

Fact Sheet: Production Funding for short films and short-form series

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1 Focus and goals of the film financing

IDM Film Fund & Commission provides funding for film and television productions with the objective of achieving a quantitative and qualitative strengthening and further development of the film- and creative industry in South Tyrol. South Tyrol film financing also provides a contribution to cultural diversity and to the reinforcement of the audiovisual sector in Europe. Furthermore, the aim is to achieve a macroeconomic and in particular a territorial effect for South Tyrol (= Local Spend) within its film sector.

Our tasks include:

- providing you and your production company with comprehensive information about our film-funding program;
- answering your questions related to film financing;
- accepting, processing and evaluating film funding applications; and
- overseeing the disbursement of funds, ensuring that all conditions required in order to pay out the individual installments are fulfilled (including verification of rights and the budgeting and financing of your project).

In order to optimally develop South Tyrol as a film location and strengthen it over the long term, we also ensure that you involve local film professionals and specialized service providers.

2 Which types of short films and short-form series do we fund?

Production Funding is available for the funding of short films and of short-form series (hereafter “short film funding”).

Film and television production companies are eligible to apply, regardless of the country in which the headquarters or a subsidiary of the applicant company is located. In the case of a co-production, the majority producer usually submits the application. If a producer from South Tyrol or Italy is involved in a national or international co-production, the South Tyrolean or Italian production company generally submits the application for funding, regardless of its status in the co-production consortium. In these cases, it is the South Tyrolean or Italian co-production partner’s share which will be funded.

The film and television production companies must have access to sufficient financial resources and be able to guarantee high-quality production.

Short films with a total length of up to 52 minutes can be funded. For short-form series, the total length of all episodes must not exceed 52 minutes.

Under our short film funding program, we support cinema, TV and VOD projects.

Eligible for funding are film projects that are suitable for a sector-typical national and/or international distribution (media and festivals). Accordingly, films that are primarily intended for contexts and forms of distribution other than film festivals and the cinema, such as installations, exhibitions, galleries, museums, theatres, projections in public spaces, and films that are produced exclusively for educational, information and Internet purposes, are not eligible for funding.

The following are not eligible for funding: commercials, music videos, magazine programs, sports programs, TV shows, as well as reality TV and docutainment formats and projects that are likely to contain pornographic, racist, seditious or otherwise illegal content. In addition, commissioned productions **which are fully financed by broadcasters or platforms** cannot be funded.

Film and television projects which are final projects in connection with educational training courses will only be accepted from educational training institutions in South Tyrol. In this case, the relevant training institution is entitled to apply.

Please note that under the short film funding program we generally give preference to productions for which all the items provided for in the financing plan have already been confirmed at the time of application, with the exception of the funding amount applied for from IDM.

3 What form does our funding take?

IDM Südtirol funding takes the form of loss contributions – regardless of the economic success of the production.

4 Level of Funding

IDM funding may not exceed 30,000 euros per short film or short-form series. However, funding from IDM can only amount to up to 70% of the estimated total production costs.

IDM South Tyrol expressly reserves the right not to approve application amounts in full.

Under the short film funding program you are requested to provide proof that at least 60% of the funding granted is verifiably spent in South Tyrol. This must be ensured in particular by the inclusion of South Tyrol film makers in the core creative team (production, screenplay, direction, acting, image design, editing, set design and music).

If you indicate a higher Local Spend in the final cost estimation of the funded project on which the application or the Unilateral Declaration of Commitment is based, the production must actually achieve this spend.

5 Selection criteria

Funding will be given to projects whose production has a positive impact on South Tyrol's cultural economy and educational offer, which contribute to the strengthening and visibility of South Tyrol as a media location and which are suitable for supra-regional/international evaluation. Further criteria that will be taken into account in the selection process:

5.1 Artistic and cultural quality

Criteria for the artistic and cultural quality of audiovisual works include the content-related, historical, contemporary, creative, social or societal relevance of the material, the narrative and linguistic development of the script or treatment and the dialogue, the expected creative and visual realization of the work as well as the competence of the filmmakers involved in the areas of directing, acting, image design, editing, production design and music.

5.2 Equal opportunities

Another criterion that is taken into account in the selection process is a balanced ratio of women and men among the participating filmmakers, especially in leading positions in the areas of production, screenplay, direction, acting, image design, editing, production design and music.

5.3 “Green Shooting“

An important step towards ecological and sustainable film productions in South Tyrol is the introduction of the “Green Shooting” certificate.

When applying for funding, the producer can commit to fulfilling the “Green Shooting” parameters when filming in South Tyrol and will receive the “Green Shooting” certificate if they are complied with. The possible measures are divided into seven criteria: Communication, Energy, Mobility and Accommodation, Catering, Material, Waste Management and Innovative Ideas. The decision to shoot sustainably in South Tyrol will be positively evaluated in the selection of funding applications.

You can find all the details in Annex A – “Green Shooting Parameters” and the “Green Shooting Guide” in the “Green shooting” area in the section “Film Commission” (<https://www.film.idm-suedtirol.com/en/film-commission/green-shooting>), where we also provide a checklist and templates on energy and transport.

6 How does funding actually unfold? From application to Unilateral Funding Obligation

Up to three dates per year are set by which time funding applications can be submitted. The dates (calls) are published on the IDM website (<https://www.film.idm-suedtirol.com/en/funding/submission-deadlines>).

