VICTORIAMEDIATION
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PREPARING FOR MEDIATION

Financial Disclosure Checklist

Every document you need to gather before mediation, grouped by what you own. Work through the sections that apply to you and ignore the rest. Most people need four or five of them.

Gathering your documents is the single biggest thing you can do to keep mediation short and keep the cost down. Every decision you make about support, property and debt rests on knowing what you both have and what it is worth. When that information is already assembled, the session is spent making decisions. When it is not, it is spent chasing paperwork, which is the most expensive way to spend it.

IMPORTANT

Value everything as at today

The law asks you to value assets as at the date of your mediation, or close to it, unless using that date would be unfair. So gather current values first, for everything.

If you think a current value is unfair in your situation, supplement it. Bring the value as at the date you think is the right one, and a document that verifies that value. Then we can talk it through and decide together which date to use.

IMPORTANT

Full disclosure is not optional

Both of you have a legal duty to disclose your finances honestly and completely. An agreement built on incomplete or inaccurate disclosure can be set aside later, which is the most common reason separation agreements fail. Disclosing everything protects you as much as it protects your spouse.

Before you start

Do not wait until you have everything. Gather what you can and bring a list of what is still outstanding. We can usually work around a missing document, and knowing what is missing is itself useful.

A statement a few weeks old is usually fine. Use the most recent one you can produce and note the date it covers.

Both of you work from this same list. Disclosure runs both ways, and mediation goes faster when you arrive equally prepared.

If you are unsure whether something counts, bring it. It is far easier to set aside a document we do not need than to pause mediation to find one we do.

Income

Everyone. Support is calculated from income, so this applies in every file.

- [ ] Your last three income tax returns
  The complete return as filed, not just the summary.
- [ ] Your last three notices of assessment
  These come from CRA after each return is processed.
- [ ] Your three most recent pay stubs
  To show what you are earning right now, which may differ from last year.

If your income changes through the year, from overtime, bonuses, commission or seasonal work, bring anything that shows the pattern. Support is based on what you reasonably expect to earn over the next twelve months, not only on last year's return.

The family home

If either of you owns a home.

- [ ] A current appraisal
  Only needed if one of you wants to keep the property. If you are selling, you do not need an appraisal. A realtor can help you set a price.
- [ ] Your most recent mortgage statement
- [ ] Statements for any other secured debt registered on title
  A line of credit secured against the house, or a second mortgage.

Other real property

Rental properties, recreational property, land.

- [ ] A current appraisal
  Again, only if one of you wants to keep it.
- [ ] Your most recent mortgage statement
- [ ] Statements for any secured debt registered on title
- [ ] The purchase history, if you have it

For the purchase history, useful details are the date you bought it, the purchase price, and the original mortgage amount. This matters most where part of the property may be excluded property.

A corporation

If either of you owns shares in a company.

- [ ] The last three sets of financial statements
- [ ] The last three corporate income tax returns
- [ ] The corporate articles showing the share structure

Consider having a business valuator prepare a valuation, unless you both already have a good sense of what the corporation is worth and agree on it.

An unincorporated business

Sole proprietorships and partnerships.

- [ ] The last three sets of financial statements

As with a corporation, a valuation is worth considering unless you agree on the value.

Vehicles

Cars, trucks, boats, trailers, motorcycles, RVs.

- [ ] A current valuation for each vehicle
  If you use an online tool, make sure it is Canadian and gives the value in Canadian dollars.

Financial accounts

Chequing, savings, investments, RRSPs, TFSAs, RESPs.

- [ ] A statement verifying the balance of each account
- [ ] Or a single account summary page
  If you bank online, one page listing all your accounts works, as long as each account and its balance can be identified.

Pensions

Workplace and government pensions.

- [ ] Your most recent annual pension statement

  This confirms the details of the plan.

- [ ] A pension valuation, in some cases

  You do not need one if you are simply dividing the pension. You do need one if you want to keep the pension and balance its value against other assets.

> If you have a federal government pension, you can request a valuation directly from your pension manager, usually at no charge.

Debts

Everything owing, in either name.

- [ ] A statement verifying the balance owing on each debt

  Credit cards, lines of credit, loans, tax debt.

- [ ] Something in writing for informal loans

  A loan from a family member or friend still counts. A note setting out the amount owing is enough.

Excluded property

Only if you are claiming an exclusion.

- [ ] Documentation of the exclusion at the time you received it

  What this looks like depends on the exclusion.

- [ ] Evidence of where the value went afterwards

  Where were the funds deposited? How were they used?

> Depending on the exclusion, the first document might be a gift letter, documents showing money received through a will, an insurance settlement showing the amount received, or, for a property you owned before the relationship, an appraisal at the date you moved in together, together with a mortgage statement from that same date. The purpose is to trace the money or the value forward through the years.

KNOWING WHAT THINGS ARE WORTH

How to establish value

Financial accounts are easy, because the statement is the value. Most other assets need some outside verification. If the two of you agree on a value, you can use it without going further. Where you do not agree, or you are not sure, this is how each type of asset is usually valued. In every case the value is as at today, unless you both agree another date is fairer.

Vehicles	Online Canadian valuation tools are the easiest place to start. You will usually see two numbers. Wholesale is roughly what a dealership would pay you, and is lower than a private sale. Retail is roughly what a dealership would sell it for, and is higher than a private sale. A figure somewhere between the two is usually close to what you would actually get selling privately.
The family home	A residential appraiser gives a professional, unbiased assessment of fair market value. That is the right approach when one of you is buying the other out. If you are selling, you do not need an appraisal. Work out the listing price with a realtor instead.
A business or corporation	A business valuator can tell you what the business is worth, which matters if one of you is buying the other out. Your accountant or corporate lawyer can advise on what your particular business needs. Where one spouse controls how much income they draw from a company, a determination of guideline income can also help establish what is actually available for support.
Pensions	Your annual statement tells you what you will receive monthly in retirement. It does not tell you what the pension is worth as an asset today. You only need a valuation if you want to keep the pension and buy out your spouse's share, or balance it against other assets. If you are simply dividing it, no valuation is needed.
Financial accounts	No valuation needed. The statement is the value.