



## Talent to Watch/ Talent Fund Budgets and Production Financing Requirements

### **A: General Principles Related to Budgets**

A fully itemized budget based on Telefilm Canada's standard budget form is required with each application. Standardized Talent to Watch budgets are available on our web site [www.telefilm.ca](http://www.telefilm.ca). Other requirements include the following:

- Each of the Producer Fees and Corporate Overhead cannot exceed 10% of the B+C portions of the budget (with the exception of Documentary projects with budgets under 2.5 million \$ for which the cap is set at 15% for each of these items).
- A closed-captioned version for the hearing impaired is required.
- The project must also be provided with described video.
- All delivery items specified in existing distribution, broadcast or other agreements must be fully budgeted.
- Budget must include sufficient provision for digital encoding and subtitling in the other official language.
- For English or French dubbing or sub-titling, Telefilm will require that a Canadian-owned-and-controlled company do the dubbing or subtitling. Exceptions may be made in the case of official co-productions.
- 4 professional quality DVD (or equivalent) copies of all versions of the production must be delivered to Telefilm Canada OR a free access link without an expiry date to a digital platform with subtitling into the other official language
- Budget must include an amount representing a minimum of 6% of B+C in the Contingency account.
- The production must be protected by all industry standard insurance policies, including E&O (with no exclusions).
- Budget must include sufficient provision for preservation copies for Library and Archives Canada:
  - a) one unencrypted Digital Cinema Package (DCP) (compliant to SMPTE 429 or Interop guidelines) as follows:
    - DCPs should be delivered to LAC on external, ruggedized hard drives that support USB 3.0 interface standards;
    - hard drives should be formatted NTFS or Linux EXT2/3;
    - if the production shoots on film but moves to DCP, please submit a DCP;

- b) one DVD copy or equivalent (e.g. Blu-ray);
- c) a list of the names and addresses of all rights holders along with a full list of credits for the Production
- Productions financed by Telefilm Canada must deliver a Declaration of Final Costs, as per the template available on Telefilm's website and within the date set out in the Payment Schedule. However, Telefilm reserves the right to require that an audit or review engagement be performed. Any costs that Telefilm deems excessive, inflated, or unreasonable may cause Telefilm to adjust the amount of its participation.

## **B. General Principles Related to Production Financing**

- A detailed financial plan outlining the balance of financing for a project is required on submission of application, accompanied by written evidence of the financial commitment of other participants
- Telefilm Canada allows pre-sales made by the producer if they are part of production financing. No commission is allowed.
- Producers securing sponsorships may claim a commission of 10% of a sponsorship's cash value (provided that it is part of the non-recoupable production financing) when the sponsorship was acquired by the company itself or a related party. If a third-party contractor secured the sponsorship, the commission is 15%. If the sponsorship transaction occurs before the completion of the production, its net value is included in the financing structure.
- Tax credits may be included in the financial structure provided that a distributor or broadcaster is attached to the project. See tax credits programs for details.
- If another producer has received financing for the project by Telefilm Canada in a previous phase in development, Telefilm will not finance production of the project before recoupment of the advance made to date has been properly assumed by the applicant. Telefilm will determine in its own discretion whether the project submitted is the same as the project that has previously received financing.

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