Applications are submitted exclusively via our online platform where you can create, edit and submit your application at any time. It will then be considered during the next examination window, which starts at noon on the respective application deadline.

Please note that we will only be able to send you a login to our online platform after you have undergone a consultation with us regarding the project that you would like to submit for funding. This consultation must be conducted at least **10 working days** before the end of the submission deadline. IDM Südtirol expressly reserves the right to disqualify projects for which no consultation session has been set within the specified period.

6.1 Timing

Within approximately six weeks after the start of the relevant examination window, IDM and its panel of experts evaluate the submitted projects with regard to content-related, cultural and financial criteria. During the funding session, the panel of experts then recommends the acceptance or rejection of the respective grant application.

Within seven to eight weeks after the start of the relevant examination window, IDM finalizes the list of projects to be funded, on the basis of recommendations by its panel of experts. IDM Südtirol will inform you in writing whether your project receives funding.

In the event of a rejection, you will receive a notification from us stating the reasons why the application could not be accepted. This notification will state the reasons why the expert panel and IDM are opposed to funding your film project. Within the period of 30 days from receipt of this letter, you can submit written objections or request a hearing. After this 30-day period, IDM will then issue its final decision.

If the panel of experts and IDM agree to fund your project, you will receive a letter which has the character of a general, but time-limited funding commitment.

Within the period specified in this funding commitment (within 12 months), you have the opportunity to provide evidence of funding for the project receiving support

If

- neither examination of the final cost estimation nor your planned expenditures in South Tyrol result in any objections,
- you have made a plausible case regarding the project's final financing plans,
- and the final legal review of the project is also positive,

then we will issue a project-specific Unilateral Funding Obligation letter (in German: **Einseitige Verpflichtungserklärung or EVE**). This letter sets forth all of the exact funding conditions (including the total amount of the Local Spend, number of shooting days in South Tyrol, recognized production costs and other project-specific conditions) and is a **final, legally binding funding commitment**. The Unilateral Funding Obligation is comparable to a grant agreement.

Please note that IDM Südtirol commissions an auditing company to carry out all economically and financially relevant auditing steps prior to issuing the EVE. This company will contact you directly upon your Grant Approval in order to request any more detailed documents you may need for the audit. After we have sent out your Grant Approval, we will send you further written information about this procedure in a timely manner, as it individually relates to your project. You will also find general information in this Fact Sheet, beginning in Section 16. Please do not hesitate to contact us should you have further questions.

6.2 Consultation

As previously mentioned, we require that you participate in a project-specific meeting with one of our funding consultants before we can send you the login details to our funding platform. In this interview, we will inform you about the basic requirements for the preparation of an application, either in person or via telephone. Please schedule this appointment at least **ten working days** before the relevant submission deadline.

6.3 Application form and submission

After your consultation, you can register at the online platform <https://filmfund.idm-suedtirol.com/>. After we have activated your account, you can log into and out of the platform, fill out your application form online, upload the necessary documents and finally submit your application.

We will provide your application with a legally required revenue stamp. We ask you to transfer this **application fee of € 16.00** directly to the bank account of IDM Südtirol. Please bear in mind that your application will only be admitted for further examination if it has been submitted to us in full and the application fee has been paid. Further information can be found in Section 9 of this Fact Sheet.

6.4 Withdrawal and re-submission of applications

Submitted applications may be withdrawn, without justification, up to a maximum of two weeks after the relevant submission deadline. When this occurs, the submission is deemed to have never occurred.

Subsequent withdrawal is possible only in exceptional cases: A **written request** for the withdrawal of the project must be received by IDM Südtirol no later than 6:00 pm on the day before the respective IDM panel of experts funding meeting (approximately five weeks after the end of the submission deadline) and a specific justification is required. It is at the discretion of IDM Südtirol whether or not to grant a request for withdrawal.

Rejected projects may be resubmitted at any time, but **only one time and only after substantive changes to the project or application**, following a new consultation (see Sections 6.2 and 6.3 of this Fact Sheet). Examples of substantial changes include a new script or the confirmation of a new and decisive financing component.

In the event of a re-submission, please indicate these substantial changes in your application in the space provided and state the reasons why you consider a resubmission based on the substantial changes to your project to be justified.

6.5 The panel of experts

The panel of experts is not a deciding but rather an advisory body. We do, however, attach great importance to the opinions of its members and formulate our recommendations in consultation with the panel. We present this recommendation to the Director of IDM, which ultimately decides which projects receive financial support.

7 What is required in order to apply for funding?

You can submit the following documents in German or Italian and English translation or in the original English version. Documents in other languages will not be considered in the evaluation of your application. In each case IDM Südtirol must receive all documents marked with an asterisk (*) in two languages in order to perform its evaluation: The synopsis, treatment and/or script as well as the *Producer's Note*, *Director's Note* and the Utilization Concept must be submitted in the original language as well as in English.

