

Katowice, 23.01.2013

Silesian Film Fund

Rules and Regulations 2013

§ 1

1. The objective of 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 are connected with the Silesian Voivodeship through the choice of their themes and/or locations.
2. 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.
3. The financial means at the disposal of the Fund come from the Silesian Voivodeship budget in the form of a donation granted yearly as well as from the profits obtained by utilizing films co-produced by the Fund.

§ 2

1. Having completed the qualification procedures, the Institute becomes a co-producer of the selected productions on the following terms:
 - a) the Institute can cover up to 50% of the costs required to participate in a given enterprise,
 - 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, as well as the rules concerning the organization of premieres, 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. Applications, prepared 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.

3. Applications shall be submitted within the time limit determined in the guidelines regarding applications for funding. Time limit is considered observed if the given application is submitted to the Institute before the deadline determined in the guidelines regarding applications for funding.

4. 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.

5. 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.

6. Formal evaluation of the applications will be carried out by employees of the Institute.

7. 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. 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.

8. 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.

9. The application which meets all the necessary requirements shall be handed over to appointed experts to undergo content-related evaluation.

10. The process of reviewing the applications takes 90 days starting on the date established as the deadline for their submissions.

§ 4

1. In the evaluation, among others, the following criteria are taken into consideration:

- a) connection between a given production with the Silesian Voivodeship - through the choice of the production's theme or location;
- b) its artistic, cognitive, humanistic and ethical values, including: precision in the dramatic structure, characters' psychological depth, quality of

dialogues, innovativeness, originality of the theme, elements of surprise and twists of action;

- c) the producer's and director's achievements hitherto, including artistic and economic results of their previous productions;
- d) participation of co-creators (within the meaning of art. 69 of the Copyright and Related Rights Act of 4 February 1994) and actors coming from the Silesian Voivodeship in the production;
- e) expected economic result the production is to bring;
- f) amount of money to be spent in the Silesian Voivodeship.

2. Projects concerning feature films and animations are evaluated by 3 experts, projects concerning documentaries - by 2 experts. The experts are assigned to a given project by drawing lots. The list of experts is approved by the Silesian Film Fund Commission, hereinafter referred to as "the Commission".

3. The experts appointed by the Fund provide their services for remuneration. The decision regarding the level of their remuneration is made by the Commission on the Institute's recommendation. The financial means for the experts' remuneration come from the budget of the Fund.

4. Any person who participates in any way in the project undergoing evaluation, or is anyhow connected with it, must not take part in its evaluation. The experts sign an appropriate statement.

5. Each expert evaluates a given project in writing. S/he adds remarks regarding the project, including especially suggestions for changes and necessary corrections.

6. Each expert submits the written evaluation of the project to the Institute within 30 days of receiving the project.

7. The Institute can turn to the Polish Film Institute requesting a consultation, an additional expert assessment of applications or financial settlements, or a proposal of a given project's evaluation carried out by the Polish Film Institute as well as by other Regional Film Funds.

§ 5

1. After the form- and content-related evaluations, the applications along with the experts' recommendations are submitted to the Commission so that those applicants who shall be invited to negotiations can be selected.

2. The Commission consists of:

- a. CEO of Institute,
- b. an employee of Silesia Film Commission,
- 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 the expert evaluations and 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 Commission decides which applicants shall enter the reserve list and be invited to negotiations in case the applicants described in point 4 above should fail to sign an agreement within the time limit determined in § 8 point 1.

§ 6

The project which fails to receive a financial support in a given edition of application period can be submitted to the Fund in two next consecutive editions.

§ 7

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.

3. Detailed evaluations of the projects are made available to the applicants in the Institute's headquarters after the applicants have applied for a viewing in writing and made arrangements regarding the date and timing of such a viewing.

§ 8

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 publishing the list of subjects invited to negotiations.

2. Signed by both parties, the agreement is now to be executed.

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 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.

§ 9

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 between the date of signing the agreement 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. Honoraria, 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 honoraria,
 - 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;
 - 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. 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.
8. 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.)

9. 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.)

§ 10

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.

§ 11

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

§ 12

The Rules and Regulations become effective according to the Ordinance No. 34/2011/2013 issued by the CEO of "Silesia-Film" Institute in Katowice on 22 January 2013 regarding the date when the Rules and Regulations of the Silesian Film Fund as well as the Rules and Regulations of the Silesian Film Fund Commission become effective.

Attachments:

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