

RULES AND REGULATIONS

Silesian Film Fund CROWDFUNDING PATH

§ 1

1. The objective of the crowdfunding path within the Silesian Film Fund, hereinafter referred to as “the Fund”, is to support - on the basis of the rules and regulations stipulated below - the film productions which 50% of financing comes from crowdfunding via the operating crowdfunding Internet platforms mediating in raising funds for the production of a film from the Internet users on a voluntary basis.
The Silesian Film Fund allows the producer/applicant to create their own platform with the use of which the funds will be raised by the principle of crowdfunding.
2. As far as this Regulation is concerned “Crowdfunding” is referred to as the method of capital raising and allocation transferred to support given undertaking - film production in exchange for the specific reimbursable or non-reimbursable benefit, which involves a wide circle of investors and is characterized by making use of the Information and Communication Technologies, as well as low entry barriers and better transaction conditions than widely available on the market.
3. All settlements, arrangements and obligations of the the applicant/producer with the individuals supporting the subject on the basis of crowdfunding as well as tax, penal, civil and administrative consequences resulting from raising the funds by the means of crowdfunding hold the applicant/producer together with the cooperating subjects or contractors realizing the crowdfunding campaign responsible.
4. The applicant is obliged to open separate bank account where the funds raised on the basis of crowdfunding will be stored.
5. The film productions applying for funding from the financial means of the Silesian Film Fund must be connected with the Silesian Voivodeship through the choice of theme or location.
6. The Fund has been created under the auspices of the “Silesia - Film” Institute In Katowice, hereinafter referred to as “the Institute” which manages the Fund.

§ 2

1. The Institute becomes co-producer of the selected productions on the following terms:
 - a) the Institute can cover up to 30% of the costs required to participate in a given enterprise, at the same time the capital invested by the Institute must not amount to less than 10 000 and more than 200 000 PLN,
 - b) the Institute receives one copy of the film on the type of data storage carrier determined in the co-production agreement,

- c) the minimum of 50% of the capital invested by the Institute in the given co-production must be spent in the Silesian Voivodeship.
2. The remaining terms regarding the participation of the Institute in the production and utilization of the given film shall be stipulated in the co-production agreement.

§ 3

1. Only subjects who run their business activity in the field of film production can submit their applications to the Fund.
2. Each subject is allowed to submit the maximum of two applications per calendar year.
3. Applications, prepared in Polish according to an up-to-date example, along with all the necessary attachments shall be submitted to the Institute's headquarters at the following address: ul. Górnicza 5, 40-008 Katowice. The latest application form is available on the Institute's website, i.e. www.silesiafilm.com, as well as at the Institutes' headquarters. The current Funding for Film Production Application Form is enclosed herein as Attachment No.1.
4. Applications along with the script shall be mailed in electronic version to sfc@silesiafilm.com.
5. The receipt of applications for the crowdfunding path of the Silesian Film Fund is held on a permanent basis.
6. Applications submitted to the Fund cannot refer to films whose public screening took place before the date of issuing the application or whose production ended up at the stage of preparing the master copy.
7. Applications submitted to the Fund cannot refer to films which are made or will be made with the participation of employees of the Institute in the following positions: producer, director, cinematographer, screenwriter, and production manager.
8. Formal evaluation of the applications will be carried out by employees of the Institute.
9. Should any flaws be found in the application, the Institute shall call upon the applicants to amend them within the time limit of 7 days after receiving a formal notification. Time limit is considered observed only if the amended application in printed version is received by the Institute within the stipulated time limit. In the case of applicants who are located abroad the time limit is 14 days. Failure to correct the application within the time limit or submission of the application without all flaws amended shall result in rejection of the application.
10. Applications which fail to meet the following requirements shall be rejected without calling upon the applicant:
 - a) lack of connection between a given production with the Silesian Voivodeship through the choice of the production's theme or location,
 - b) failure to enclose a screenplay and/or an agreement confirming acquisition of copyrights to screenplay,
 - c) submission of the application by a different subject than the one specified in §3 point 1 herein.

11. Before entering the negotiations regarding the co-production agreement's conditions the applicant is required to submit the statement of the required amount raised on crowdfunding basis in order to cover the production costs and is able to produce the bank statement from the separate bank account.
12. The process of form-related reviewing of the application takes 30 days starting on the date of its submission.
13. The annual crowdfunding financial means at the disposal of the Fund will be specified by the separate directive of CEO of the Institute. Film projects submitted after budget depletion in a given calendar year may be, on the motion of the producer, postponed to the following year.

§ 4

1. After the form-related evaluation, the applications are submitted to the Silesian Film Fund Commission in order to establish the co-production capital investment.
2. The Commission consists of:
 - a) CEO of Institute,
 - b) Deputy Director,
 - c) a representative of the Members of Silesian Regional Assembly (Sejmik Województwa Śląskiego),
 - d) a representative of film industry, appointed by the CEO of Institute.
3. The procedures concerning the works of the Commission are described in separate Rules & Regulations.
4. Having taken into consideration available financial means, the Commission decides which of the applicants shall be invited to negotiations as well as what amount of co-production capital investment shall be proposed.

§ 5

The project which obtains support on the crowdfunding basis may apply for additional funding by traditional means in accordance with the principle that the capital investment of the Institute will not amount to more than 50% of the budget.

§ 6

1. The list of applicants who are invited to negotiations is published on the Institute's website.
2. The Institute notifies the applicants invited to negotiations by post or e-mail.

§ 7

1. The Institute prepares a co-production agreement and sets the date with the given applicant for signing the agreement not later than 60 days from the date of receiving by the producer required financial means from the crowdfunding. Signed by both parties, the agreement is now to be executed.

