

FLORIDA'S FILM AND ENTERTAINMENT INDUSTRY INCENTIVE PROGRAM

2009 – 2010 FILING FOR REBATE GUIDELINES

Commercials and Music Videos – Queue ‘B’

TIME FRAME FOR SUBMISSIONS

1. Effective 12/04/07, the Commercial or Music Video Production Company (hereafter “Company”) must file its final report from its CPA to the Governor’s Office of Film and Entertainment (hereafter “OFE”) verifying its actual qualified expenditures within 90 days of the date the last expenditure is made, or must get written permission from OFE for an extension.
2. In no case may final reports be delivered to OFE after August 3, 2010, for productions certified in the previous fiscal year (July 1 – June 30), because of fiscal year-end constraints.

OVERVIEW OF QUEUE ‘B’

Per Florida Statute 288.1254, “a qualified production company that produces national, international, or regional commercials, or music videos, may be eligible for a maximum of \$500,000 in incentive rebates if it demonstrates a minimum of \$100,000 in qualified expenditures per commercial or music video, AND exceeds a combined threshold of \$500,000 after combining actual expenditures during a single state fiscal year.” Each qualifying commercial or music video must have been produced during the current fiscal year (July 1, 2009 through June 30, 2010).

Only this queue applies for the incentive after making its qualified expenditures and reaching the thresholds (\$100,000 per production, \$500,000 combined).

The Policies & Procedures for Queue ‘B’ should be read thoroughly before the first production. The Queue ‘B’ Application must be filled out completely and submitted with the final report. Both are available on the incentives page of our website, filminflorida.com.

HIRING A CPA FOR REVIEW AND PREPARING SUBMISSIONS

1. The Company must select an independent third-party Florida-based Certified Public Accountant (CPA) to prepare its submission for a rebate, using agreed-upon procedures provided herein, at the Company’s expense. Any licensed Florida CPA is eligible.
 - a. The OFE can not recommend a CPA. However, a list of the CPA’s who have previously performed this service will be provided if requested.
 - b. The Company must check the license status (make sure its current) from the Department of Business and Professional Regulations Web License Search (<https://www.myfloridalicense.com/Default.asp>) or call the Customer Contact Center at (850) 487-1395.
 - c. The Company should enter into an agreed-upon procedures agreement with the CPA, listing cost of services. (The CPA’s cost is not considered a qualified expenditure.)

- d. It may be useful to select and consult with a CPA in advance of production to be sure all necessary documents will be gathered correctly during the production, which may also result in a quicker submission and rebate.
2. For each commercial or music video, the Company will submit to the CPA:
 - a. Proof of expenditures made to Florida-registered businesses (invoices and cancelled checks).
 - b. Payroll records per production of all payments made to Florida resident employees & proof of residency (*see "Submitting Payroll Expenditures", #2*)
 - c. All materials in a way that enables the CPA to complete the submission requirements to OFE herein.

OVERVIEW OF 'QUALIFIED EXPENDITURES'

1. **SAMPLE BUDGET:** For a detailed breakdown of what expenditures may qualify, see the 'Sample Qualified Expenditures Budget' provided. It's also available online at our website, filminflorida.com.
2. Only expenditures paid to a Florida resident or to a business registered and doing business in Florida are qualified expenditures, and must be associated solely with pre-production, production and post-production of the applicant's production. Generally, post-production is considered complete once an 'answerprint', or finished version of its production, is reached.
3. Costs of development (*script, writer, etc*), marketing, publicity (*still photographer, publicist, etc.*), and distribution (*rights, license fees, E&O insurance, interpositive/internegative, deliverables, etc.*) are NOT considered qualified expenditures.

SUBMITTING PAYROLL EXPENDITURES

1. **WHAT QUALIFIES:**
 - a. According to the Florida Statutes 288.1254, "Wages, salaries, or other compensation including amounts paid through a payroll service company, for technical and production crews, directors, producers, and performers" are qualified expenditures if paid to "residents of this state in the form of salary, wages or other compensation up to a maximum of \$400,000 per resident."
2. **DETERMINING FLORIDA RESIDENCY:**
 - a. Company **MUST** provide a completed Declaration of Florida Residency Form (DFRF) for each individual it is claiming wages for.
 - a) **If a staffing, loan-out, extras company or a third party company providing labor/crew is being used, a DFRF must still be submitted for each individual supplied by such company.**
 - b) It is strongly suggested productions obtain the DFRF and copy of drivers license during the employment period. Productions often have difficulty obtaining such after the fact.
 - b. A completed *DFRF* must include all of the following:

