

# FLORIDA'S FILM AND ENTERTAINMENT INDUSTRY INCENTIVE PROGRAM

## **2009 – 2010 FILING FOR REBATE GUIDELINES**

### **DIGITAL MEDIA PROJECTS – QUEUE ‘D’**

#### **TIME FRAME FOR SUBMISSIONS**

1. Effective 12/4/07, the Certified Digital Media Project 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 digital media projects certified in the previous fiscal year (July 1-June 30), because of fiscal year-end constraints.

#### **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 creation of the digital media project, which may also result in a quicker submission and rebate.
2. The Company will submit to the CPA:
  - a. Payroll records of all payments made to Florida resident employees & proof of residency. (see “Submitting Payroll Expenditures”, #2)
  - b. All materials in a way that enables the CPA to complete the submission requirements to OFE herein.
  - c. A copy of the Company’s certification letter from the Office of Tourism, Trade, and Economic Development (OTTED), listing the date of certification.

## **OVERVIEW OF ‘QUALIFIED EXPENDITURES’**

1. Qualified expenditures are only wages and salaries paid to a resident of this state for working on a single qualified digital media project, up to a maximum of \$200,000 in wages or salaries per resident.
2. Expenditures of development, such as those made during the stages of conception and storyboarding of a video game, are not considered qualified expenditures, nor are costs of marketing, publicity, or distribution, nor are the costs of management unless they are dedicated full-time to the individual project and part of the production process.
3. Only actual expenditures paid (with documentation) *during the certified period* are qualified expenditures, *not outstanding accounts*. Payroll must have been paid during the certified period to qualify. Check the certification letter from OTTED for the initial date expenditures can qualify.

## **SUBMITTING PAYROLL EXPENDITURES**

### 1. DETERMINING FLORIDA RESIDENCY:

- a. Company **MUST** provide a completed *Declaration of Florida Residency Form (DFRF)* for each individual it is claiming wages for.
  - a) It is strongly suggested productions obtain the DFRF and copy of drivers license during the employment period. It is often difficult to obtain 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. 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) Signature of the Company’s Producer, or Authorized Production Executive, must be on each DFRF.
  - e) **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.
  - f) Payroll handling fees count only if paid to a Florida payroll company.

## 2. CREATING A PAYROLL REPORT:

- 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 \$200,000, which is determined based on payroll payments made to the Florida resident.
- b. 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

## **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. A letter from its CPA outlining what procedures were followed for its report on the rebate submission.
- b. Proof of payment to the CPA for services provided.
- c. A final report on the agreed-upon procedures by the CPA determining the amount of actual qualified expenditures incurred by the Company.
- d. A copy of all substantiating data (payroll records, etc.) used to justify the qualified expenditures, 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.)
- e. A breakout of the following:
  - i. Florida Wages/Salaries of all working on a single Digital Media Project.
  - ii. Number of hired Florida resident workers (separated out)
  - iii. Estimated amount of expenditures made to Florida businesses on the digital media project that were not payroll-related. (estimate is acceptable)
- f. A signed summary statement by an authorized officer of the Company listing the total workers, and verifying the final percentage of Florida residents or students per the statutory requirement of FS 288.1254(1)(h)1 working on the single digital media project, divided by the total number of all workers on the same digital media project (*sample available online or by request*). NOTE: If the total is less than 50%, the applicant will not receive the incentive.
- g. A signed summary statement by an authorized officer of the Company verifying it made a good faith effort to use existing Florida vendors for rentals and purchases where possible (*sample available online or by request*).

- 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 digital media project schedule.
- j. 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 10 per cent of the approved amount of its actual qualified expenditures (providing the total of such expenditures exceed the \$300,000 threshold), but no more than the amount previously certified by OTTED.
2. 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 its final report to OFE.
3. OFE will make payment only one time to the Company as reimbursement for qualified expenses in any one fiscal year.
4. 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."