



# Resource Supports for Artists and Arts Organizations FAQ

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## Canada Emergency Response Benefit (CERB)

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### Who is eligible for CERB?

The Canada Emergency Response Benefit is available to those who stop working for reasons related to COVID-19, for example:

- You have lost your job;
- You are in quarantine or sick due to COVID-19;
- You are taking care of others because they are in quarantine or sick due to COVID-19; and/or
- You are taking care of children or other dependents because their care facility is closed due to COVID-19.

There may be other reasons related to COVID-19 beyond these examples why you may have stopped working. However, you cannot voluntarily quit your job.

Alternatively, you can apply for the Canada Emergency Response Benefit if:

- You are eligible for Employment Insurance regular or sickness benefits; or
- You are a former Employment Insurance claimant who used up your entitlement to your Employment Insurance benefits between December 29, 2019 and October 3, 2020.

For anyone who became eligible for EI regular or sickness benefits on March 15, 2020 or later, your Employment Insurance claim will be automatically processed through the Canada Emergency Response Benefit.

To get the Canada Emergency Response Benefit, you may not earn more than \$1,000 for a period of at least 14 consecutive days within the initial four week period of your claim or \$1000 in total for each subsequent claim.

### **Do I need to be laid off to receive CERB?**

No. Workers who remain attached to their company can receive the Canada Emergency Response Benefit if they meet the eligibility requirements.

There is no requirement for the employer-employee relationship to be severed and the employee can continue to receive other benefits such as medical benefits from the employer and still be eligible for the Benefit.

### **How is the maximum of 16 weeks calculated?**

The calculation of the 16 weeks begins with the first week for which you are receiving the Benefit. However, the 16 weeks do not have to be taken consecutively. For example, you could receive the Benefit for 4 weeks beginning March 15th and reapply for your second benefit period a few months later based on your personal situation.

Please note that the 16 week count does not restart when you reapply for the Canada Emergency Response Benefit after taking a break because you found employment.

### **What counts towards the \$1000/month maximum income requirement?**

The \$1,000 includes employment and/or self-employment income. This includes among others: tips you may earn while working; non-eligible dividends; honoraria (e.g., nominal amounts paid to emergency service volunteers); and royalties (e.g., paid to artists).

However, royalty payments received from work that took place before the period for which a person applies for the Canada Emergency Response Benefit do not count as income during that specific benefit period.

Pensions, student loans and bursaries are not employment income and therefore, should not be included in the \$1000.

Applications will be verified against tax records to confirm income.

### **Where do artist project grants fit into the CERB funding?**

If a grant is personal income, it counts toward the \$1,000/month threshold and \$5,000 previous income.

### **Do artists' royalties count as employment or self-employment income with respect to the CERB?**

Yes, in some cases. Artists' royalties would be considered payments received as self-employment income if they were received as compensation for using or allowing the use of a copyright, patent, trademark, formula or secret process that is a result of their own work or invention. These royalties count towards the \$5,000 income threshold, as well as towards the \$1,000 that claimants can earn per month while receiving the Benefit.

However, royalty payments received from work that took place before the period for which a person applies for the Canada Emergency Response Benefit do not count as income during that specific benefit period. Other royalties (i.e., from investment activities) do not count with respect to the Benefit.

### **How much could I receive through the CERB?**

If you meet the eligibility requirements, you would receive \$500 per week to a maximum of 16 weeks.

The Benefit is taxable -- you will be expected to report it as income when you file your income tax for the 2020 tax year.

### **When and how will I receive my CERB payment? Is there a waiting period?**

There is no waiting period so you will receive your Benefit within 10 days of applying.

Payments will be made through direct deposit or by cheque; however direct deposit is faster.

Your payments will be retroactive to the date you became eligible.

The renewal of payments will not be automatic. You must confirm your eligibility for each period for which you apply either [online](#) or by phone (1-833-966-2099).

