



TEXAS MOVING IMAGE INDUSTRY INCENTIVE

PROGRAM GUIDELINES

Feature Films ★ Television ★ Reality Television
Commercials ★ Video Games ★ Visual Effects

<https://gov.texas.gov/film/page/miip>

film incentive@gov.texas.gov

(512) 463-9200

Effective Dates: Sept. 1, 2018 – Aug. 31, 2019

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QUICK REFERENCE TIMELINE

Pre-Production

- Call the TFC Incentives team to discuss fund availability.
- Apply for the incentive no later than 5pm, five (5) business days before the first day of production.
- If application is accepted, return signed grant agreement within 7 calendar days of receipt.
- Set up accounting meeting or conference call with the TFC.
- Submit a crew call to the TFC job posting website.
- Download forms from the TFC website.
- Contact payroll company to set up reports.

Production

- Email the TFC to confirm start of production within 5 business days of your actual start.
- Have all crew, cast and extras complete a DTR form.
- Double check that information on DTR forms is accurate.
- Make sure all major TX expenditures have valid documentation.
- Notify the TFC immediately if you push your start date, go over budget, or extend production.
- Download Excel Worksheet Instructions from the TFC website.

Post Production

- Contact the TFC with any questions or submission issues you may have.
- Submit your final documentation including final content to the TFC within 60 days of your last TX expenditure.
- Submit logo request and screen shot of logo to filmmarketing@gov.texas.gov.
- Submit press photos, poster and marketing materials to the TFC Marketing Department.

Submission

- Refer to Texas Expenditures Worksheet Instructions for details on how to prepare the submission.
- Make sure Excel worksheets and submitted documents are properly organized and accurately reflect your submitted totals.
- Submit documents to the TFC in either hard copy or upload files via secure file transfer.
- Make sure to submit Final Content with your submission.

Contact Us: Texas Film Commission ("TFC") Incentives Team

512-463-9200 ★ film incentive@gov.texas.gov

INCENTIVE TIMELINE AND DELIVERABLES

PRE-PRODUCTION

- Call the TFC incentives team to discuss fund availability.
- Apply no earlier than 120 days prior and no later than 5pm, 5 business days before the first day of production. To request a link to the application, please contact the TFC incentives team.

Upon Acceptance Into the Program:

- Return the original signed Grant Agreement and any applicable vendor forms within 7 calendar days of receiving your acceptance email from the TFC. **NOTE: This is a program requirement.**
- Set up a meeting or conference call between an incentives team representative and project producers/accounting personnel to go over program requirements and questions. **NOTE: This is a program requirement.**
- Post a crew call/job posting on the TFC website. E-mail filmmarketing@gov.texas.gov for more information.
- Distribute copies of the Program Guidelines and current Declaration of Texas Residency (DTR) form to eligible Texas cast and crew members. The current DTR can be found here:

https://gov.texas.gov/uploads/files/film/dtr_2018.pdf
- Make sure location personnel understand the underutilized/economically distressed qualifications.
- Contact your payroll company to set up appropriate formatting for reports, if applicable.

PRODUCTION

- Confirm the start of production with the TFC no later than 5 business days after the commencement of principal photography/game production. Applicants must send this confirmation to the incentives team via email at film incentive@gov.texas.gov. **NOTE: This is a program requirement and failure to confirm the start of production may put your project at risk for disqualification.**
- Ensure all paid Texas crew and cast members complete a Declaration of Texas Residency form. Double check to make sure the driver's license # is **eight digits**.
- Gather and document all eligible Texas spend.
- **Notify the TFC incentives team immediately** at film incentive@gov.texas.gov if you push your start date, go significantly over your projected budget, have a questionable expense, or extend production. The earlier we know the more we can do to help you. Lack of notification may lead to disqualification.