All documents may be uploaded as part of the online application form, after you register, at <https://filmfund.idm-suedtirol.com/> (see Section 6.3 of this Fact Sheet). The following documents are required:

- synopsis* (max. 2 DIN-A4 pages, min. font size 10, line spacing at least

1.5) and

- a full script* or treatment* or equivalent concept
- evidence that the necessary rights of usage (e.g. subject, screenplay, title, life story) have been acquired;
- a Co-Production Agreement (in case a co-production relationship exists);
- a Directors' Agreement;
- a *Producer's Note* and a *Director's Note* about the project, which also address its potential realization within the framework of IDM Südtirol's Production Funding criteria*;
- a list of planned cast and crew: Please submit binding commitments. In addition, highlight the roles and positions occupied by persons or service providers whom we should recognize as Local Spend (see also the information in Section 10.11). For this purpose, please include documents in the application documents showing the place of birth or residence in South Tyrol (e.g. identity card). Companies must have their legal domicile in South Tyrol or operate a branch of their company registered in the South Tyrolean Register of Companies.
- the budget estimate, listing any expenditures planned in other places (regions, countries, etc.), shown in separate columns;
- a financing plan that covers the whole project budget, **including** all existing verification of individual financing components;
- an overview of all applications to other funding institutions, whether submitted or planned, including their status;
- current shooting schedule;
- current production plan, which facilitates rate planning ;
- filmography of the applicant company as well as the biographies of the (co-)producers, in industry-standard detail, if available;
- biography and filmography of the director, in industry-standard detail, if available;
- links to screening material and already published film projects (e.g. Vimeo), if available;
- an extract from the register of the applicant production company and its Balance Sheets and Profit & Loss Statements (if any) for the last two financial years;
- Utilization Concept* (if available, enclose letters of intent for festival participation and/or media broadcasting);
- information about training and continuing education for South Tyrolean film professionals within the context of your project (e.g. internships);
- additional visuals, if available;
- contract with the local service producer, if available;
- proof of the required equity capital (5% of the production costs); the corresponding balance must be demonstrated by means of bank confirmation or bank and insurance guarantee respectively;
- the receipt confirming the transfer of the **€ 16.00 application fee**. This should be followed by the project name and the applicant company. IDM Südtirol's bank account information is as follows:

BANCA POPOLARE DI SONDRIO
Account holder: IDM Südtirol Alto Adige AG
IBAN: IT23 Q 05696 11600 000004070X01
BIC: POSOIT22XXX

8 Additional information about the online application

Applications may only be submitted online at the following address: <https://filmfund.idm-suedtirol.com/>. Please read Section 7 of this Fact Sheet carefully. The online application will guide you through the individual sections of the application, step by step. You will first be asked to create your project, and then you can choose the type of funding for which you would like to apply. Unlocked project applications may be edited at any time via the online application. The fields in the application form that are marked with an asterisk (*) are mandatory.

8.1 Incomplete online submissions

If an application is discovered to be incomplete by the submission deadline, it will be archived, provided that the applicant does not remedy the problem within a specified deadline, after having been requested to do so. The applicant may then resubmit at the next call. Please contact us if you have any questions.

8.2 Specified contact person

The production company applying must identify a specific contact person in the application.

8.3 Sufficient depth of detail

Please ensure that all biographies and filmographies go into sufficient, i.e. industry-standard detail. We request the following minimum information for each past project listed in the filmography of the producers and the director:

- risk-bearing (co-)producer(s)
- director(s)
- screenwriter(s)
- main actor(s)
- year of release
- link for viewing (e.g. Vimeo)

Please understand that too little detail can have a negative effect on your application's formal assessment.

8.4 Staff, crew and cast lists

Please create a list, which is detailed to industry standards, including all cast members, creative staff, technical personnel and service providers who are already part of the project team at the time of application, indicating their tax domicile or business location. The latter is particularly important if the relevant person or service provider is to be recognized by us as Local Spend (see Section 10.11 of this Fact Sheet).

If you already have specific names in this regard, please indicate the appropriate residence or company location in the application documents. If, at the time of application, it is clear that a given position is to be recognized as Local Spend, but it is not yet clear who will fill the position, it is sufficient to simply earmark the position.

Please ensure that all of the information in the staff and cast list matches that of your detailed cost estimation.

8.5 Listing all financing components in the financing plan

Please note that it is obligatory that you list all **existing and planned funding components** in the financing plan, specifying both the amount and the type of financing in such a way that a realistic picture of your project's financing situation is created. This also applies to types of financing such as deferrals and provisions, as well as to your personal resources.

If you would like to add further financing sources into your project application after it is submitted, please inform us immediately. This is especially important after receipt of your Grant Approval. Any financing for the project other than what is submitted with the application must be approved by IDM Südtirol. If you have already received prizes, grants or funding in previous phases (e.g. screenplay, project development, pre-production), please include them in the financing plan and list them where required in your online application.

8.6 Verification of existing financial components

In order to mark any components listed in your project's financing plan as "confirmed" (for example, personal resources or a contribution from another film-funding body), your application must be accompanied by documents confirming the funding sources.

Please understand that this is the only way we can get an idea of your project's actual financing situation and thus the closely linked probability of its realization.

Applications that do not include credible proof of confirmed financial components must unfortunately be considered incomplete. As a result, they will not be considered for funding by IDM Südtirol.

9 Budgeting the project

Please find relevant budgeting information summarized below. If you still have questions after reading it, please contact us before completing and submitting the online application. We are happy to help.

9.1 Binding choice of estimation scheme in summary budget

When you apply online, you can choose between an estimation scheme in accordance with the Italian Fondo Unico dello Spettacolo (FUS), the estimation scheme that is common in Germany and used by the Filmförderanstalt (FFA), and the Austrian Film Institute (ÖFI) scheme, which is standard in Austria. Restricting applicants to these three possible estimation methods for your overview cost estimate helps us to better compare your applications.