### **Are self-employed small business owners eligible for the CERB?**

Yes provided they meet the eligibility criteria including that they stopped working due to COVID-19 and do not earn more than \$1000 in a period of at least 14 consecutive days in the first benefit period and for the entire four-week benefit period of any subsequent claim.

Small Business owners can receive income from their business in different ways, including as salary, business income or dividends. In determining their eligibility for the Canada Emergency Response Benefit:

Owners who take a salary from their business should consider their pre-tax salary;

Owners who rely on business income should consider their net pre-tax income (gross income less expenses);

Owners who rely on dividend income should consider this as self-employment income provided it comes from non –eligible dividends (generally, those paid out of corporate income taxed at the small business rate).

### **Can a single person receive both the CERB and the CEWS?**

No, you can only access one or the other.

## **Canada Emergency Wage Subsidy (CEWS)**

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### **What is the Canada Emergency Wage Subsidy?**

The Canada Emergency Wage Subsidy (wage subsidy) is a subsidy available for a period of twelve weeks from March 15, 2020 to June 6, 2020, that will provide a subsidy of 75% of eligible remuneration, paid by an eligible entity ([eligible employer](#)) that qualifies, to each [eligible employee](#)—up to a maximum of \$847 per week.

Eligible employers, such as business owners, that see a drop of at least 15% of their [qualifying revenue](#) in March 2020 and 30% for the following months of April and May, when compared to their qualifying revenue for the same period in 2019 ([or the average of January and February 2020, in some circumstances](#)), will qualify for the wage subsidy.

For employers that are eligible for both the CEWS and the 10% Temporary Wage Subsidy for a period, any benefit from the Temporary 10% Wage Subsidy for remuneration paid in a specific period will generally reduce the amount available to be claimed under the CEWS in that same period.

### **Are there special rules for calculating the qualifying revenue of a registered charity or non-profit organization?**

Yes. In addition to the qualifying revenue inclusions specific to registered charities and non-profit organizations, these eligible employers may elect (see note below) to exclude funding received from government sources when determining their qualifying revenue.

This election applies to the determination of qualifying revenue for all of an eligible employer's prior reference periods and current reference periods.

Note: This election must be made and retained with the eligible employer's other books and records in support of its wage subsidy claim and eligibility, and the individual who has principal responsibility for the eligible employer's financial activities must attest that this is the case.

### **What are the relevant periods for calculating the wage subsidy?**

There are three periods that are relevant for calculating the wage subsidy.

#### 1. Qualifying period (Claim period)

The claim period, is the period for which an eligible employer can claim the wage subsidy for remuneration paid to eligible employees. An eligible employer may be able to claim the wage subsidy for one or more of the following claim periods:

- the period that begins on March 15, 2020 and ends on April 11, 2020;
- the period that begins on April 12, 2020 and ends on May 9, 2020; and
- the period that begins on May 10, 2020 and ends on June 6, 2020.

#### 2. Current reference period

The current reference period with respect to a claim period, is the period in respect of which an eligible employer's qualifying revenue would be compared to its qualifying revenue in the applicable prior reference period, to determine its revenue reduction. The applicable current reference period, for a claim period is:

- March 2020 – for the claim period that begins on March 15, 2020 and ends on April 11, 2020;
- April 2020 – for the claim period that begins on April 12, 2020 and ends on May 9, 2020; and
- May 2020 – for the claim period that begins on May 10, 2020 and ends on June 6, 2020.

### 3. Prior reference period

The prior reference period, with respect to a claim period, is the period in respect of which an eligible employer's qualifying revenue, would be compared to its qualifying revenue in the applicable current reference period, to determine its revenue reduction. The applicable prior reference period in respect of a claim period will depend on the approach the eligible employer chooses to compare its revenue.

Under the general year-over-year approach, the eligible employer compares its qualifying revenue in the current reference period to that of the same month for 2019. Under this approach, the prior reference period for a claim period is:

- March 2019 – for the claim period that begins on March 15, 2020 and ends on April 11, 2020;
- April 2019 – for the claim period that begins on April 12, 2020 and ends on May 9, 2020; and
- May 2019 – for the claim period that begins on May 10, 2020 and ends on June 6, 2020.

