



Talent to Watch Budgets and Production Financing Requirements

A: General Principles Related to Budgets

A summary budget based on Telefilm Canada's standard budget form is required with each Talent to Watch application. Standardized Talent to Watch budgets are available on our web site <https://telefilm.ca/en/programmes/talent-to-watch-program>. 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.
- A free access link to the final version of the project on a digital platform must be provided to Telefilm Canada. This link must be valid for a minimum duration of 2 years and must provide access to the dubbed or subtitled version of the project.
- Budget must include an amount representing a minimum of 8% 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 (LAC). LAC's requirements are:
 - a) one unencrypted Digital Cinema Package (DCP) (compliant to SMPTE 429 or Interop guidelines), delivered to LAC using one of the following two options:
 - Digital delivery: Digital transfer via secure File Transfer Protocol. Contact LAC at telefilmcanada-telefilmcanada@bac-lac.gc.ca for information and instructions about this option. OR
 - Physical delivery: On an external, ruggedized hard drive that supports USB 3.0 interface standards.
 - Hard drives should be formatted NTFS or Linux EXT2/3 with the formatting clearly labelled;
 - If the production shoots on film but moves to DCP, a DCP should be submitted;
 - b) a list of the names and addresses of all rights holders along with a full list of credits for the Production. These can be sent by email to telefilmcanada-telefilmcanada@bac-lac.gc.ca.
- 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 financial structure outlining confirmed and projected financing for a project is required on submission of application, accompanied by supporting documentation for each source of confirmed financing.
- Producers must ensure that their project meets provincial or federal tax credits criteria before including these tax credits in the project's financial structure (eg: whether the project has a distributor or broadcaster attached)
- 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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