Please note that your choice is binding and may not be changed.

9.2 More about the detailed budget

In addition to the information in the summary cost estimate, we also request that you upload a detailed budget together with the application. If you need calculation aids (Excel spreadsheets) in keeping with the above-mentioned budgeting methods, you will find them in the [Download Area](#) of our website.

We accept only detailed cost estimations which are based on either the FFA, ÖFI or FUS scheme. If you use a different estimation program, we request that you convert it into one of the above-mentioned schemes.

Please show your planned expenditure in South Tyrol (Local Spend) separately, for example by using a multi-column table or by grouping together certain cost items.

Any economic Local Spend that must be fulfilled for other funding programs must be specified on your application in separate columns.

Please note that we do not accept any lump-sum data within the detailed estimation, especially for larger amounts and for items that qualify as Local Spend. Please list these items in detail within an appendix to the budget.

This applies particularly to film professionals who are to be recognized by us as Local Spend; their period of involvement, fee and food allowance must be broken down in detail rather than quoted as a lump sum.

Major items from service providers such as equipment rental companies, travel and hotel costs, insurance services, post-production services, etc., must be included in the detailed breakdown.

Please note that any deferrals and provisions stated in the financing plan are to be shown separately in the detailed cost estimate, either as your personal services or as third-party services (cf. Section 11+12 of this Fact Sheet).

If you have any doubts, please do not hesitate to consult our funding consultants regarding how you should set up the detailed estimation.

10 Types and recognition of costs

Please include only costs related specifically to the project in your estimate. Expenditures on fixed assets are generally not recognized. Corporate infrastructure costs (copy machine, office rent, and correspondence) are included in the overhead estimation (see Section 10.3) and are thus already covered.

We ask everyone to please observe the basic principles of budgetary rigor.

10.1 Gross versus net

When estimating production costs, **Value Added Tax (VAT) should not be taken into account**. Please estimate **net figures**.

10.2 Expenses, mileage and tariff provisions

Expenses, mileage allowances and tariff provisions apply in accordance with the national legislation of the respective contractual relationships. If this concerns a legal framework outside of Italy, Austria or Germany, please attach the guidelines to your final cost statement (see final audit further below), translated into Italian, German or English, after completion of production. We expressly reserve the right to set caps for these items.

10.3 General expenses, producer's fees & cost overrun reserves

Producer's fees and cost overrun reserves are not admitted under short film funding. For cinema and festival projects we can accept up to 7.5% general expenses, for TV and VOD productions up to 6% general expenses on the net production costs.

10.4 Cost reductions

Please do not forget to deduct cost-reducing earnings (for example rebates, discounts, or revenue from the sale of props) from the production costs. This is especially true at the final settlement of account of the project.

10.5 Project-related financing costs

Project-related financing costs are, in principle, recognized to a reasonable extent. Interest on your own funds may not, however, be included in the budget.

10.6 Tax accountancy costs

Producers can claim the project-related costs of **tax accountancy** which are incurred in Italy. If these are provided by a local service provider, they can also qualify as Local Spend. We are happy to help you find appropriate partners.

10.7 Personnel costs

Personnel costs must be estimated in keeping with industry standards and in compliance with employment regulations, wage provisions and the minimum wage. Please note that personnel costs should be listed as net amounts in the estimate (see Section 10.1), whereas ancillary wage costs have to be listed separately.

10.8 Up-front costs

It is possible to recognize a maximum of 2.5% of the production costs for up-front costs, but IDM Südtirol explicitly reserves the right to refuse them. In the case of films for which cost-intensive development is necessary for demonstrable reasons, a maximum of 10% of these costs can be accepted upon substantiated application in writing. Exceptions to this rule are only possible in special and substantiated cases.

10.9 Cost of the Final Audit

For the Final Audit (see Section 17 of this Fact Sheet), which is carried out by an independent auditing firm commissioned by us, please estimate 3% of the requested funding amount, with a minimum amount of € 500 and a maximum of € 15,000 for a grant amount of up to € 500,000. If the subsidy amount is higher, please estimate an additional examination fee of 1% of the excess funding amount. These costs are recognized by us as a Local Spend, provided that the auditing company is based in South Tyrol. The commissioned auditing firm will send you an invoice for the fees after their audit has been completed.

10.10 Withholding taxes

Please note that in the case of **grant recipients with a registered office in Italy**, we deduct 4% from each grant installment as input tax. This is an Italian state tax, which is levied on grants if the recipient carries out business activities in Italy. We will pay this tax to the responsible tax office on your behalf. We will also send you a

tax summary the following year, officially confirming that it has been paid. Using this document, you can **deduct** the amount withheld from your tax liability.

Grant recipients **without a registered office in Italy** should provide a certificate of residency issued by their tax office – when the first installment is requested, at the absolute latest – indicating that the producer concerned does not have tax liability in Italy. Once this has been certified, we can pay out the grant amount **without withholding the tax**.

10.11 Local Spend

In order to help you estimate your Local Spend in South Tyrol, we have set forth below some basic principles and rules that govern which costs qualify as Local Spend, and to what extent.

We reserve the right to exclude some costs that you in fact may have estimated as Local Spend. In the case of a positive decision, it is possible that this could result in the grant amount you requested not being approved in full.

The final approval of costs as a South Tyrol Local Spend is decided during the Final Audit (see Section 17 of this Fact Sheet).

