



A TIMELY MATCH OF ONTARIANS AND THEIR LOST MONEY:

Individuals would benefit, as would communities

These are challenging times when every penny counts. These also could be times when long-lost funds are given back to Ontarians, or used to pay for important social services.

The Need is dire.

- One in five Canadians relies on charities for essential needs (Giving Report, CanadaHelps, 2024)
- Food bank usage has risen for seven consecutive years, and two in five people visited a food bank for the first time in 2022 (2023 Hungry Report, Feed Ontario, 2023)
- 18% of households consistently 'feel stretched' (Toronto Social Capital Study, Toronto Foundation and Environics Institute, 2022)

Legislation to set up processes to reunite Ontarians with forgotten funds couldn't be timelier, then. Likewise, communities would benefit as some of the money -- for which the owner can't be found -- is provided to local charities. All this could be done at no cost to government.

What is unclaimed property?

Millions of dollars in financial holdings go unclaimed annually. It could be an inheritance, or a paycheck or court settlement with incorrect contact information. There is no required means in Ontario to reunite owners and dollars.



The public has little chance of ever accessing their money.

People forget. Bureaucracies forget too. But it needn't be this way. Toronto Foundation, working with 51 community foundations across Ontario, is proposing that the Ontario government enact an *Unclaimed Properties Act*. The Act would set the stage for the creation of a not-for-profit Unclaimed Property Society that would oversee a searchable database to help Ontarians identify forgotten funds, not unlike the database that the Bank of Canada oversees to reunite Canadians with forgotten bank accounts. One could consider it a tech-based couch cushion exercise, but with much more value.

Ontario previously considered an *Unclaimed Properties Act* but only to transfer unclaimed funds to individuals. At the time, it was met with opposition by the private sector due to concerns regarding the administrative burden.

This time around, we recommend two key differences:

1. **That the first effort be made to reunite Ontarians with their unclaimed financial assets**, and we could do this via the creation of an Unclaimed Property Society. Only when this process is exhausted would the funds be provided for community benefit.
2. **That the government initiate mandatory participation solely from provincially-regulated entities**, such as credit unions, the Public Guardian and Trustee for unclaimed estates, Employment Standards for unclaimed wages, and the Court system for unclaimed court decisions and orders. This could lead to other entities participating voluntarily.

British Columbia has been doing this for 20 years.

The B.C. government partnered with Vancouver Foundation in 2003 to do just what Ontario could now do. In their case, the operating agreement estimates -- based on experience -- what percentage of lost funds might be claimed successfully and what percentage might not and can then be turned over to



charities province-wide on an agreed formula. This has now led to a total of about \$60M shared with the community.

Ontario's benefit would add up too.

Based on BC's performance, about \$4.5 million might be expected to be returned to residents annually in Ontario. The average find may not be huge -- \$200 to \$300 -- but this still goes a long way. It also is estimated that \$10 million would be distributed to communities across Ontario annually.

Wouldn't this require a big bureaucracy?

Community foundations have a 100-year-old business model that leverages investment pools to create granting revenue for community support. This is done at low cost and would speed the way to this new responsibility. As in British Columbia, an investment pool of unclaimed assets would be established. This would mean that some dormant funds could be used right away for charitable purposes and to cover administrative costs. New unclaimed assets would be added annually.

What has happened so far and what could be next?

Extensive consultations with the Ontario government -- at the political and public service levels -- were held between 2020 and 2023. Cabinet ministers and Members of Provincial Parliament (MPPs), as well as community stakeholders and business leaders, have underscored the viability of this initiative.

A coalition of 51 community foundations across the province, led by Toronto Foundation, is ready and well equipped to launch an Unclaimed Property Society of Ontario (UPS). UPSO would be overseen by Toronto Foundation. A master agreement between the Ontario government and all relevant stakeholders would delineate roles and responsibilities, ensuring transparency and accountability in fund allocation. Toronto Foundation has robust fiduciary



practices, governance structures, and oversight mechanisms already and its sustainable operating model emphasizes efficiency and cost-effectiveness.

A transparent distribution formula, developed by Community Foundations of Canada (the national organizing body), would guide an equitable allocation of unclaimed funds across Ontario. Key considerations would include population demographics, geographic reach, and support for equity-seeking communities, ensuring an inclusive and responsive approach. Furthermore, the 51 community foundations know their communities.

This proposed initiative is truly a win-win, for Ontario residents and for Ontario communities.

If you are interested in learning more about our efforts to bring an Unclaimed Property Society to Ontario please contact Nicola Hives at nhives@torontofoundation.ca.