POST PRODUCTION

- Confirm your completion or wrap date by emailing the TFC at film incentive@gov.texas.gov.
- Contact the TFC incentives team before submitting your final documentation if you have any issues or questions regarding your project.
- Submit the final documentation and final content for your project to the TFC within 60 days of the final Texas expenditure. **Notify the TFC immediately** if you think you may not comply with this deadline. Post production costs completed in Texas qualify for the incentive. Productions completing post in Texas should plan to submit documentation 60 days after their final post expenditures.
- Contact the TFC marketing team regarding the required use of the TFC logo and submission of screen capture of the logo included in end credits for review and approval. Additionally, contact the TFC marketing team for submitting press/behind-the-scenes photos, one sheet poster, and other marketing materials. E-mail filmmarketing@gov.texas.gov.

SUBMISSION

- Use the Excel Worksheet Instructions provided by the TFC to create project worksheets. Excel worksheets must be formatted according to the Texas Expenditures Worksheet Instructions. Instructions can be downloaded here:

http://gov.texas.gov/film/incentives/miip_forms_guidelines.

- Submit final documentation either via secure file transfer (call or email to request a link) or as hard copy in binders. **Please see the section on organizing your submission on pages 14-15.**

The TFC will do a preliminary assessment of your documentation within 15 business days upon receipt of your submission. If additional documentation is necessary a TFC incentives team representative will contact you directly.

- Submit the required Final Content.

Questions?

Please contact an incentives team representative at the TFC.

512-463-9200

film incentive@gov.texas.gov

DECLARATION OF TEXAS RESIDENCY (DTR) FORMS

Valid Declaration of Texas Residency Forms (DTRs) must be submitted for all paid crew and cast who worked in Texas for whom payroll expenditures are being submitted. Payroll expenditures include individuals paid through payroll, paid as independent contractors, or paid via loan-outs.

Download the current DTR at https://gov.texas.gov/uploads/files/film/dtr_2018.pdf

In order to complete the DTR form employees must provide **one** of the following forms of ID as proof of residency:

1. a valid Texas driver's license
2. a current Texas voter registration
3. ID from a Texas college or university

THE CURRENT VERSION of the DTR form became effective in September 2018. Previous versions will not be accepted.

All forms of ID must be valid 120 days prior to the start of production.

COMMON CAUSES FOR INVALID DTRS

- Driver's license number incomplete
- Driver's license expiration date incorrect, dates must be written **month/day/year**
- Driver's license not valid 120 days prior to start of production
- Missing date of birth
- DTR not initialed or signed by employee
- DTR not signed by production, pre-signed by production before employee, or blanket signed by production
- DTR missing employee address
- DTRs for minors not signed and Texas residency information completed by parent or guardian. ***DTR must include parent or guardian's relationship to minor.***
- Missing proof of residency
- Voter registration number incomplete, must be 9 digits or more
- Higher education ID cards not from a Texas college or university. High School ID's are ineligible.

PAYROLL EXPENDITURES

ELIGIBLE PAYROLL EXPENSES

Gross wages and fringes paid by the applicant for valid Texas residents are eligible.

- Payments to loan-out companies are accepted as long as the employee provides a valid DTR.
- Only employer paid taxes and fringes are eligible. Employee taxes and payroll deductions are not eligible.
- Employer paid benefits for employee dependents are not eligible.

Box rentals, mileage, car allowances, housing allowances, and per diem are also eligible if paid to a valid Texas resident and the appropriate backup is provided (e.g. kit invoices, mileage logs, signed per diem sheets).

Eligible Fringes Include:

- Social Security (OASDI)
- Medicare (MEDI or MDCR)
- Federal Unemployment (FUI or FUTA)
- State Unemployment (SUI or SUTA)
- PH&W (Pension Health and Welfare, and other employer paid benefits)*
- Vacation, Holiday, and Sick Pay
- Worker's Compensation (WC)**
- Payroll Handling Fees**

** Benefits not paid through a third-party payroll company are eligible if paid to a Texas company and appropriate backup is provided.*

*** WC and Handling Fees are eligible if paid to Texas vendors or entities with brick and mortar Texas locations.*

COMMON CAUSES FOR INELIGIBLE PAYROLL EXPENSES

- Wages submitted for non-Texans
- Missing or invalid DTRs
- Missing kit rental forms, mileage logs and per diem signature sheets
- WC and Payroll Handling fees from non-Texas entities
- Fringes not broken out separately

BENEFITS paid separately from payroll are eligible if appropriate backup is provided and the costs are broken out by employee per pay period. SELF FUNDED MEDICAL PLANS or DIRECT CLAIMS PAID are ineligible.