- a) Individuals name, address, telephone number and signature.
- b) A copy of the individual’s current Florida driver’s license, identification card, voter registration card or last year’s personal income tax return attached to the *DFRF*. *A copy of a utility bill, W-9, or application for a Tax ID is NOT considered proper proof of residency.* It must be valid for the employment period and information must be legible.
 Note: Some Florida driver’s licenses are renewed on the back of the card. *In this case, copy both sides of the identification!*
- c) In lieu of providing a copy of the individual’s driver’s license, you may provide a print out of the Florida Department of Highway Safety & Motor Vehicle’s Driver License Check indicating the driver’s license was valid during the employment period. Visit <https://www6.hsmv.state.fl.us/dlcheck/dlchecking> to use the service.
- d) Law enforcement officers who are unwilling to provide a copy of their state identification must provide their department, precinct and badge number on the *DFRF*.
- e) Signature of the Company’s Producer, or Authorized Production Executive, must be on each *DFRF*.
- f) MINORS – A parent’s Florida drivers license may be provided, with notation of such.
- g) FRINGES: Fringes that are paid to a Florida resident employee as part of their compensation are qualified expenditures. Fringe payments paid by the employer to the government (FICA, Medicare, FUTA, and SUI) are qualified expenditures. Worker’s Compensation is a qualified expenditure when premiums are paid to a Florida corporation.
- h) Payroll handling fees count only if paid to a Florida payroll company.

3. CREATING A PAYROLL REPORT (separate for each production):

- a. Provide a Payroll Report containing the salaries and wages for the Florida residents claimed. Rebate on any individual’s salary (from all sources on the production) is limited to the first \$400,000, which is determined based on payroll payments made to the Florida resident.
- b. The Payroll Report should consist of 3 schedules if applicable. Florida Cast, Crew and Extras should be on separate schedules. A payroll register from the payroll company must list all personnel separate, detailing total qualified wages and all applicable fringes (FICA, Medicare, FUTA, and SUI) associated with that individual.
- c. Example of information for payroll spreadsheet:

Employment Period	Last	First	Position	Wage	Fringe	Handling Fee	Total	DFRF	Binder Reference
7/01/2009 - 9/30/2009	Welge	Isla	Costumer	20,000.00	-	-	20,000.00	Y	Crew A-Z
7/01/2009 – 9/30/2009	Jacobs	Eadin	Prod Mgr	35,392.00	5,743.91	-	41,135.91	Y	Crew A-Z

SUBMITTING VENDOR EXPENDITURES

1. All receipts/invoices **MUST** be legible – *make sure whoever makes copies understands this*. Receipts that are not readable should not be accepted by the CPA, and will not be accepted by OFE.
 - a. All submitted invoices for goods or services purchased or leased must be from a vendor or supplier who is Florida-registered company and doing business in this state and must include the company's Florida-based address and telephone number. If from an individual, a Declaration of Florida Residency Form (*DFRF*) must accompany the invoice. When renting a non-business location (e.g., a private home) as a filming site in Florida, the owner does not need to provide proof of residency.
2. **REMINDER:** For a detailed breakdown of what expenditures may qualify, see the 'Sample Budget' form provided, which is also available online at the incentives page of our website, filminflorida.com.
3. Qualified expenditures can include, but are not limited to, payments to Florida companies as:
 - a. Expenditures for sound stages, backlots, production editing, digital effects, sound recordings, sets, and set construction
 - b. Expenditures for rental equipment, including, but not limited to, cameras and grip or electrical equipment
 - c. Expenditures for meals, travel, and accommodations
 - d. Florida state sales tax (note: Florida offers productions a sales-tax exemption)
4. Expenditures that are **NOT** qualified include, but are not limited to, the following:
 - a. Purchases made on the Internet unless purchased from a Florida-based company
 - b. Shipping costs unless shipped by a Florida-based company
 - c. Telephone or cell-phone charges when the service address is not in Florida
 - d. Parking and tolls, except when the Production Company leases the parking area
 - e. Wrap party expenditures
 - f. Entertainment expenses
 - g. Liquor
 - h. Cigarettes
 - i. Charitable contributions, tips, location gratuities
 - j. Costs associated with the development, marketing, publicity or distribution of the production, including still photography
 - k. Costs associated with the third-party CPA's report on the rebate submission.
5. Only actual expenditures paid shall be qualified expenditures, not outstanding accounts.

6. CREATING A VENDOR EXPENDITURES SPREADSHEET (separate for each production):
 - a. Present data in a P.C. compatible electronic medium (i.e. Excel spreadsheet on CD, flash or thumb drive) along with hard copies of the verifying documentation, organized in notebooks or other easy-to-reference way.
 - b. Example of information to include in vendor spreadsheet:

OSD*	Check#	Date	Amount	Florida Vendor Name	Purpose	FL Company
X	1001	7/1/2009	500.00	ABC Catering	Craft Service	Y
	1002	7/5/2009	2,500.00	Back Stage Rentals	Stage Rental	Y
X	1003	7/5/2009	5,000.00	Camera Equip Company	Equip Pkg	Y

7. The spreadsheet listing each qualified expenditure must be accompanied by:
 - a. A clear and complete copy of the receipt and/or invoice.
 - b. A clear copy of the cancelled check provided by the financial institution.
 - c. A reference number/letter for each line-item, placed on each physical copy of the supporting documentation, for easy identification.
 - d. *OSD – The Company is responsible for indicating in the submitted report if each vendor is a registered women-owned and/or minority-owned business. You may visit The Office of Supplier Diversity’s website at <https://vendorstrator.dms.myflorida.com/directory> for more info.