Under the alternative approach, an eligible employer may compare its qualifying revenue in the current reference period, with that of its average revenue earned in the months of January and February of 2020. Hence, under the alternative approach, the prior reference period for a claim period is January and February 2020.

An eligible employer can use the alternative approach if:

- on March 1, 2019, the eligible employer was not carrying on a business or otherwise carrying on its ordinary activities, or
- the eligible employer elects (see note below) to use January and February 2020 as the prior reference period for all the claim periods described above.

Once an approach is chosen, the eligible employer would be required to use the same approach for the entire duration of the program.

Note: This election must be made and retained with the eligible employer's other books and records in support of its wage subsidy claim and eligibility, and the individual who has principal responsibility for the eligible employer's financial activities must attest that this is the case.

### **Do employers need to re-apply for each period?**

To provide certainty for employers, the government is also proposing that once an employer is found eligible for a specific period, they would automatically qualify for the next period of the program. For example, an employer with a revenue drop of more than 15% in March would qualify for the first and second periods of the program, covering remuneration paid between March 15 and May 9. Similarly, an employer with a revenue drop of 30% in April would qualify for the second and third periods of the program, covering remuneration paid between May 10 to June 6.

### **Which employers are eligible for the wage subsidy?**

For the purposes of the wage subsidy, an eligible employer means:

- a corporation (other than a public institution) that is not exempt from tax under Part I of the Income Tax Act (the Act);
- an individual (including a trust);
- a registered charity (other than a public institution);
- a person that is exempt from tax under Part I of the Act (other than a public institution), that is:
  - an agricultural organization;
  - a board of trade or a chamber of commerce;
  - a non-profit corporation for scientific research and experimental development;
  - a labour organization or society;
  - a benevolent or fraternal benefit society or order; and
  - a non-profit organization;
- a partnership, each member of which is a person or partnership described in this list.
- A public institution is a school, school board, hospital, health authority, public university or college. It also includes an organization described in any of paragraphs 149(1)(a) to (d.6) of the Act, for example, municipalities and local governments and tax-exempt Crown corporations.

### **How does an eligible employer qualify for the wage subsidy?**

In order to qualify for the wage subsidy in respect of a claim period, an eligible employer must meet the following conditions:

- it had an open payroll program account with the CRA on March 15, 2020;
- it experienced the required reduction in revenue for one or more claim period (see Q5);

- it makes a wage subsidy application for the claim period, in a prescribed form and manner, before October 2020; and
- the individual who has principal responsibility for the eligible employer's financial activities attests that the application mentioned above is complete and accurate in all material respects.

### **Is CEWS available for orgs that do not have a payroll, but contract workers?**

No, contract workers are ineligible for CEWS, but the new \$500M fund is expected to address their compensation.

### **Does the \$40K CEBA loan count as revenue for the purposes of the wage subsidy revenue decline?**

According to the Minister of Finance office "An entity receiving a forgivable loan from the new COVID 19 support measures: The forgivable loan seems like an extraordinary item, which would normally be excluded from qualifying revenues." So, no it would not be included in the calculation

### **Are organisations who are pursuing the wage- subsidy programs will be eligible for any of the \$500mm in new relief programs?**

Yes. You can access funds from both CEWS and the new \$500M program. Based on our conversations with the Minister's office - the \$500m is complementary to other emergency supports - and not a replacement.

## **Canada Emergency Business Account (CEBA)**

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### **What is the Canada Emergency Business Account (CEBA)?**

To ensure that small businesses have access to the capital they need to see them through the current challenges, the Government of Canada has launched the new Canada Emergency Business Account, which has been implemented by eligible financial institutions in cooperation with Export Development Canada (EDC).

This \$25 billion program provides interest-free loans of up to \$40,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced, due to the economic impacts of the COVID-19 virus.