General Principles

In general, all types of expenses within the context of the total budget are recognized as Local Spend. IDM Südtirol, however, advises against estimating the contingency fund as Local Spend.

In principle, the rates and tariffs that are accepted in the applicant production company's country of origin and that are customary for tax purposes may be estimated on all expenses.

In case of any doubt, please consult with us **whilst you are putting together the estimate** that you will submit to us with **your application**.

Car rentals

For car rental invoices, the location of the company headquarters is not relevant. However, the company must have at least one registered branch in South Tyrol. The vehicles must be rented or delivered in South Tyrol and intended for use predominantly in South Tyrol. In addition, a verifiable connection with the project's realization in South Tyrol must exist, e.g. during the local shoot.

The same rules apply when renting a car through a broker (that is, a car rental company that does not have its own fleet, but rents out cars via various companies). In addition, the following documentation must be available at the Final Audit so that the car rental can be qualified as Local Spend:

- Total amount of the service
- Detailed list of rented vehicles (vehicle with registration number, number of days)
- Voucher showing date and place of rental and return, with the license plate of the respective vehicles listed

Tolls

Toll receipts are accepted as Local Spend only when both the highway entrance and the exit are located in South Tyrol.

Fuel costs

Receipts from gas stations located in South Tyrol as well as fuel cards bearing the stamp of local gas stations are generally recognized as Local Spend. If you use a so-called "Multicard", the location of the gas stations must be recognizable as being located in South Tyrol for the purposes of the Final Audit.

Finance costs

Project-related financing costs only qualify as Local Spend if the headquarter of the relevant bank is located in South Tyrol.

Overheads

Overheads are recognized as Local Spend if the production company which receives the grant is headquartered in South Tyrol.

Hotel bills

Hotel bills only qualify as Local Spend if the bill is issued by a hotel physically located in South Tyrol. For hotel bookings via a travel agency, the categorization is based on the location of the hotel, not that of the travel agency.

Mileage allowance

Mileage qualifies as Local Spend if the driven car is registered in South Tyrol or if the main residence of the owner is located in South Tyrol. Mileage estimation is based upon the official (ACI) tables.

Childcare

Costs for childcare on the set are also accepted if the caring structure is located in South Tyrol or the service is provided by a person with Local Spend.

Cost of the Final Audit

The cost for your Final Audit, which is carried out by the auditing firm commissioned by IDM Südtirol, qualifies as Local Spend, provided that the company's headquarter is located in South Tyrol.

Location rentals

Rental costs for locations in South Tyrol generally qualify as Local Spend.

Fees and wages

Wages and fees generally qualify as Local Spend if the primary residence of the employee is located in South Tyrol. Fees of those born in South Tyrol but not domiciled there also qualify as a Local Spend, until further notice, if they are freelance film professionals. Wages of those who were born in South Tyrol but are not domiciled here – and are permanent employees rather than freelancers – **do not qualify as Local Spend**. Similarly, this rule applies to producer fees for South Tyrolean producers whose companies are not headquartered in South Tyrol.

Please note that film professionals may not claim a double Local Spend. If someone is recognized as Local Spend in more than one region, it is up to the producer to decide in which region he or she should be estimated as Local Spend for any given project.

In your application, please separate off the incidental wage costs (employer contribution and employee contribution) so that the wages listed in the application, which sometimes become part of the terms and conditions, can be compared with those in the intermediate estimation and then in the final cost estimation.

The duration of involvement for the film professionals must be made clear from of the individual items. Listing of personnel costs should thus always be itemized.

Wages for students and graduates of ZeLIG Film School

Wages for students currently enrolled in South Tyrol's ZeLIG School for Documentary Film, Television and New Media generally qualify as Local Spend.

Commencing with the 2007-2010 training cycle, fees for graduates of the ZeLIG School in Bolzano temporarily qualify as Local Spend if they are freelance film professionals. On the other hand, as far as the producer salaries of "ZeLIG" graduates whose company does not have a registered office in South Tyrol are concerned, these are not recognized as Local Spend.

Internships and apprenticeships

The production company is obliged to provide appropriate insurance to all interns and apprentices. We also expect that food and lodging will be provided by the production company, which is also responsible for complying with any statutory minimum wage. Compensation beyond that is negotiable.

Travel expenses

All travel costs booked through a South Tyrolean travel agency and directly related to the funded production are recognized as Local Spend. However, IDM Südtirol expressly reserves the right to cap the amount.

Online train tickets qualify only if purchased through a South Tyrolean travel agency.

Deferrals and provisions

In exceptional cases, payments/services that qualify as Local Spend can be financed through deferrals or provisions in the financing plan.

Social insurance contributions

For persons not domiciled or born in South Tyrol – even if they are registered in Italy via a South Tyrolean production company for the period of work – incidental wage costs such as the payroll taxes generally do not qualify as Local Spend.

Per diem and catering

For the shooting days that take place in South Tyrol, per diem qualifies as Local Spend regardless of where the main residence of the film professional is located. Estimation of per diem is subject to the tax provisions in the grant recipient's country of origin.

Catering and restaurant expenses are to be deducted from any per diem paid, in accordance with customary practices and taxation regulations.

Per diem paid to South Tyrol residents always qualifies as Local Spend, even if filming takes place outside of South Tyrol.

Contingency

Contingencies are normally not estimated as Local Spend. A contingency only qualifies as Local Spend if it is offset by verifiable additional costs in South Tyrol by the end of the project.

