

# OUTWARD SOUND

taking new zealand music to the world

## OUTWARD SOUND GRANT SUPPORT DOCUMENT

### OUTWARD SOUND GRANTS

#### INTERNATIONAL MARKET DEVELOPMENT GRANTS

- Market initiatives are eligible for a maximum of \$100,000 (GST inclusive) over a 3-year lifetime.
- The minimum grant available is \$1,000 i.e. \$2,000 of eligible costs.
- The maximum grant available is \$50,000 i.e. \$100,000 of eligible costs.

#### INTERNATIONAL BUSINESS DEVELOPMENT GRANTS

- Grants up to - \$5,000 i.e. Projects up to the value of \$10,000.

#### TRADESHOW DELEGATE GRANTS

- See individual delegate application forms for details.

### GENERAL GRANT INFORMATION

- 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 with held 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/project plan for your proposed project.
- As this is a business development grants program you will need to show how this will grow your business internationally.
- 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.

### 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.

### MARKET ELIGIBILITY

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

- The marketing initiative must add value to the applicant's existing business.
- The activities must have a new international focus and not comprise 'business as usual'.
- 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 financially.
- The activity must be consistent with relevant laws and regulations.
- Applicants are expected to comply and obtain the relevant visas for the targeted territory as required.

## 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 business and project plan. Only actual costs incurred by the applicant are eligible.

## 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.
- Travel insurance, work visas, and band equipment insurance are acceptable costs.
- Excess baggage costs for transporting band equipment.
- Hiring a tour vehicle.

### IN-MARKET REPRESENTATION

- In-market advisors and consultancy.
- Legal costs associated with the establishment of the in-market representation and directly applicable set up costs.
- Lawyer fees.
- Performance visa costs.

### MARKET-SPECIFIC ADVERTISING, PROMOTION AND COLLATERAL

- Consultants related to marketing, advertising, PR strategy and placement.
- Advertising and promotional placement costs.
- Freight costs directly related to the market development activity.
- Production costs directly related to any promotional material.

## 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.
- 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
- 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.
- 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

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## INELIGIBLE COSTS (CONTINUED)

- **Business as usual' costs are not funded under this program. Costs related to (normal business) operating expenses, expenditure not related to the strategic market development initiative, business establishment and the purchase of assets. This means that the expenditure supported by the Outward Sound grants program must be directly related to an international market development initiative that aims for a significant improvement in the applicant's business situation. It could, for example, include a new geographical region, a new album release/project, a broader consumer base, new opportunities for strategic relationships or other changes in the marketing mix and new market niches.**
- **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.**

## BUDGET COSTS

**Applicants must complete the Outward Sound Costs Schedule. The schedule is divided into six cost centres. International Market Development applicants are able to enter costs in all six centres as required. International Business Development applicants should only fill in the Flights And Accom National, Flights And Accom International and Trade Shows cost centres.**

**Please keep the following information in mind when completing your cost schedule.**

**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.**

**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 Deims 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/service providers, please supply quotes for activities to be undertaken with your grant application.**

**Any costs incurred in foreign currency will need to be converted to NZ dollars. This should also be reflected in the budget. e.g. accommodation of £200 would convert as follows, Pounds to NZD at an 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.**

**Freight costs will be allowable where the freight component is for a showcase event or trade show. If applicants are unable to freight goods to the destination, then consideration will be made for the rental of similar equipment for the purpose of the showcase. Capital expenditure will not be allowed nor will allowances for customs charges.**

## 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. Receipt 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 the Export Manager.**

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## CONDITIONS FOR ASSESSMENT OF APPLICATIONS (CONT)

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 International Market 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, robustness and likely degree of 'international connectedness' of the marketing strategy proposed.

The competitive quality of the artists' work, the capacity of their record company and management infrastructure and the strategy described in the business/marketing plan will be considered in light of external factors including:

- The interests and trends of music consumers in the target territory
- The success of various promotional strategies for different genres in the target territory
- The nature of the music industry in the target market and the quality of on-the-ground support available for the proposed initiative.

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.

## HOW THE OUTWARD SOUND GRANT IS ADMINISTERED

Outward Sound applicants will be notified by email regarding the success of their applications. Successful applicants will be sent a contract and the OS Recipient Claim Form. Once the contract is signed they will be able to claim their approved costs. They will need to create a tax invoice from their entity to the New Zealand Commission attaching the completed OS Recipient Claim Form and all relevant receipts and invoices. They do not have to claim all the funds at one time. They will be able to make multiple claims up to the value of their approved costs.

Also note that grants are GST inclusive and claims must also be GST inclusive.

## OBLIGATIONS OF SUCCESSFUL APPLICANTS - REPORTING

### FINAL REPORT:

In all cases detailed reporting is required at the end of the project and where projects last for more than six months, interim reporting will be required. Any reporting should:

- Describe the activities undertaken, and any actual or potential gains made.
- Media links, reviews relating to the project activity.
- Summarise the outcomes resulting from the trip.
- Report on the targeted milestones in you plan.

### UPDATES:

For the year following the awarding of the grant the recipient will be asked to provide brief updates regarding recent developments relating to their project overseas.

### ANNUAL REPORT:

The Annual Report is due 60 days from the end of the financial year in which the grant was awarded. The Annual Report must include:

- The Outward Sound outcomes you have achieved from undertaking the Outward Sound Work
- Domestic and Export turnover for that financial year.

## CLOSING DATES

Please refer to the Funding Deadlines document downloadable from the Outward Sound section of the [www.nzmusic.org.nz](http://www.nzmusic.org.nz) website.

## CONTACT DETAILS

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](mailto:international@nzmusic.org.nz) Phone: +64 9 376 0115 Fax: +64 9 376 0116 Web [www.nzmusic.org.nz](http://www.nzmusic.org.nz)