

Statute of Viru Film Foundation

I. General provisions

1. The following conditions state the practical arrangements of Viru Film Foundation and the rules of allocation of financial support by Viru Film Foundation.
2. The aim of Viru Film Foundation is to promote the production of professional audiovisual works in Ida-Viru County, bring investments to Ida-Viru County, promote Ida-Viru County in Estonia and abroad.
3. Viru Film Foundation's work is organised by Ida-Viru Enterprise Centre (IVEK). IVEK organises the receiving of applications (including publishing information and application materials on website) and forwarding applications to the Expert Committee. IVEK also ensures the work of the Supervisory Board, concludes co-financing agreements, checks reports and makes payments.
4. Definitions:
 - 4.1 Applicant of the support is a legal body that:
 - 4.1.1 has previous experience in professional film production;
 - 4.1.2 has no tax arrears in Estonia during the application process;
 - 4.1.3 has ensured at least 50% self-financing of the film's budget at the time of applying (exact percentage will be specified in the film's financing schedule);
 - 4.1.4 plans to execute the project in the year of application and presents the expense report no later than by March 31st of the next year.
 - 4.2 Eligible expenses – expenses that are financeable in the frames of the conditions of this Statute.
 - 4.3 Ineligible expenses– expenses that are not financeable in the frames of the conditions of this Statute.
 - 4.4 Support recipient – applicant of the support with whom a co-financing agreement is signed.
 - 4.5 Expert Committee – body that processes applications and presents film projects to the Supervisory Board for funding decisions. Up to three members.
 - 4.6 Supervisory Board – body that makes decisions on how allocations are made and funds of Viru Film Foundation are used. It's membership is determined by partners making Viru Film Foundation Co-operation Agreement's main payments.
5. Applications are not eligible for support in case the shooting of the film project has finished by the time of application.
6. To use the support allocated co-financing agreements are concluded with recipients of the support.
7. Support shall not be allocated to film projects that instigate religious hatred and racism, depict unnecessary violence or contain propaganda degrading human dignity.
8. There are no application rounds, applications are accepted until September 30th of calendar year.

II Invitation to apply

9. IVEK and Viru Film Foundation's partners publish their information in their information channels, on website www.filmestonia.eu, in Estonian Film Foundation's email directories and other information channels.
10. Application conditions are available on IVEK's website.

III Eligible and ineligible expenses

11. Eligible expenses are made starting from the day the application was submitted and are directly related to film project's following items of expenditure:
 - 11.1 hotels and other accommodation related expenses;
 - 11.2 rent paid for the equipment necessary for film production;
 - 11.3 transportation services;
 - 11.4 catering (offered by a service supplier);
 - 11.5 building services necessary for film production and preparation of production;
 - 11.6 security services;
 - 11.7 public services;
 - 11.8 rent of premises;
 - 11.9 different goods (for example props etc);
 - 11.10 services related to the production of the film;
 - 11.11 creative services (services provided by authors or groups);
 - 11.12 other services (for example translation, photography, stage makeup, services related to creating sets, special effects etc);
 - 11.13 administrative services (office services, legal help, accounting, human resources etc);
 - 11.14 producer's fee up to 7% of eligible costs;
 - 11.15 fee for participants in crowd scenes, for actors etc;
 - 11.16 salaries of people related to film production, including taxes;
12. Service providers, whose expenses are eligible, have to provide their services in Ida-Viru County. Exemptions can be made by the Supervisory Board and other service providers can be counted eligible in case the Supervisory Board sees their expenses in accordance with Viru Film Foundation's aims.
13. Ineligible expenses are:
 - 13.1 producer's fee that exceeds 7% of support's eligible costs;
 - 13.2 bank's service fee;
 - 13.3 small expenses in shops (up to 10 euros);
 - 13.4 expenses, which are not originally meant or necessary for executing the film project;
 - 13.5 other expenses, not related with executing the film project and are considered ineligible by the Supervisory Board.
14. If the application or report indicates that goods or services purchased are used for personal purpose, the support is not allocated.

IV Submission of applications

15. There are no application rounds. Applications can be submitted from January the 15th to September 30th (including). Applications are submitted electronically to appointed IVEK email address.
16. Application contains the following:
 - 16.1 unattested written signed application and its supplemental documents;
 - 16.1.1 synopsis of the work;
 - 16.1.2 script of the work or *broadened treatment*;
 - 16.1.3 time schedule of the production;
 - 16.1.4 production team with key people's (creative) CVs;
 - 16.1.5 plan of distribution;
 - 16.1.6 overview of activities performed in Ida-Viru County together with time-scheme;
 - 16.1.7 information about the production company, including overview of previous work;
 - 16.1.8 budget and financing plan of the film project;
 - 16.1.9 letters of interest and agreements confirming guaranteed financing;
 - 16.1.10 other information the applicant considers important to add.
 - 16.2 Estimated summary of expenses made in Ida-Viru County based on the eligible expenses stated by these conditions; estimation of the expenses can change during the execution of the film project, but not over the support money agreed upon.
17. Documents named can be presented either in Estonian, English or Russian; application has to be signed by an authorized representative of the production company.
18. If the application process involves keeping a business secret or parts of it, the recipient of the support has to note it in the application.

V Processing of Applications and Announcement of the Results

19. The Supervisory Board points the Committee of Experts.
20. The Committee of Experts organises the processing of applications in three stages:
 1. in the first stage applications are assessed based on their compliance with standard. If necessary, proposal is made to the applicant to make changes;
 2. in the second stage applications are assessed based on their compliance with Viru Film Foundation's aims.
 3. In the third stage review of the application is made and maximum amount of co-financing is set (proposal to the Supervisory Board)
21. Financing decisions are made by the Supervisory Board. The Supervisory Board sets its own rules of procedure. Decisions are made at the Supervisory Board's meetings by

open vote. To accede an application simple majority of Supervisory Board's votes is needed.

