

FLORIDA'S FILM AND ENTERTAINMENT INDUSTRY INCENTIVE PROGRAM

2009 – 2010 FILING FOR REBATE GUIDELINES

Independent Florida Filmmaker Queue 'C'

TIME FRAME FOR SUBMISSIONS

1. Effective 12/4/07, the 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.

HIRING A CPA FOR REVIEW AND PREPARING SUBMISSIONS

1. The Certified Production Company (hereafter "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. The Company will submit to the CPA:
 - a. Proof of expenditures made to Florida-registered businesses (invoices and cancelled checks).
 - b. Payroll records of all payments made to Florida resident employees & proof of residency (see "Submitting Payroll Expenditures", #2) for employees and 'Florida workers'.
 - c. All materials in a way that enables the CPA to complete the submission requirements to OFE herein.
 - d. 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. 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.
4. SPECIAL REQUIREMENT: Proof must be submitted that 6 of the following 8 key positions are ‘Florida workers’, defined as a person who has been a resident of Florida for at least one year at some time; or a person who graduated from a film school, college, university or community college in Florida in the past five years; or a person enrolled full-time in such a school, college or university. The positions are: Writer, Director, Producer, Director of Photography, Star or one of the Lead Actors, Production Manager, Editor, and Production Designer.
5. SPECIAL REQUIREMENT: Florida Statute requires that all major post production be done in Florida. Company must provide records verifying this.
6. Only actual expenditures paid (with documentation) *during the certified period* are qualified expenditures, *not outstanding accounts*. Goods, services or 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. 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.**
 - b. If a staffing, loan-out, extras company or third party company providing labor/crew is being used, a *DFRF* must still be submitted for each individual supplied by such company.

- c. 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.
- d. 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:

- 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 by OFE.
 - a. All submitted invoices for goods or services purchased or leased must be from a vendor or supplier who is a 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. All submitted invoices relating to labor (e.g. security companies, extras casting, camera , sound, catering, production crew) from a vendor or supplier who is a Florida-registered company and doing business in this state must include an itemized list of employees/crew and a completed Declaration of Florida Residency Form (*DFRF*) for each individual listed on the invoice.
3. **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.
4. 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)
5. 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.
6. Only actual expenditures paid shall be qualified expenditures, not outstanding accounts.

7. CREATING A VENDOR EXPENDITURES SPREADSHEET:

- 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

8. The spreadsheet listing each qualified expenditure must be accompanied by:

- a. A clear 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:

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. 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 (receipts, invoices, cancelled checks, 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 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)
- f. 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. NOTE: If the total is less than 50%, the applicant will not receive the incentive (*sample available online or by request*).
- g. A signed summary statement from the Company that all major post-production was done in state (*sample available online or by request*).
- h. A signed summary statement that the final product is or will be a movie or documentary of at least 70 minutes in length (*sample available online or by request*).
- i. 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*).
- j. 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*).
- k. A copy of the FINAL and ACCURATE shooting schedule.
- l. 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 15 per cent of the approved amount of its actual qualified expenditures (providing it exceeds the \$100,000 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 files to its final report.
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.

FAMILY-FRIENDLY BONUS REBATE *(if applicable)*

1. FAMILY-FRIENDLY DEFINITION: Per FS 288.1254, family-friendly productions are: “Scripted productions that have cross-generational appeal; are suitable for viewing by children age 5 and older; are appropriate in theme, content, and language for a broad family audience; embody a responsible resolution of issues; and do not exhibit any act of smoking, sex, nudity, or vulgar or profane language.”

2. Unlike the main incentive program, the 2% bonus is not certified, or ‘set aside’ in advance. It is paid separately from the main incentive program, after the final product is ready for distribution.

3. To receive the family-friendly bonus, the script should be submitted at the time of application. After the production is complete, the Company must submit 3 DVD copies of the final product (the cut that is intended for distribution) to OFE for review. If it is found to abide by the statutory rules of ‘family-friendly’, the production will receive a rebate equal to 2% of its actual qualified expenditures, as determined previously by the CPA report and OFE/OTTED review, providing funds are available in the fiscal year in the assigned queue.

4. If no funds are available at the time of submission of the distribution-ready copy of the production, the production will be added to the queue to await funds that might become available before the end of the fiscal year. If funds do not become available in that fiscal year, the production will be considered ‘first in line’ for funds in the appropriate queue in the next fiscal year, but not ahead of certified productions crossing into the next fiscal year.

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.”