Subcontracting

Subcontracted companies qualify as Local Spend only when they, in turn, fulfil the *General Principles* set forth in Section 10.11 of this Fact Sheet.

Costs of insurance

Insurance costs qualify as Local Spend if the insurance company is headquartered in South Tyrol. If insurance is obtained through a broker, he or she must also be domiciled in South Tyrol.

11 Personal Services

IDM Südtirol considers all of the services rendered by the applicant (whether a natural or legal person) as well as those by the co-producers involved in the project as personal services. This also applies to services provided by shareholders, managing directors or persons with whom the production company has a close economic relationship.

For example, the producer's and co-producer's fees can be recognized as personal services if they acted as production manager, director, lead actor or cameraman in the film project. The producer's exploitation rights to his or her own works, such as the novel, the screenplay or the film music, are also recognized as personal services.

Please **mark your personal services clearly in your cost estimation** or complete your application for a document that lists and explains the personal services, in keeping with the sense of our definition.

- The following applies to **personnel costs** listed under personal services:

Personnel costs for employees must be estimated at a fair market value.

Personnel costs for the managing director or for a shareholder of the applicant company should be estimated at 25% below the market price. The latter contributions, including the producer's fee, may not exceed 20% of the total budget.

- For **in-kind performance/contribution** under personal services:

For in-kind contributions, please estimate at a rate that is at least 25% below the market value. In order to do this, please provide us with offers as soon as possible when applying.

The exceptions are "difficult audio-visual works" (for example, first and second films, documentaries, low-budget productions or other commercially difficult works). In these cases, we may accept higher personal services as an exception to the rule, but expressly reserve the right to set a cap. Please get in touch with us regarding this point when making your application.

For your project's Final Audit, please note that you can only deduct your own services up to the amount estimated.

The Producer's Own Services may be deferred in the personal resources in the finance plan.

12 Personal Resources

Our funding model provides that the producer himself/herself must contribute his/her fair share towards financing the project. This may be provided in the form of equity capital/private funds, deferrals or provisions. Film grants do not qualify as the producer's contribution, with the exception of prize money and reference grants.

Your own resources should be shown separately in the detailed cost estimation.

12.1 Producer's own personal funds (equity capital)

The producer's own personal funds must amount to at least 5% of the estimated production costs, for co-productions, with the percentage based upon the co-production share to be financed by the respective partner.

The producer's own personal funds are provided in the form of cash out of the applicant's assets. Please enclose appropriate bank confirmations with your application as proof of your equity capital.

Borrowing funds as repayable third-party loans and bank loans are also accepted as equity capital.

12.2 Deferrals

Deferrals are accepted up to a level that is appropriate to the project. Please show these entries in the financing plan and provide evidence for all deferred items estimated, with a **signed statement** from the relevant party. This applies both to the applicant company and to third parties.

Your own services (see Section 11 of this Fact Sheet) as well as **services of third parties** may be estimated as deferrals. Please mark your own services and the deferred services of third parties clearly in your **detailed estimation**.

For the Final Audit of your project, please note that you can only bill your own services and deferred third-party services up to the estimated amount.

12.3 Provisions

Please note that items within your cost estimation that can be financed in the form of provisions (for example, in the form of technology) may only be estimated to a maximum of the normal market value. As in the case of your own services and the accrued services of third parties, the provisions should already be **clearly** recognizable as such in the estimation and identified by you accordingly. As proof, we kindly ask you to attach a signed Declaration of Provisions Supplied to the financing plan.

13 Co-productions

If you are part of a co-production, please note any bilateral and multilateral agreements applicable to international co-productions in your financing plan.

14 Cost estimations and financing plan as a component of the Unilateral Funding Obligation (EVE)

If you are awarded a grant and successfully complete the economic and legal review of your final project documents, your final production budget estimation, related Local Spend, number of shooting days in South Tyrol and final financing plan will all form an integral part of the Unilateral Funding Obligation (EVE; see information in Section 6.1 of this document). The EVE is a final and legally binding funding commitment, comparable to the usual grant agreement.

After the EVE is issued, redistributions within the budget are possible. However, the agreed-upon Local Spend must not be reduced. In addition, the involvement of South Tyrolean film professionals and service providers – as per the EVE agreement – must be guaranteed. Budgetary redistributions must also be communicated to IDM Südtirol in a timely manner. IDM Südtirol reserves the right to either approve or not allow these redistributions, and the latter must be reasonably justified by you during the Final Audit, at the latest. In addition, we request that you inform us of any changes to the financing plan underlying the EVE **immediately**, as well as of any adjustments to the production budget. It is **critical** that any budget changes or alterations to the financing plan are approved by IDM Südtirol; otherwise the EVE will become void.

Similarly, IDM Südtirol must be informed immediately about any significant artistic changes. We require that these decisions **must be approved** because they influence the nature of the funded film in a substantial way. This is especially true when, for example, a new director is brought in, or when a lead actor, who had already been confirmed, is replaced.

15 Disbursements of grants

Disbursement of the grant monies is normally carried out in two installments. We would like to underline that the payments are **never made automatically**. You must request the disbursements within certain deadlines, via a request form; the request must be accompanied by specific documents.

The first installment of 70% is made – following issuance of the Unilateral Funding Obligation (see also the information in Sections 6.1 and 14 of this document) – upon closure of financing and after presentation of the appropriate documents. The second installment of 30% is made upon successful completion of the Final Audit.