22. In the process of assessment of applications the Committee of Experts has the right:
 - 22.1 to summon the applicant of the support to present the application and answer the questions
 - 22.2 to summon experts and other specialists for opinion.
23. The Committee of Experts shall make its decision no later than 30 (thirty) days after the whole application (it means application with all the changes and corrections) is submitted.
24. The decision made by the Committee of Experts is presented to the Supervisory Board to be approved.
25. The Supervisory Board shall make approval decisions about each application separately based on the assessment results of the Committee of Experts.
26. Upon Supervisory Board's positive decision to approve the application the limit of Viru Film Foundation's co-financing is determined.
27. Before signing the co-financing agreement the Supervisory Board has the right:
 - 27.1 to ask the applicant of the support to present additional information;
 - 27.2 to change the estimation of the expenses by changing the qualification of specific expenditure items between eligible and ineligible expenses;
 - 27.3 based on the written justification of the applicant of the support, without changing the amount of the support allocated, to change the estimation of expenses presented in the application;
28. Supervisory Board's decision about the application will be announced after approval on IVEK's website.
29. Co-financing agreement is not signed if before signing it is determined that the applicant of the support has knowingly submitted false information or during the assessment period has tried to obtain confidential information or influence the decision process.

VI Co-financing Agreement

30. A co-financing agreement with the applicant of the support is signed by IVEK after all conditions set are fulfilled. Acceding to the application is not binding for IVEK and Viru Film Foundation before the contract is signed.
31. A co-financing agreement is signed if the funds allocated by the partners of Viru Film Foundation are at least in the amount of support. Before signing the agreement Viru Film Foundation has the right to reduce the planned amount of the support in accordance with financial resources available to Viru Film Foundation. IVEK can refuse signing the co-financing agreement if financial resources to Viru Film Foundation are not allocated.
32. In case financial resources are limited, applicants, who during the execution of their film project intend to make the most expenses in Ida-Viru County, are preferred.

33. Approved decision about co-financing is valid up to six months after partners' authorization. During this period a co-financing agreement has to be signed. That period may be extended by the partners in case the applicant has submitted a reasoned application to IVEK.
34. Co-financing agreement determines film project's time schedule, which does not extend over December 31st 2013. The agreement also determines the expenses planned to be made in Ida-Viru County, Viru Film Foundation's maximum co-financing limit and other conditions that are binding while executing the film project.

VII Allocation of Support

35. According to co-financing agreement support is allocated after the recipient of the support has executed the film project and submitted expenditure report with copies of expense receipts to IVEK. but no later than by March 31st the next year.
36. Film project's execution report, report on the use of money and report on the expenses made in Ida-Viru County during the execution of the film project shall be processed by IVEK within 14 (fourteen) working days. IVEK can use experts if needed. IVEK will assess if the execution of the project, use of money and expenses made in Ida-Viru County are in accordance with the co-financing agreement. After that the reports are submitted to the Supervisory Board for approval. The Supervisory Board will decide the approval within 14 (fourteen) working days.
37. In case the reports are approved, IVEK will calculate the amount of support compensated to the recipient of the support based on the co-financing agreement.
38. IVEK has the right to ask for additional information or documentary evidence that would prove the expenses made during the execution of the film project.
39. Documentary evidence of the expenses are copies of the following documents:
 - 39.1 payment orders authorised by bank;
 - 39.2 receipts;
 - 39.3 electronic cash register receipts;
 - 39.4 other accounting records;
40. Support is paid within 14 (fourteen) working days after the Supervisory Board has made a decision about the conformity of the executed film project and disbursement of the support.
41. The Supervisory Board has the right to reduce the amount of the support in case:
 - 41.1 expenses shown in documentary evidence submitted by the of the support are unreasonably higher than the market price;
 - 41.2 the recipient of the support fails to submit the film project's execution report for deadline without any prior notice and justification
42. The Supervisory Board has the right not to allocate the support in case the recipient of the support:
 - 42.1 has mislead the Supervisory Board, the Committee of Experts or IVEK in any way;

- 42.2 has not submitted necessary documents in time;
- 42.3 has not submitted documentary evidence of the expenses made or any other documents in time;
- 42.4 has used financial resources meant for the execution of the film project not as intended

VIII Rights and Obligations of the Support Recipient

- 43. Applicant of the support has the right to withdraw the application submitted.
- 44. Applicant of the support has the obligation to ensure that the information presented in the application is correct. In case of false information the application is not satisfied or already disbursed support can be reclaimed.
- 45. Applicant of the support is obliged to follow these conditions and conditions in the co-financing agreement.

IX Control Measures

- 46. IVEK has the right to include experts during the execution of film projects to assess the essential compliance of the execution process of the film project to the one submitted in the application and evaluate the compliance of the eligible expenses to market price.

X Final Provisions

- 47. After signing the co-financing agreement the recipient of the support is obliged to add the information about Viru Film Foundation's support in the final credits of finished work and also in the sales and marketing materials of the work.
- 48. After executing the film project the recipient of the support is obliged to give three digital copies of the film to IVEK
- 49. In the co-financing agreement the applicant gives IVEK and Viru Film Foundation's partners the right (non-exclusive licence) to use supported works non-commercially in their marketing activities in Estonia and other countries.