



BY MELANIE RUTLEDGE, Owner, Rutledge Writes

GRANTS, CONTRIBUTIONS, LOANS AND TAX CREDITS

NAVIGATING THE FINANCE TOOLS AVAILABLE TO MAGAZINE PUBLISHERS IN CANADA

As a magazine publisher in Canada, you have access to different types of financing for your magazine. Yet the variety of financing options can be daunting. As you contemplate your finance toolkit, you need to know what you are looking for and where to find it.

The financing options available to your magazine fall into three broad categories:

- Grants and Contributions
- Loans
- Tax Credits

GRANTS AND CONTRIBUTIONS

A grant is given freely without any requirement of repayment and is usually in the form of money.

A contribution is similar to a grant in that the money or other form of assistance does not need to be repaid; however, contributions usually have more stringent reporting requirements than grants.

Some grants and contributions are taxable.

In Canada, grants for magazines are available from the federal government, from provincial and territorial governments, as well as from other funding organizations.

Popular federal grant programs include:

- The [Canada Periodical Fund](#), administered by the Department of Canadian Heritage
- The [Grants to Literary and Art Magazines Program](#) at the Canada Council for the Arts

The Canada Periodical Fund is a contributions program and therefore has different reporting requirements than a grant program.

The Grants to Literary and Art Magazines Program is for cultural magazines with a literary or artistic mandate, whereas the Canada Periodical Fund has funding available to a broader range of magazines.

Many provincial and territorial arts councils and other funding organizations offer funding for literary and art magazines. Magazines Canada's [online resource library](#) has a comprehensive list of provincial and territorial funding organizations.

If your magazine is based in Alberta, you can apply to the [Alberta Media Fund](#) for grants. In Ontario, the [Ontario Media Development Corporation](#) offers grants to Ontario-based magazines.

 [DOWNLOAD MORE HOTSHEETS AT magazinescanada.ca/cultural/hotsheets](https://magazinescanada.ca/cultural/hotsheets)

Imagine Canada maintains an online database of funding organizations in Canada called [Grant Connect](#). You need to be a member of Imagine Canada in order to access the database.

While eligibility requirements can differ between grant programs, there are several that are pretty consistent no matter what program you are applying to. For example, your publishing firm must usually be majority owned and controlled by Canadians, and your magazine needs to contain a certain amount of Canadian editorial content (usually in the neighbourhood of 80%).

Grants are a good financing option if your magazine's mandate aligns with that of the funding organization to which you are applying. However, applying for, managing, and reporting on the use of grants is labour-intensive and generally requires a good deal of time and attention on the part of the organization receiving the grant.

LOANS

A loan is a financial transaction in which one party (the lender) agrees to give another party (the borrower) an amount of money with the expectation of full repayment. The lender can ask for interest payments in addition to the original amount loaned (the principal). The borrower must agree to the repayment terms, including the amount owed, interest rate and due dates. Some lenders can also assign financial penalties for missed or late payments.

You can apply for a small business loan through federal programs or organizations, as well as through provincial and territorial programs. Good places to begin your search include:

- [The Canada Small Business Financing Program](#), administered by Industry Canada
- [The Business Development Bank of Canada](#)

A loan can be a big boost when you're getting your magazine off the ground. Banks offer small business loans, but they will require evidence that your magazine will be viable and stable over time. Before you apply for a loan, develop a business plan that forecasts at least two years out from your current year. You might like to consult Magazines Canada's [Small Magazine Business Handbook](#) for more information. Keep in mind that not-for-profit and charitable organizations are generally not eligible for small business loans.

TAX CREDITS

A tax credit is an amount of money that a taxpayer is able to subtract from the amount of tax that they owe the government. Certain types of tax credits are granted to businesses in specific locations or industries. Tax credits can be used to cover retroactive expenses. These are expenses incurred before you begin the application process.

Ontario-based magazines are eligible for the [Ontario Interactive Digital Media Tax Credit](#), administered by the Ontario Media Development Corporation. Consult your provincial or territorial government for information on tax credits for which your magazine may be eligible.

No matter which type of financing you choose to pursue for your magazine, be sure to contact the person responsible for administering the given program and ask for answers to the following questions:

- Who is eligible to apply for the financing?
- How do I apply for the financing?
- What information do I need to include in the application?
- When is the deadline to apply?
- When will I know whether my application is successful?
- What are the reporting, repayment and/or other requirements associated with receiving this financing?
- Does this type of financing/program have any special features or requirements of which I should be aware?

The Canada Business Network has an [online listing](#) of federal, provincial and territorial government grants, loans and financing programs.

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