

## Guidance on Co-finance

**We expect all teams to start thinking about other finance before making an application to BFI NETWORK.** You can find the deadline for securing additional funds on our [website](#).

If your application to BFI NETWORK for short film funding is successful, the BFI may be fully funding your short film, you may have raised co-finance, or you may be looking for co-finance so you can make your film at a higher budget. Other funders might include private investors, councils and local authorities, charities, film organisations such as Film4, Random Acts and BBC Films and specific funds such as Genera. Bear in mind that the BFI will be supporting a large number of filmmaking teams and you may all be seeking the same co-funding sources and might not be successful.

You should carry out due diligence to ensure any proposed investor's track record means they are a legitimate financier. You should raise any concerns you have with your Talent Executive, during the assessment process if this could materially change your ability to make your film, or otherwise after they have confirmed their intention to support your project.

**Please note that we cannot recommend a project to the Lottery Finance Committee for support unless it has a fully secured finance plan, meaning you have received a formal commitment from all other funding sources. We expect all teams to be able to confirm any additional funding within five months of the closing date for applications; therefore, at the point of submitting an application to us for short film funding, you should either have the additional funds in-hand, or have an achievable plan for raising them. This finance plan should be included as part of your application.**

### **Publicising BFI NETWORK support**

You cannot publicly announce BFI NETWORK support for your project before it has been formally approved by the Lottery Finance Committee. **This means you will not be able to mention BFI NETWORK to leverage funding through public campaigns** such as crowdfunding, indiegogo etc.

However, if you are seeking funds from another industry financier (such as BBC, Film4), another public source of funds (Local Authority, Council) or hoping to raise private equity, you may be able to obtain a 'letter of intent' from BFI NETWORK. This can help to finalise discussions with other financiers. BFI NETWORK will only provide Letters of Intent to teams where a Talent Executive has confirmed their intention to support the project, and only where it is needed for an express purpose (i.e. when a potential investor has asked for one).

### **Crowdfunding**

If you want to raise money through crowdfunding, you can post details of your project on a crowdfunding site where members of the general public can then donate or invest. You should initiate your crowdfunding campaign as early as possible, since we will not be able to give final confirmation of BFI support for your project until all your funds are secured. The Money Advice Service gives clear information about the considerations projects need to make when considering crowdfunding [here](#). You should not publicly disclose BFI NETWORK support until we have confirmed that the Lottery Finance Committee has approved your award.

## Offering credits as a crowdfunding reward

We do not encourage teams to offer executive producer credits as rewards through crowdfunding campaigns, and strongly advise against this. An alternative way to acknowledge significant support is via an enhanced special thanks credit, which would be denoted on screen in a way that is compatible with the National Lottery branding guidelines.

## EP Credits

If you are considering bringing an Executive Producer (EP) on board your project, you must contact your Talent Executive to discuss this in advance of agreeing any EP attachment. If it is agreed that the proposed investor is providing a suitable level of support then we will provide you with a short agreement template to be completed between yourself and the EP, as well as a template for a formal letter of confirmation, which should be signed and sent from you to the BFI. These documents will formalise the commitment from the EP and will ensure your rights are protected.

## Additional Funding Terms and Approval

In all circumstances, you must make sure that the additional funding is compatible with the terms of the National Lottery funds administered by BFI NETWORK. BFI requires approval over the terms of all co-finance before we pay out any of our funding. We may refuse approval (and may withdraw our offer of funding) if the terms are in conflict with those of the BFI funding or if we believe that association with the co-financier may bring the BFI or the National Lottery into disrepute. **Any other finance must be cashflowed before BFI advances any part of its award** (as a public funder, BFI cannot take any risk on co-funding).

In return for our funding, we require certain approvals over the production of the film, credits and limited non-exclusive rights to show the film. You need to make sure that the terms of any third party finance do not conflict with this. So for example, if the funder asks for any sort of exclusive distribution rights you have to let them know what rights the BFI is taking and – if you decide to give the financier exclusive rights – it needs to be subject to the BFI's rights. If BFI is the majority funder we would also expect the other financier's credits to be equivalent or proportional to the BFI's credits.

When we look at the terms of the co-finance, we will only be looking to see if anything conflicts with BFI funding. Because of the number of projects we fund we cannot give you advice on whether you are being offered a good or bad deal. In that regard, you should consider the following:

*Repayment of third party finance* – short films rarely make money or recoup their costs. You need to make sure that you can deduct any sales expenses before you have to refund any income to the financier so that you are not out of pocket.

*Distribution rights* – some financiers might want exclusive distribution rights. This may be good if they are experienced in selling or distributing films, but if you grant exclusive rights (which MUST be subject to the BFI's rights) it does mean that you no longer have the right to show the film for the duration of that licence through the media or in the territory being licenced. You need to weigh up what is in the best interests of your film and your filmmaking team. We ask you to produce a distribution/release plan for your short as one of the BFI delivery items, which should map out what festivals you want to enter and what other plans you want to put in place to get your film seen by the public. This should help you understand whether the rights requested by the financier are reasonable.

*Credit* – is the financier's request reasonable and proportionate to the amount of funding being offered?

### **Claiming UK Film Tax Relief**

If you are running your production through a company that is registered on companies' house, you may be able to claim tax relief on the film from HMRC. While you can use tax relief to make up a portion of your finance plan (usually 18-20% of the total budget) you must be able to cashflow these funds as the tax relief will only come through when your accountant completes the company's annual statement. This means you should take into consideration any accountancy fees that accompany this work to assess whether it makes financial sense for your short film and budget level.

**Please note, we will only allow tax relief as part of a finance plan when the Producer is able to provide a loan against the amount they hope to claim. This means we need to see evidence of the funds in-hand (i.e. in the Producer's bank account) and the Producer must accept that any shortfall in reclaiming these funds is their responsibility - and will therefore come out of their pocket.**

Claiming UK Film Tax Relief is a completely separate process to applying for Short Film Funding from BFI NETWORK. You will need to get British certification for your film through the cultural test as part of this process. More information is available here: <https://www.bfi.org.uk/apply-british-certification-tax-relief/cultural-test-film>