The individual installments must be drawn down according to the time schedule you submitted as part of the funding application. The associated expenditure must be settled by the end of the following year at the latest. If this deadline passes without your having drawn down the installment and submitted the statement of account, IDM will revoke the contribution. For serious and justified reasons, you may request a postponement of the request for payment of the installment before the expiry of the above-mentioned deadline. If this deadline also expires unsuccessfully, the contribution is automatically revoked.

Please note that the payment modalities and installments in the Unilateral Funding Obligation are generally determined on a case-by-case basis, at the discretion of IDM Südtirol, and may vary from project to project.

General information regarding the disbursement requirements can be found below. All of the project-specific information will be sent to you in a timely manner, in writing, subsequent to a positive funding decision.

16 Installments, deadlines and obligations

Please note that the following instructions are for the sole purpose of providing general information. If your project does indeed receive a grant, legally binding information and all of your project-specific payment modalities will be set forth in your Unilateral Funding Obligation (EVE).

16.1 First installment of 70%

IDM SÜDTIROL will disburse the first installment, representing 70% of the funding amount, at commencement of principal photography and upon presentation of the following documents:

- The project has its own production account.
- The bank confirms the account data.
- Equipment damage insurance is in force.
- A completion bond is in force.
- A preliminary shooting plan for both inside and outside of South Tyrol is delivered.
- final cast list in full, with Local Spend filmmakers indicated.
- final crew list in full, with all team members who qualify as Local Spend
- The final budget has been submitted.
- The final financing plan has been submitted.
- Evidence of closure of financing has been submitted, using specified documents.
- final location list.
- final production plan.

Please note that the first day of shooting must take place within 18 months from the date of the Grant Approval. Please also ensure that the above-mentioned documents are submitted no later than 18 months from the date of the Grant Approval.

16.2 Final installment of 30%

IDM SÜDTIROL will disburse the final installment, representing 30% of the funding amount, upon presentation of the following documents and after the Final Audit:

- call sheet and report of the first day of filming
- publishable PR material (incl. backstage material, at least ten different digital image files in the form of set photos and film stills, a film poster and a film trailer)
- USB stick and download link (minimum requirements for the digital file: mp4, H264, FullHD (1920x1080))
- proof of storage of the answer print in an industry-recognized laboratory or archive; for digital productions, a correspondingly adequate format
- final cost statement, and a report detailing any cost deviations;
- final financing plan.

Please submit the documents for the Final Audit no later than twelve months after the project has been completed. A project is considered completed when the first utilization takes place. These include, for example, the festival premiere, the publication on a VOD platform or the first broadcast.

17 Final Audit

Your Final Audit must be carried out before the final installment is disbursed, and no later than twelve months after the first utilization of your project. In order to properly process it, you must provide a final cost statement and a report detailing the cost deviations (see Section 17.3).

Upon disbursement of the first installment you will receive an e-mail reminder from us summarizing all of the information required for the Final Audit. The auditing firm appointed by IDM Südtirol will examine the documents. The e-mail will clearly outline all of the documents necessary for the Final Audit, which are to be sent directly to the auditing firm. Once the audit of your project has been completed without any objections, and upon our receipt of the formal notification from the auditing firm, you may request your final grant payment.

17.1 Details about the Final Audit

IDM Südtirol has commissioned an auditing firm to perform Final Audits of the funded projects; that firm requires the following documents in order to carry out its Final Audit of your project:

- final cost report, signed by the producer and all co-producers (comparison of actual costs versus planned costs, as set forth in the Unilateral Funding Obligation);
- list of any unpaid invoices;
- final cost report for Local Spend in South Tyrol (in comparison with the estimated Local Spend as set forth in the Unilateral Funding Obligation (EVE) and/or original application);
- ledger for each account of total production costs (Excel spreadsheet or list of booking entries indicating date, document number, supplier/recipient, reason, amount, Local Spend in South Tyrol);
- ledger for each account of Local Spend in South Tyrol (Excel file, only required if not indicated in item 4);
- written report of total production costs (short explanation for any deviation of 20% or more between the cost estimate and the actual costs, per main account);
- financing status (comparison of financing plan as set forth in the Unilateral Funding Obligation with the actual amounts, showing any outstanding payments);
- proof of payment of the individual financing components (bank account statement);
- contracts with any financing partners or co-producers not included in the original financing plan;
- legally signed letter of representation;
- final cast and crew list, indicating respective tax domicile;
- daily call sheets and daily reports, including detailed documentation of shooting dates (locations, exact number of shooting days, shooting period, list of participating crew and cast members);
- film insurance records, in case of damage;
- specifications about any earnings that reduce the production costs (sales of acquired costumes, for example);
- proof that the answer print has been completed (e.g. delivery slip from the film lab);
- specifications regarding running time and format;
- specifications regarding premiere, theatrical release or first broadcast (date, location and/or television station);
- receipt proving that a copy of the film has been delivered to the national archive (for feature films only).

17.2 Additional information

Please also note the following information regarding the Final Audit:

Proper invoices

Expenses may be recognized only when backed up either by a tax receipt or by an invoice in proper commercial form, which has been issued in the name of the grant

recipient and for which actual cash flow can be shown. Individual receipts must be assigned clearly to the project.