This will better position them to quickly return to providing services to their communities and creating employment.

Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).

### **How can I apply for the CEBA?**

Small businesses and not-for-profits should contact their financial institution to apply for these loans.

### **What are the eligibility requirements for the CEBA?**

- The Borrower is a Canadian operating business in operation as of March 1, 2020.
- The Borrower has a federal tax registration.
- The Borrower's total employment income paid in the 2019 calendar year was between Cdn.\$20,000 and Cdn.\$1,500,000 (**this amount must not include monies paid to contract employees**)
- The Borrower has an active business chequing/operating account with the Lender, which is its primary financial institution. This account was opened on or prior to March 1, 2020 and was not in arrears on existing borrowing facilities, if applicable, with the Lender by 90 days or more as at March 1, 2020.
- The Borrower has not previously used the Program and will not apply for support under the Program at any other financial institution.
- The Borrower acknowledges its intention to continue to operate its business or to resume operations.
- The Borrower agrees to participate in post-funding surveys conducted by the Government of Canada or any of its agents.

### **Are there any restrictions on how I can use CEBA funds?**

The funds from this loan shall only be used by the Borrower to pay non-deferrable operating expenses of the Borrower including, without limitation, payroll, rent, utilities, insurance, property tax and regularly scheduled debt service, and may not be used to fund any payments or expenses such as prepayment/refinancing of existing indebtedness, payments of dividends, distributions and increases in management compensation.

# Canada Emergency Commercial Rent Assistance (CECRA)

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## What is Canada Emergency Commercial Rent Assistance (CECRA)?

The Canada Emergency Commercial Rent Assistance (CECRA) for small businesses offers forgivable loans to eligible commercial property owners so that they can reduce the rent owed by their impacted small business tenants by at least 75% for the months of April, May and June, 2020.

## What are the eligibility requirements for CECRA?

To qualify for CECRA for small businesses, the property owner must meet the following requirements:

- You own property that generates rental revenue from commercial real property located in Canada.
- You are the property owner of the commercial real property where the impacted small business tenants are located.
- You have a mortgage loan secured by the commercial real property, occupied by one or more small business tenants.\*
- You have entered or will enter into a rent reduction agreement for the period of April, May, and June 2020, that will reduce impacted small business tenant's rent by at least 75%.
- Your rent reduction agreement with impacted tenants includes a moratorium on eviction for the period of April, May and June 2020.
- You have declared rental income on your tax return (personal or corporate) for tax years 2018 and/or 2019.

\* For those property owners who do not have a mortgage, an alternative mechanism will be implemented. Further information will be outlined in the near future.

CECRA for small businesses is applicable to commercial property owners with:

- eligible small business tenants
- eligible small business subtenants
- residential components and multi-unit residential properties with commercial tenants (i.e. mixed usage)

## **What is an impacted small business tenant or subtenant?**

Impacted small business tenants are businesses, including non-profit and charitable organizations who:

- pay no more than \$50,000 in monthly gross rent per location (as defined by a valid and enforceable lease agreement),
- generate no more than \$20 million in gross annual revenues, calculated on a consolidated basis (at the ultimate parent level), and
- have temporarily ceased operations (i.e. generating no revenues), or has experienced at least a 70% decline in pre-COVID-19 revenues.\*\*

\*\* To measure revenue loss, small businesses can compare revenues in April, May and June of 2020 to that of the same month of 2019. They can also use an average of their revenues earned in January and February of 2020.

## **How does the program work?**

Canada Mortgage and Housing Corporation (CMHC) administers the program on behalf of the Government of Canada and our provincial and territorial partners.

The program offers assistance for the months of April, May and June, 2020.

It can be applied retroactively.

Property owners may still apply for assistance once the 3-month period has ended if they can prove eligibility during those months.

Property owners must refund amounts paid by the small business tenant for the period.\*

\*If rent has been collected at the time of approval, a credit to the tenant for a future month's rent (i.e. July for April) is acceptable if agreed upon by both the property owner and the tenant. This can be a flexible 3-month period.