2. The producer is obliged to execute the project not later than two years from the date of accepting the application by the Commission.
3. The financial means for co-production granted in the agreement are transferred to the bank account specified therein.
4. Having spent the financial means granted by the Fund, the applicant submits a report to the Institute, according to the example provided in Attachment No.2 herein, presenting financial settlement of the expenses incurred. Certified copies of all the bills and invoices along with the proofs of payment and concluded agreements documenting expenses covered by the sum received from the Fund should be enclosed with the report. The aforementioned documentation should include the following clause:
‘The expenditure in the amount of ... was financed from the means provided by the “Silesia-Film” Institute within the Silesian Film Fund granted in the year ...’
5. Having finished production, the applicant submits post-completion statement of expenses.
6. Non-settlement of the granted and transferred amount within the time limit specified in the agreement shall result in the obligation to return the granted amount with added interest charges on tax liabilities.
7. Detailed terms of co-production are stipulated in the co-production agreement. Basic mandatory terms of the co-production agreement are included in the essential terms of the co-production agreement, as described in Attachment No.3 herein.

§ 8

1. The Institute reserves the right to carry out an audit of the documents which constitute the basis for spending the means granted by the Fund. Such an audit can be carried out within the period of 5 years from the date of submitting the post-completion statement of expenses described in § 8 point 5.
2. The means provided by the Fund can only cover eligible expenses.
3. Expenses considered eligible while realizing a film production are those which are actually incurred by the applicant and meet the following criteria:
 - a) expenses which are expedient - i.e. are incurred in connection with the production whose realization was granted financing, are indispensable for completing the task, are directly connected with the production realization schedule;
 - b) expenses which are declared in the financial estimation (budget) enclosed in the agreement;
 - c) expenses which result from rational and economical management of public means with regard to achieving best possible results with the resources the applicant has at his/her disposal;
 - d) expenses which are incurred in the period between the 1st January in the year in which the co-production agreement is signed and the date determined in the agreement;

- e) expenses which are scrupulously documented and possible to verify in the applicant's financial records;
 - f) expenses which conform to the national laws and regulations;
 - g) expenses which refer to the services performed or goods delivered (they are not subject to settlement of advance payment).
4. The means provided by the Fund can only be used to cover the following expenses:
- a) remuneration, except for:
 - remuneration to which the applicant is entitled on account of all the functions performed by him/her as a natural person running a business activity (registered in the CEIDG, i.e. the Central Registration and Information on Business),
 - advance payments on remuneration,
 - permanent salaries for the applicant's full-time employees,
 - b) expenses connected with bookkeeping and legal advisory in reference to filmmaking if the service rendered is clearly described on the bill or invoice;
 - c) expenses connected with elements of stage production (set design, costumes) provided that the rules for administering these means by the Producer have been earlier established in consultation with the Institute, as well as the guidelines of how to handle them after the production has been completed;
 - d) expenses for transportation only on the basis of bills and invoices issued by outsourced companies, indicated as external service providers, excluding transportation of people (taxi, railway, public transport, etc.);
 - e) expenses for preventive catering on film set, according to the Health and Safety Regulations (BHP);
 - f) expenses connected with notarial deeds and stamp-duty - when they are directly connected with film production and necessary for its realization;
 - g) VAT tax - when it is incurred by the applicant who is not eligible for deduction on the tax (who is not a VAT payer);
 - h) expenses for external services and materials, not enumerated above, connected directly with the production of the given film and documented with bills and invoices indicating types of services rendered;
 - i) taxes on civil-law agreements paid in the period stipulated in the expense agreement.
5. Documents which constitute the basis for settlement of accounts of the production supported by the Fund should include:
- a) a description substantiating the purposefulness of the expenses,
 - b) a legible signature of the person who is factually responsible for the incurred expenses,
 - c) a clause stating: *'The expenses in the amount of ... were financed from the means provided by the "Silesia-Film" Institute within the Silesian Film Fund*

granted in the year ...' along with a signature of the person responsible for the financial settlement,

- d) documents which constitute accounting vouchers are as follows: invoices and bills, civil-law agreements and receipts.
6. It is not allowed to settle accounts on the basis of receipts or declarations describing the costs incurred by the applicant.
 7. Accounting documents prepared in foreign language should be submitted with the Polish translation.
 8. The means granted from the Fund cannot be used to cover undocumented or inadequately documented expenses; neither can they be used to cover expenses that are not directly related to the project nor those that are excessive and unreasonable.
 9. The means granted from the Fund cannot be used to cover expenses connected with: fixed assets and office equipment, expenses connected with preliminary works (development), depreciation expenses, expenses connected with making more than 1 screening copy, expenses connected with promotion as well as any of the expenses connected with business travels (transport of people, hotels, allowances, etc.).
 10. It is not allowed to settle accounts by including the applicant's collective documents which are not expressly connected with the given production (e.g. aggregate invoice for electricity, water, telephone, permanent salaries of full-time employees, etc.).

§ 9

The applicant is obliged to include information about the Institute's participation in the production in the promotional materials as well as in the beginning and final credits of the film according to the example included in the agreement.

§ 10

Submitting an application to the Fund is equivalent to acceptance of the terms stipulated in these Rules and Regulations.

§ 11

1. All matters not addressed to herein shall be decided by the Silesian Film Fund Commission in compliance with a discretionary standard and generally applicable provisions of law.
2. The Silesian Film Fund Commission makes the final judgement of legality and admissibility of the crowdfunding method employed by the applicant, which does not release the applicant from liability as stipulated in article 1, paragraph 3 in these Rules and Regulations.

Attachments:

1. Funding for Film Production Application Form
2. Example of financial settlement of incurred costs.
3. Essential Terms of Co-production Agreement.