

TOP 15 FUNDING PROGRAMS IN ONTARIO AS OF MAY 2015

Ontario's **Achieving Innovation & Manufacturing Excellence Initiative Global Initiative (AIME)** will contribute 50% up to \$50,000 for employee and employer training. The training must be related to supporting innovation that will make a company more internationally competitive. The program will pay for trainer, content, and curriculum costs as well as trainee wages, travel, facility rental and material/consumable expenses. Eligible initiatives that can clearly be linked to innovations leading to global competitiveness include but are not limited to up-skilling, retraining, or training in:

- existing or more advanced hardware and software,
- new safety procedures or equipment
- new products or production processes
- introducing or enhancing manufacturing methods or quality standards
- implementation and operation of new materials, equipment and technologies

To qualify companies must have between 10 and 1,000 employees, operate a manufacturing facility or facilities in Ontario, have been in business for 3 years or demonstrate a "solid financial footing", and produce an internationally competitive and sellable product. Companies who have previously received AIME support but not within the last 24 months can apply for 25% funding up to \$50,000.

Ontario's **New Economy Stream** initiatives will contribute up to 20% in grants and interest-free subordinate loans to businesses wanting to build innovation capacity, improve productivity, performance and competitiveness, exploit export and trade opportunities and/or create/retain jobs. Project expenses must be \$10 million or more. Eligible project-related cost categories include facility modifications, equipment and machinery purchases, materials, one-time labour expenses, research and development, training and new market access. Ineligible cost categories include ongoing production and labour costs, land and buildings, overhead, and business plan preparation. Applicants must be in advanced manufacturing, life science, or information and communication technology, and/or wanting to undertake a project which will draw additional investments key to increasing Ontario's next generation of talent, innovation and productivity. Additionally, applicants are required and will be evaluated on having a proven record of business success, generally for 3 years or more, as well as having sufficient financing, resources and expertise to undertake the project.

The Ontario **Export Market Access** program offers 50% funding up to \$30,000 towards export development activities in foreign markets that generates less than 5% of applicant revenues. Funding is available under the following categories:

1. Market Research: Funding for consulting fees and applicant travel towards carrying out market intelligence or research on market size, segmentation, growth, trends, buying attitudes, regulatory requirements, product requirements, distribution channels, and competitor activity strategy and performance, etc. as well as towards developing an international marketing/market entry plan. Eligible costs include consulting fees and company travel costs to targeted foreign market.

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2. Market Tools: Funding for out of pocket costs in developing, producing, or procuring export marketing materials such as: display panels, pavilions, information booths (not to be used for retail activities) and translation of existing materials.
3. Direct Contacts: Funding to participate in trade shows/events and technical seminars, as well as in government or association sanctioned incoming and outgoing trade missions. Eligible costs include: booth rental and related exhibition expenditures; on-site and local translation services; pre-show and show mail-out, inclusion and advertising; foreign travel for up to two company or potential client representatives; out of pocket expenses for prearranging and on-site meetings; foreign product testing for market certification; and follow-up activities. For missions, requests are limited to two in a twelve month period and preference will be given to first-time applicants.
4. Foreign Bidding: Funding for tendering Ontario goods and services such as engineering, construction, architecture and management consulting against foreign competitors. Support is available to carry out pre-feasibility studies and proposal preparation for solicited-only bids. Eligible expenses include but not limited to the purchase of bid/tender documents; cost of obtaining bid or performance bonds; testing of goods and services for foreign market certification, company and "in market" consultant travel expenses.

Please note that the maximum per diem travel allowance for all eligible export activities is \$125. Additionally, funding is not provided for: software purchases, product sample shipping other than for trade show purposes; hired consultant travel to Canada; company officials' travel within Canada; hosting or developing web site, e-newsletters, online journals, or e-commerce portal content, applications or tools targeted at promoting or facilitating foreign trade; applicant salaries, commissions, recoverable taxes, or capital costs such as office equipment, computers, office space; entertainment and hospitality expenses; postage and courier fees; modification of existing product, product documentation or packaging to meet foreign standards, consumer preferences, etc. Applicants must have: five to five hundred employees and minimum annual sales of \$500,000, or be a partnerships/consortium of small to medium sized new or emerging exporters. Preference will be given to companies who have developed an international marketing/market entry plan, which demonstrates that the promoted product or service are accepted into the target market.

The **Investing in Business Growth and Productivity (IBGP)** program offers interest-free loans of up to 25% to a maximum of \$20 million for activities requiring the adoption of new technologies and/or processes. Possible activities include but are not limited to pursuing new business opportunities, export development, facility expansion and modernization, growth and integration of global value chains, and/or introducing new industry and jobs to less-diversified Southern Ontario regions. All activities must be for businesses in Southern Ontario and result in workforce skills development. Eligible expenses include: equipment purchases and installation, facility retrofits, consulting fees, marketing expenses, as well as project-related employee wages and other

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expenses. Building and land purchases are not eligible. Interest-free loans are up to 6 years with repayment beginning no later than December 31, 2019. Applicants must have less than 1,000 employees. Companies are encouraged to apply as soon as possible.

The **Canada Ontario Job Grant** will contribute 2/3rds of out-of-pocket costs towards employee training to a maximum of \$10,000 per trainee per training course. Funding is available for training existing as well as new employees in:

- **Career or Development Instruction:** upgrade the knowledge, skills, and ability of employees to help them assume greater responsibility in higher positions e.g. technical skills development, enrollment in a university or college course.
- **Maintenance and Refresher Skills:** update and sustain the specialized subject-matter knowledge of trainees the beneficiaries. Maintenance or refresher training usually deals with new information and new methods, as well as review of older materials e.g. equipment, quality assurance, HACCP, GSFI training.
- **Essential Skills:** skills needed for work, learning and life e.g. ESL, reading, writing, ESL numeracy.