BONUSES paid to crew members are eligible only if they are project related. Bonuses given for relocation are considered overhead and are not eligible. An explanation of project related bonuses must be provided.

APPLICANTS may want to consider contracting with a TX third-party payroll company for handling fees to be eligible.

For WC to be eligible, the policy must be procured through a TX insurance company or agent.

VIDEO GAME, ANIMATION, AND VISUAL EFFECTS PROJECTS need to include time allocations for their employees. Refer to the Worksheet Instructions. If employees worked only on the submitted project time allocation is 100%.

Acceptable Payroll Documentation for Incentives Submissions:

In addition to completed DTR forms for TX residents, one type of backup below is required for each submission. Applicants may submit more than one type of backup for their project.

1. 3rd Party Payroll Company Reports or Registers including all wages paid to Texas residents and all fringes broken out. Fringes not separated will not be allowed.
2. Copies of cleared payroll checks and time cards for all paid cast and crew.
3. Invoices and cleared check copies paid to independent contractors.

Kit rental invoices and mileage logs are required in addition to one of the above types of backup.

VENDOR EXPENDITURES

Most production related vendor expenditures are eligible expenses, if the following are true:

1. The expenditure is paid to a Texas vendor (valid TX address and/or phone #).
2. Proof of payment to the vendor (cleared check copy, credit card receipt etc.) is provided.
3. The date on the invoice falls within a reasonable period of time during pre-production, production or post.
4. The expenditure does not include any ineligible items/services.

Ineligible Expenditures:

- Alcohol
- Tobacco
- Tips/Gratuities
- Clearance Rights/Licensing Fees
- Story Rights/Development Costs
- Internet purchases missing Texas location of purchase
- Pass through companies and service fees
- Entertainment/Gifts/Wrap Party fees
- Adult-oriented material
- Expenses related to production company overhead (i.e. costs that would be incurred even if the project were not in production)
- Marketing/Publicity/Promotional Costs
- Festival / Distribution Costs

LOCATION EXPENSES are eligible but the production must provide a copy of the signed location release or the rental invoice as backup in addition to proof of payment. Check requests are not valid backup as they are generated by the production and not the vendor.

PREPRODUCTION COSTS submitted for video games cannot exceed 30% of the total spend eligible for the incentive.

APPLICANTS hiring a local company to produce their project must provide the appropriate layers of backup for the audit. Submissions will not be accepted with "single vendor" documentation. Related party agreements or production services agreements must also be provided.

COMMON CAUSES FOR INELIGIBLE VENDOR EXPENDITURES

- Missing Texas vendor information and dates
- Tips, alcohol, entertainment, gifts submitted
- Missing invoices, location releases, proof of payment
- Lack of asset distribution for single items over \$1,000
- Costs for shipping that did not originate in Texas
- Airfare purchased from a non-Texas airline
- Internet purchases not made to a Texas vendor
- Expenses paid by an entity other than the production/incentive program applicant
- Quotes / Estimates submitted instead of Invoices.

ALLOWABLE TRAVEL EXPENSES
include: airfare for flights arriving to or departing from Texas and paid to American Airlines, US Air, or Southwest Airlines, Texas hotel fees, and Amtrak fares purchased at a departure point in Texas.

PROJECT LAUNCH costs and conference expenses are not eligible.

SINGLE ITEMS purchased for \$1000.00 or more are considered assets. The applicant must provide an explanation of demolition, holdover, or resale in order for the expense to be eligible. For resale items, only the difference between the original purchase price and resale price will be eligible.

Acceptable Vendor Expenditure Documentation for Incentives Submissions:

1. Invoices/Receipts with proof of payment.
2. Full hotel/motel folio with proof of payment.
3. Signed location release/agreement with proof of payment.
4. Check requests with appropriate invoice backup and proof of payment.