## **The deadline to apply is August 31, 2020.**

CMHC will provide forgivable loans to eligible commercial property owners.

The loans will cover 50% of the gross rent owed by impacted small business tenants during the 3-month period of April, May and June 2020.

The property owner will be responsible for no less than half of the remaining 50% of the gross rent payments (paying no less than 25% of the total).

The small business tenant will be responsible for no more than half of the remaining 50% of the gross rent payments (paying no more than 25% of the total).

CECRA for small businesses loans will be forgiven if the property owner complies with all applicable program terms and conditions including to not seek to recover rent abatement amounts after the program is over.

## Canada Council and CBC Digital Originals Program

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### What is Digital Originals?

Artists, groups or organizations can either adapt their existing work or create a new work for digital dissemination to the Canadian public during the COVID-19 pandemic.

Digital Originals offers a \$5,000 micro innovation grant from the Canada Council.

Funded projects will be housed on a dedicated CBC/Radio-Canada website. In addition, CBC/Radio-Canada will feature selected projects for showcase on at least one of its digital CBC/Radio-Canada platforms.

Selected projects for the curated CBC-Radio/Canada showcase will receive a supplemental amount of \$1000.

### When can I apply?

Applications will only be accepted through the Canada Council portal beginning in mid-May.

Applications will be accepted on a rolling basis until 15 June 2020 or until the budget has been allocated.

### Do you need an account with the Canada Council to apply for the Digital Originals micro grant?

Yes, if you don't yet have a profile, you have to create one. The Council takes 15 business days to validate a new profile, so it may take longer than 15 days for the whole process to be completed before you can apply.

The link to create a profile is <https://apply.canadacouncil.ca/>

## Calgary Arts Development (CADA) Grants and Programs

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### Is the Operating Grant Program continuing?

The interim report deadline for the Operating Grant Program is March 30, 2020, 4:30pm MDT. Organizations currently funded through this program will receive their base grant funds upon receipt and approval of their interim report. Please note that the report no longer requires mandatory projections for the upcoming fiscal year in recognition of this period of uncertainty and instability.

Calgary Arts Development is reviewing this program in light of the impacts from COVID-19 in order to meet the immediate and medium term needs of arts organizations. The Operating Grant Increase Program will not be opening on April 13, 2020 as intended. Operating Grant clients will be contacted directly with information as soon as it is available, and it will also be shared on our website.

### **What about the Project Grant Program for Organizations and the Project Grant Program for Individuals and Collectives?**

Both Project Grant Programs have been temporarily postponed as we determine the most appropriate way to support individual artists, artist collectives, and organizations who do not receive operational funding. Program guidelines and applications will not be available on the timelines originally published on our website.

Further details around the project grant program will come out in mid-May with and available funds likely disbursed around July.

### **Is CADA continuing the Original Peoples Investment Program?**

Yes. This program was in the midst of the assessment process when the COVID-19 state of emergency occurred. In recognition and respect for the efforts applicants and assessors have undertaken, this program will be assessed and completed as published.

In order to maintain the health and safety of Calgary Arts Development staff and the assessment committee, remote assessment scenarios are being planned. Applicants will be notified of any changes to the program assessment process and timelines as they arise.

### **What is the status of the COVID-19 Short-Term Relief Funding?**

\$1.15 million was allocated toward providing immediate relief to some of the arts organizations as well as arts and cultural workers in the most urgent need due to COVID-19 impacts. The short-term relief funding of \$1.15 million was hived off of future 2020 grant program funding envelopes that had not yet been activated in order to rapidly respond to emerging and urgent needs. These dollars will be directed in two ways: Arts Organizations and Artists & Cultural Workers.

As of May 6, these funds have been allocated, and further support from the City is being discussed.

## **How soon will funding agreements and funding be circulated for organizations successful in the Emergency Relief Fund?**

Agreements are in process and documents should be sent out shortly.