PETTY CASH

1. Petty cash receipts should follow similar procedure to Vendor expenditures, if submitted separately.
2. Receipts must all be legible, individually numbered or lettered for easy reference to the CPA’s master spreadsheet.
3. Example of petty cash spreadsheet (separate for each production):

Date	P.C.#	Ref. #	Amount	Name	Vendor	Purpose	FL Comp.	Agreed to Receipts
7/1/2009	1001	A1	17.45	E. Harvey	ABC Catering	Craft Service	Y	Y
7/8/2009	1002	B1	12.90	S. Jacobs	Back Stage Rentals	Grip Tape	Y	Y
7/9/2009	1003	B2	4.65	S. Jacobs	7-Eleven	Scotch Tape	Y	Y

FILING YOUR FINAL REPORT

1. HOW TO FILE: After the CPA returns the final report to the Company, the Company must submit the following to OFE:
 - a. The Queue ‘B’ Application (located at our website, filminflorida.com, incentives page.)
 - b. A letter from its CPA outlining what procedures were followed for its report on the rebate submission.
 - c. Proof of payment to the CPA for services provided.
 - d. A final report by the CPA determining the amount of actual qualified expenditures per commercial or music video, and the combined total.
 - e. A copy of all substantiating data (receipts, invoices, cancelled checks, payroll records, etc.) used to justify the qualified expenditures, separated per each commercial or music video, organized as described herein.

- i. Each box must be clearly labeled with name of production, company, contents, and Box # (e.g., Box 1 of 5, Box 2 of 5, etc.)
- f. A breakout of the following, per each commercial or music video:
 - i. Florida Accounts Payable (Vendors)
 - ii. Florida Petty Cash (if submitting separate from Vendors)
 - iii. Florida Cast, Crew Wages and Extras (separated out)
 - iv. Number of hired Florida Cast, Crew and Extras (separated out)
 - v. Number of hotel room nights (estimate is acceptable)
- g. A signed summary statement by an authorized officer of the Company listing the total numbers and verifying the final percentage of Florida resident cast, crew and extras per the statutory requirement of FS 288.1254(1)(h)1, working on the production divided by the total number of all workers on the production (*sample available online or by request*). NOTE: If the total is less than 50%, the applicant will not receive the incentive.
- h. A signed summary statement from the Company that the final distributable product does not, and will not, contain obscene content as defined in s. 847.001(10) (*sample available online or by request*).
- i. A copy of the FINAL and ACCURATE shooting schedule.
- j. Other items as requested in the Queue 'B' Application.
- k. ADDRESS FOR SUBMISSION:

The Governor's Office of Film and Entertainment
The Capitol
400 South Monroe St.
Suite 2001
Tallahassee, FL 32399-0001

RECEIVING AN INCENTIVE REIMBURSEMENT

1. Once the Company's submission and all required documentation has been reviewed and approved by OFE and OTTED, the Company will receive a rebate of the certified percentage (15 or 20 percent) of its approved actual qualified expenditures (providing it meets the \$100,000/\$500,000 thresholds), but no more than the amount initially certified by OTTED, providing there is funding available in the queue (which are the same funds as queue 'A').
2. If no funding is available in the queue, the Company will be placed on the 'wait list' for the queue until the incentive for that fiscal year is closed out. If no funds become available by that time, the company will no longer be eligible for a rebate.
3. The rebate check will be sent to the business contact and address listed on the Application unless OFE is notified in writing at the time the Company submits files to its final report.
4. OFE will make payment only one time to the Company as reimbursement for qualified expenses in any one fiscal year.

5. If at any point OTTED provides written evidence of an overpayment to the Company, the Company must refund the overpaid amount to the state of Florida within 30 days.

FRAUDULENT CLAIMS

1. Per Florida Statute 288.1254, “any applicant that submits information under this section that includes fraudulent information is liable for reimbursement of the reasonable costs and fees associated with the review, processing, investigation, and prosecution of the fraudulent claim. An applicant that obtains an incentive payment under this section through a claim that is fraudulent is liable for reimbursement of the incentive payment plus a penalty in an amount double the incentive payment. The penalty is in addition to any criminal penalty to which the applicant is liable for the same acts. The applicant is also liable for costs and fees incurred by the state in investigating and prosecuting the fraudulent claim.”