Acceptable forms of proof of payment are

- **cleared or canceled check copies**
- **credit card receipts or credit card statements**
- **invoices and /or statements showing a zero account balance**

PETTY CASH EXPENDITURES

Similar to vendor expenditures, most production related petty cash expenses are allowable if the following are true:

1. The expenditure is paid to a Texas vendor (valid TX address and/or phone #).
2. The date on the receipt or invoice falls within a reasonable period of time during pre-production, production or post.
3. The expenditure does not include any ineligible items/services.

SEE VENDOR EXPENDITURES FOR A LIST OF INELIGIBLE ITEMS.

EXTRAS paid through petty cash must have a valid DTR and a signed extra's release form, voucher, or invoice.

COMMON CAUSES FOR INELIGIBLE PETTY CASH EXPENDITURES

- Illegible or faded receipts.
- Receipt missing Texas vendor information and/or date.
- Submission of ineligible items/non-Texas expenditures.
- Per Diem submitted without valid DTRs and signed sheets.
- Prepaid gas receipts that do not show price per gallon.
- Food receipts that are not itemized.

FOOD PURCHASES and restaurant receipts must be itemized to ensure that alcohol is not submitted for the incentive.

PURCHASES submitted with returned items must submit the return receipt in order for the submitted amount to be eligible.

Acceptable Petty Cash Documentation for Incentives Submissions:

1. Petty cash receipts can be submitted by envelope total or by single receipt total **NOT** by coding or reference number.
2. Receipts should be submitted in the order they correspond on the envelope.
3. Faded, folded or taped receipts should be copied to show the entire receipt.
4. If submitting by envelope totals, ineligible items should be removed by the production and envelope amounts revised to reflect any adjustments. If submitting by individual receipt, the envelope must note which receipts are submitted and which are not. Show your work.

CAST & CREW LISTS

To document that projects meet the minimum 70% residency requirement, a detailed Crew List and Cast List must be included as part of the incentive submission. Texas and Non Texas residents paid as crew and cast for work in Texas should be included.

CREW LIST

A detailed Crew List must include all crew members paid for work in Texas including:

- Employees paid by the applicant through payroll
- Independent contractors hired for traditional crew positions or production jobs
- Any crew person listed on a call sheet with a call time

Executive Producers not working on location will not be counted as crew; neither will those positions not paid by the production (e.g. Camera truck/Grip drivers required on set but paid by the vendors).

CAST LIST

A detailed Cast List must include all cast members paid for work in Texas including:

- Cast and extras paid through payroll
- Cast and extras hired as independent contractors
- Cast and extras paid cash

LOCATION AND PRODUCTION SCHEDULE DOCUMENTATION

Projects are required to complete 60% of their production days in Texas. To document this, applicants are required to submit copies of all call sheets, production reports, and/or a production schedule. Animated and video game projects must submit their studio location and/or milestone calendar in addition to their production schedule.

For television series, if two main units are being used for separate episodes but overlap calendar dates, each main unit day will be counted separately only if individual call sheets are provided as backup.

For video game and animated projects, if production occurs outside Texas on the same calendar day as in-state production then the project will receive partial credit for that day toward the 60% requirement.

UNDERUTILIZED AND ECONOMICALLY DISTRESSED AREAS

Productions using locations in certain areas of the state may be eligible for a bonus of 2.5%. Projects will receive the bonus if 25% of their total production days occur in an underutilized or economically distressed area.

- Economically distressed areas exist within the 30 mile radius of either Austin or Dallas and are noted in purple on the maps (links below).
- Underutilized areas are all locations outside the 30 mile radius zones of Austin and Dallas.
- Productions can search locations or potential locations in order to determine their underutilized qualifications.
- Maps specifying distressed areas can be found here: https://gov.texas.gov/film/page/underused_areas.

When calculating underutilized and economically distressed percentages all locations used on a single day will be counted equally regardless of time spent at the location, including Second Unit locations.

Example: If the main unit shoots in three locations and the 2nd Unit in one then four locations will be credited for that day. If two of the four locations are underutilized then .50 of a day will go toward the 25% .

