will be staying and the location of the accommodation (city). If you are sharing accommodation with another party who is also applying for an Outward Sound grant, the costs of the accommodation must be split between the two parties i.e. you cannot claim the full amount for each grant application.

Per Diems are acceptable as an eligible cost to a maximum amount of NZD \$100 (\$50 Outward Sound funding) per day per person. These must be tallied on a spreadsheet with a breakdown of who has received this money and the days they received it. This document must be signed by each recipient.

You must keep proof of expenditure in order to claim these costs. This means boarding passes/tickets and receipts from accommodation and incidentals. Reimbursement will be by way of actual expenditure as set out in the schedule of project costs.

Where you are engaging external experts, please supply quotes for activities to be undertaken with your grant application. Where this is not possible you will be expected to supply proof of expenditure through a signed copy of the supplier invoice indicating that payment has been made in full for services provided.

Any costs incurred in foreign currency will need to be converted back to NZ dollars and GST added when you claim. This should also be reflected in the schedule of costs table

e.g. accommodation of £200 would convert as follows, Pounds to NZD exchange rate 0.40 equals NZD \$500 plus GST \$62.50, total eligible cost \$562.50 divided by two, grant payment NZD \$281.25. Grants are on a dollar for dollar basis where eligible. In kind contributions are not eligible costs for consideration when requesting reimbursement.

In all cases please indicate when you anticipate incurring the costs and when you expect to apply for your funded portion. When claiming Outward Sound money it is necessary to use the *OS Recipient Claim Form* template in order to make the correct calculations. This document is sent to all successful applicants. You will need to create a tax invoice from your entity to the Commission and attach relevant receipts and Invoices to make any claim. Also note that grants are GST inclusive and claims must also be GST inclusive.

Funding is considered income and must be declared as such for NZ tax purposes. You should always seek independent financial advice if you are unsure of the implications to you or your organisation.

Part Four – Confirmation and Acknowledgement

You must sign the declaration page before submitting your application. If you are unsure of any items on this page, please consult with the Export Manager. Terms and conditions may vary at the discretion of the Export Manager.

Finally you are required to attach a bank deposit slip as evidence of an NZ bank account and this will be used for reimbursement of granted funds.

Part Five – Application Checklist

Applicants must make sure they have signed the declaration, completed all sections to the best of their ability and attached a suitable business plan.

Please check that you have completed the project costs table correctly. Where external suppliers are being used all endeavours must be made to supply quotations with the application.

SUPPORTING MATERIAL

In completing the application you should undertake the following,

- Any relevant press and publicity information.
- Relevant quotes (as set out below). Where quotes cannot be easily obtained e.g. online travel bookings then relevant details should be attached electronically estimating costs of travel.
- Any letters/emails of support.

CONDITIONS FOR ASSESSMENT OF APPLICATIONS

The Outward Sound Grants budget is limited. Applications to receive grants will be carefully assessed to ensure they meet the criteria, and that the project/activity involved has been thoroughly planned and has good prospects for commercial success.

All applications will be reviewed for eligibility and completeness following the close off of a round. Receipts will be acknowledged by email on delivery of a completed application.

Any incomplete proposals will be returned to applicants for completion, with the retrospective date only allocated when a complete proposal has been received by the Commission (please ensure you submit all the required supporting information listed in the application form). If you are unsure of any criteria please contact your Export Manager.

Once it is established that the basic entry criteria have been met, the application is assessed based on the value of the project/activity, its planning and prospects for success.

General Criteria:

Each applicant's business and marketing plan (including promotional material) and evidence of domestic and international achievements to date will be assessed to determine:

- The quality of the New Zealand music being promoted relative to other music products in the international music marketplace
- The applicant's business capability, access to capital and ability to sustain international networks
- The suitability, and relevance of the planned activity.
- The interests and trends of music consumers in the target territory.

The assessment panel's knowledge will be supplemented when necessary by consultation with music industry professionals operating in the target territories.

This process will enable the applications for Outward Sound grants to be priority ranked according to their realistic potential to have a beneficial impact, direct or otherwise, on the domestic music industry and the New Zealand economy.

CLOSING DATES

Please refer to the Funding Deadlines document downloadable from the Outward Sound section of the www.nzmusic.org.nz website.

CONTACT DETAILS

Please verify you have completed the application via the checklist on the form.

We recommend you courier your application to us as we will not be responsible for any late applications. Should you choose to post your application please allow 7 days for delivery.

Post:
Outward Sound
New Zealand Music Commission

PO BOX 68-524
Newton
Auckland 1145

Courier:
Outward Sound
New Zealand Music Commission
7 Great North Road
Ponsonby
Auckland

Delivery by hand must be with prior approval and should be directed to the Export Manager.

Applications must be received by the Outward Sound office in both digital and physical form by 5pm on the closing of any round, there are no exceptions. Late applications will no be considered.

If you are unsure about any information regarding your application, please contact the Outward Sound team.

Contact: Gary Fortune (Export Manager) or Alan Holt (Export Coordinator)

Email: international@nzmusic.org.nz

Phone: +64 9 376 0115

Fax: +64 9 376 0116

Web www.nzmusic.org.nz