Structure and content of the Final Audit

In the final cost statement, please compare the estimated costs, as set forth in the Unilateral Funding Obligation (EVE) or the application, against the actual costs incurred. Likewise, in the final financing statement, please compare the planned financing plan, as set forth in the EVE or application, with the actual financing that took place. Please also indicate any outstanding payments or receipts.

Please keep the original receipts and contracts available for inspection. You may be requested to submit a spot check either to us or to the external audit firm.

Please ensure that the accounting for the Final Audit is carried out in an industry-standard, commercially recognized and informative manner, with absolute transparency. Please always staunchly maintain the principles of budgetary rigor. IDM Südtirol expressly reserves the right of full access to all books and accounts of its funded films, as well as to all supporting documentation; IDM Südtirol and/or its commissioned third parties may exercise this right at any time.

In connection with the accounting, we may require that written explanations be submitted to us, or that relevant estimations or other supportive documentation be prepared for us.

In general, we will only recognize expenses that have actually become due for payment during the production phase.

17.3 Falling short of or exceeding the total estimated production costs; deviations from the financing plan

If you fall below the project's total estimated production costs as set forth in the Unilateral Funding Obligation (EVE) or in the application, the grant will be reduced at a level proportional to the shortfall. As a result, the final Production Funding installment will not be paid in full.

If the final audit of the project shows that the estimated Local Spend (see Section 17.4) and/or the total production costs are not achieved, the grant will be reduced in accordance with the respective percentage increase of the shortfall.

If total estimated production costs are exceeded, the grant amount will not be increased after the fact.

These requirements can only be deviated from for serious and justified reasons, which is why any deviations from the information provided in the application, the funding commitment and the Unilateral Declaration of Commitment (EVE) must be communicated to IDM Südtirol immediately and in writing.

17.4 Shortfall in the estimated total production costs or the days for filming in South Tyrol

In the event of a shortfall in the Unilateral Funding Obligation (EVE) or the total production costs or Local Spend on which the application is based, or in the event of a shortfall in the specified number of days for filming in South Tyrol, the funding contribution from IDM Südtirol will be reduced by a percentage corresponding to the shortfall. In the case of several shortfalls, the funding amount will be reduced according to the higher percentage of the shortfall. Deviations from the guidelines can only be made for serious and legitimate reasons, which is why IDM Südtirol must be informed immediately and in writing of any deviations from the information provided in the application, the funding commitment and the Unilateral Funding Obligation (EVE).

17.5 Deviations from your project-specific conditions

Please maintain strict compliance with your project-specific conditions as set forth in the Unilateral Funding Obligation (EVE). These requirements are aimed primarily at ensuring the involvement of South Tyrolean film professionals and service providers. Because the aim of the funding program is to build a sustainable infrastructure in South Tyrol, the involvement of local film makers is of particular importance to us.

Similarly, any and all deviations from the information set forth in the application, the Grant Approval and the Unilateral Funding Obligation (EVE) must be communicated to IDM Südtirol immediately, in writing, and must be expressly approved by IDM Südtirol. As a rule, IDM Südtirol will endeavor to find a solution that will allow you to meet your project-specific conditions.

18 Other information

As a rule, your project must be released in an EU country no later than 30 months after your Grant Approval has been issued.

You are required to communicate your project's television broadcast or theatrical release/festival premiere to us at least one week in advance.

Please adhere to the requirements set forth in Article 11 of the Application Guidelines, and credit **IDM Südtirol** and the **Autonomous Province of Bozen/Bolzano – South Tyrol** in accordance with industry standards, in the front-title and/or back-title credits of your project. Please use in the opening and/or closing credits of your production as is customary in the industry. Please use the logo of the umbrella brand South Tyrol, the official provincial coat of arms and/or the logo of IDM Südtirol, which we will be happy to send you on request. Likewise, whenever the funding partners of the funded project are mentioned in relevant

publications, PR materials and other announcements, reference must be made to IDM Südtirol's involvement.

We look forward to premieres, special screenings before the press and/or the general public of your short film or short form series in South Tyrol.

19 Legal notices

The number of funded projects depends on the amount of South Tyrolean film funding available in the current year. Therefore, no entitlement exists towards any funds still available at the end of the year. In addition, it is not possible to request an increase of funding that has already been approved.

IDM Südtirol reserves the express right to reduce the requested amount of funding when issuing a grant.

Because funding decisions are an administrative act, you may take timely legal steps against them. Your grant approval letter will set forth these deadlines.

19.1 Misrepresentations by the applicant

Making false statements regarding or purposefully withholding the requested information will lead to an automatic rejection of the application. If a grant has already been approved and/or partially paid, it will be immediately revoked and the applicant will be legally obliged to repay any dispersed funds to IDM Südtirol in full.

19.2 Bankruptcy and cancellation of projects

Any project cancellation, regardless of whether or not it is funded, will result in the responsible producer(s) holding liability for the South Tyrol Film Fund grant. IDM Südtirol expressly reserves the right to reclaim the grant entirely.

19.3 Grant liability

Grant liability is always borne by the grant recipient. In the case of a co-production, we reserve the right to insist that the other risk-sharing producers also share joint liability.

19.4 Exclusion of legal entitlement to grant monies

Applicants have no legal entitlement to funding.

We hope that you have found this Fact Sheet useful. We are always appreciative of any feedback regarding the quality and comprehensibility of the statements contained herein. We wish you and your project every success.