Locations must be identified on Call Sheets or Production Schedules

EFFECTIVE MARCH 10, 2014, productions having one or more shooting locations not located in an underutilized or economically distressed area but have a basecamp located in a qualifying area serving the shooting locations, may get credit for the underutilized and economically distressed bonus. The basecamp location must appear on the calls sheets and production reports and the production must have paid financial consideration for the basecamp property in order to be eligible for this rule.

THE SUBMISSION PROCESS AND REQUIREMENTS

Final qualifying documentation may be submitted electronically or via hard copy in binders to the TFC. Applicants have 60 days from their final Texas expenditure to turn in their documentation.

REQUIRED DOCUMENTATION FOR FINAL SUBMISSION:

- A completed and signed Verification Worksheet for the project. See the [Forms & Guidelines](#) page on the TFC website to download this form.
- Completed Texas Expenditures Worksheets in Excel. See Worksheet Instructions.
- Documentation of spend for all submitted expenditures including payroll, vendor/AP, petty cash, credit card, and purchase card, if applicable.
- Crew/Cast Lists
- Production Reports, Call Sheets, Production Schedule
- Acceptable Final Content: A digital copy of the film, game, or commercial OR a link to content that DOES NOT expire.
- Screenshot of the Texas Film Commission logo in final credits. Additionally, press photos and a poster may be requested.

ALL REQUIRED FORMS AND WORKSHEET INSTRUCTIONS CAN BE DOWNLOADED FROM THE TFC WEBSITE AT: https://gov.texas.gov/film/page/miip_forms_guidelines

DIGITAL SUBMISSIONS

In lieu of submitting paper copies of documentation applicants may submit their projects electronically via secure file transfer. Applicants ready to submit must call or email the TFC to request the transfer link. Links are valid for 7 days. Backup documents must be scanned as PDF files and clearly labeled.

Third party payroll registers should be scanned and clearly marked as crew or cast payroll. A PDF summary register for the run of the production is preferable, but if separate registers are submitted for each pay period, dates need to be clearly marked.

Non-third party payroll documents should be scanned and submitted in separate folders organized by employee. Each employee folder should include all timecards or invoices, check copies, kit rental invoices, mileage forms and other applicable documentation.

(Digital Submissions Process and Requirements continued on Page 15.)

DIGITAL SUBMISSIONS (CONT'D)

DTRs should be submitted in PDF format, organized alphabetically by last name with separate files for crew, cast and extras.

Vendor documentation can be submitted in one of two ways: invoices/receipts and proof of payment can be submitted by vendor in individual files or as one large PDF with the invoice followed by proof of payment.

If vendor documentation is submitted in one large PDF file, the order of the scanned documents must correspond EXACTLY to the order in which expenditures are submitted on the vendor Excel worksheet. Proof of payment scanned separately from invoices and receipts may not be accepted if it cannot be reconciled easily.

Petty cash expenditures should be scanned and submitted by individual transaction or by envelope and employee, with each employee in a separate file. Receipts scanned by reference number or grouped by coding **will not** be accepted.

Scanned documents should easily reconcile with the submitted Excel worksheets; if they do not then the applicant will be asked to rescan and organize them appropriately. This will delay the audit.

HARD COPY SUBMISSIONS

Submissions should be submitted to the TFC in three ring binders. Documentation must be organized in the following order: TFC Verification Worksheet, summary page, payroll Excel sheet, payroll documentation, vendor Excel sheet, vendor documentation, petty cash Excel sheet, petty cash documentation.

Any credit card or purchase card expenditures not included in vendor expenditures should be inserted between vendor documentation and petty cash. Crew and cast (including extras) lists, call sheets, production reports and DTRs should be submitted after petty cash. DTRs should be in alphabetical order by last name and separated into cast and crew.

Digital copies of the Excel spreadsheets and final content must be submitted along with the paper documentation. The Film Commission will not accept a project for audit until all required materials are received.

**Documentation can be sent via FedEx or UPS
to the following address:**

Texas Film Commission
ATTN: Incentives Dept.
1100 San Jacinto, Suite 3.410
Austin, TX 78701

Via US Mail please use this address:

Texas Film Commission
ATTN: Incentives Dept.
P.O. Box 12428
Austin, TX 78711