## **What other COVID-19 relief efforts will be forthcoming from CADA?**

CADA will be partnering with Stone Olafson to conduct extensive community and arts patron research pertaining to attitudes and motivation regarding returning to museums, theatres, concert halls, and other arts venues once social distancing is completed. CADA will be oversampling in Edmonton and Calgary to obtain solid data for those two cities.

# **Edmonton Arts Council (EAC) Grants and Programs**

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## **How has the EAC responded to the COVID-19 pandemic?**

The EAC was in the process of surveying and interviewing organizations and reimagining their operating programs as a part of the implementation of the Connections & Exchanges Plan, a 10-year strategic plan for the City of Edmonton. They had just finished dispensing \$8.65 million in operating funds to stabilize and strengthen 156 arts and festival organizations by the beginning of March, before the COVID-19 crisis escalated.

In partnership with Edmonton Community Foundation, who contributed \$120,000, the EAC quickly established a **Creators' Reserve Program**. This new program focused on individual artists who make valuable contributions to the vitality and vibrancy of the community. This program will allow artists the time to explore an idea, research and develop content and create new artistic work or embark on the substantive revision to a work in progress.

This fund will provide a total of \$500,000 directly to artists, including funds specifically allocated for Indigenous artists and artists from equity-seeking groups. Grants of \$5,000 will be available. Artists seeking to engage the services of an artistic peer or peers may request additional funds of up to \$1,000 to compensate others.

The response has been very positive, with almost 600 Applications as of May 6.

## **What other granting programs are available from the EAC?**

The EAC and the ECF are partnering with organizations and collectives with existing programs and capacity to administer payments to artists to share their creative works online. Each

organization is contributing \$50,000 to the **Digital Arts Fund**, which will focus on the digital dissemination and distribution of artistic work and the generation and exchange of critical discourse. These funds will allow artists, arts and festival organizations to engage Edmontonians through a wide range of artistic works. There is no application as this fund will be managed in collaboration with community partners.

### **Is this the full extent of the EAC's assistance?**

No, they are looking at pre-existing deadlines, and designing new programs that are more applicable in this environment to disperse additional funds. There is approximately \$1.6M that will be coming through the programs, and the EAC is committed to giving all funds that had been allocated for individual artists to individual artists. They will very shortly be beginning online consultations regarding new program directions.

More to come.

## **Rozsa Foundation Grants and Programs**

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### **How is the Rozsa Foundation responding to the COVID-19 pandemic?**

The Rozsa Foundation has introduced two new granting programs in response to the pandemic: A COVID-19 Programming Cancellation Grant, and an Online Programming Grant.

The COVID-19 Programming Cancellation Grant offers support to these impacted organizations through grants of up to \$10,000 for organizations with an operating budget up to \$1 million, or up to \$20,000 for organizations with an operating budget above \$1 million. These grants help cover the cost of artist fees paid out to those whose contracts unfortunately had to be terminated due to COVID-19 related cancellations between March and June 2020. These funds can either be used to pay contractual obligations to artists who have not yet been paid or to restore funds already used to pay artists.

The Online Programming Grant offer up to \$15,000 for arts organizations, or \$4,000 for individual artists or artist collectives to create innovative programming or activities that can be shared digitally with an audience. This presents the arts community with an opportunity to use technology to deepen connection to community, reach new audiences and implement a digital approach to programming that can continue in some way beyond this period of physical distancing.

**Typically, the Foundation is not able to support non-profit agencies without a charitable registration number. Will either of these programs be open to nonprofit societies?**

Yes, the Online Programming Grants will be available to non-profits who are not charities, thanks to a collaboration with the Calgary Arts Development. There is a specific application for these groups on the Rozsa Foundation website.

**Does the Rozsa offer the Online Programming Grant for individual artists?**

The new partnership with CADA allows the grants for this project to be open to individual artists. There is a specific application for artists and artists collectives on the website.