Eligible training costs include instruction/tuition fees, instructional materials and tools expenditures as well as certification and examination expenses. Training must be delivered by a for-profit training company/vendor (e.g. equipment trainer), a public university, college or school, or a government recognized unionized or private training institution. For companies with 50 or fewer employees, 50% of the applicant 1/3rd contribution can be wages of employees while being trained. Expenses e.g. instruction provided by applicant employees or owners, as well as trainee wages and other internal costs are not eligible for funding. There is no limit on the amount of funding that can be requested or the frequency and number of applications that can be made. However, funding can only be requested for instruction given by one trainer over a period of one year or less.

The **Career Focus** program offers businesses and organizations grant funding to provide study/career-related skills training and work experience to youth (15 to 30 yrs.). All applications must be for providing training and work experience for no less than 24 weeks. Applicants (employers) must provide experiential learning and/or training that addresses skills gaps of youth (i.e., participants), who have completed their studies, (thereby facilitating their transition into the labour market), or that enhances participant studies while enrolled in school. Through business work experience, participants should be able to supplement their study-gained theoretical knowledge with practical skills. Such work experiences must be supported by workplace coaching and/or mentoring. Eligible costs include but not limited to participant wages and expenses, third-party trainer fees, plus instructional materials and equipment purchases. Wages of applicant-employed trainers, mentors or coaches are not eligible for funding nor are the purchase of golf memberships or illegal substances.

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The **Industrial Research Assistance Program (IRAP)** contributes up to 80% to a maximum of \$500,000 towards internal and external business R&D costs. To qualify, businesses in southern or urban Canada must have 500 employees or less. No workforce size restriction applies to companies in remote communities. Eligible costs include employee salaries, materials and laboratory expenses, and consulting fees. Support is available for projects of up to three years in duration.

The **Scientific Research and Experimental Development (SR&ED)** program credits or refunds 20% to over 45% of the following expenses:

- internal wages
- Canadian third party contractors such as engineering, technical consulting, and laboratories
- test equipment, ingredients, materials and prototypes
- excess production costs while performing experimental production
- project related overhead

Eligible SR&ED expenses include developing, modifying or improving products, production processes, equipment and packaging as well as reducing effluent and air emissions, energy usage and waste. Fundable activities must involve finding solutions to identified technological challenges. Purchasing or implementing an “off the shelf” solution (i.e. buying and customizing a computer software program) is not eligible for support. However, working with an engineering company or internal staff to identify, develop and test possible technical methods/solutions are eligible activities. SR&ED claims must be filed within 18 months of your fiscal year. For example, if your year end is June 30, the latest date to claim 2008 fiscal year incurred expenses is December 31, 2009. Please note, however, that by including your SR&ED claim with an on time filed tax return, the claim will be processed in six months. Late filed claims can take up to twelve months to be processed.

The **Southwestern Ontario Development Fund (SODF)** will contribute 15% up to \$5 million in grants and four-year interest-free loans against investments that will create jobs and economic growth. Fundable investments are in equipment, consulting services, facility retrofits and expansions, as well as employee training and project-related costs incurred over a two to four year period.

To be eligible, businesses must be or planning to be located in a Southwestern Ontario county i.e. Brant, Bruce, Chatham-Kent, Dufferin, Elgin, Essex, Grey, Haldimand, Huron, Lambton, Middlesex, Niagara, Norfolk, Oxford, Perth, Waterloo, and Wellington. Additionally, applicants are required to have 3 years of financial statements and represent one of the following sectors: manufacturing, processing, information or communication technology, life sciences, tourism or the cultural industry.

Investments under \$10 million are eligible for 15% grant subsidies of up to \$1.5 million. Investments over \$10 million and creating no less than 50 jobs are eligible for 15% grant subsidies of up to \$1.5 million plus interest free loans of up to \$3.5 million to a maximum of 4 years.

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Applicants located in Southwestern, Ontario municipalities with populations exceeding 20,000 or in areas having more than 100 persons per square kilometre must invest a minimum of \$500,000 and have at least 10 employees. Those located in smaller communities or areas are required to invest a minimum of \$200,000 and have at least 5 employees. All applicants must increase their workforce by 50% up to a 10 new employees.

Costs associated with business acquisitions, debt financing, ongoing operational costs, construction as well as vehicle and land purchases are not eligible for funding. Applications will not be accepted from forestry, agriculture and mining related-businesses as well as barbershops, golf courses, retailers, and restaurants not located in a mall or plaza, and from other less socially unacceptable enterprises.

The **Eastern Ontario Development Fund (EODF)** will contribute 15% up to \$5 million in grants and four-year interest-free loans against investments that will create jobs and economic growth. Fundable investments are in equipment, consulting services, facility retrofits and expansions, as well as employee training and project-related costs incurred over two to four years. Costs related to business acquisitions, debt financing, ongoing operational costs, construction as well as vehicle and land purchases are not eligible for funding. To be eligible, businesses must be or planning to be located in Frontenac, Haliburton, Hastings, Kawartha Lakes, Lanark, Leeds, Grenville, Lennox, Addington, Northumberland, Ottawa, Peterborough, Prescott, Russell, Prince Edward, Renfrew, Stormont, Dundas or Glengarry counties. Additionally, applicants are required to have three years of financial statements and represent one of the following sectors: manufacturing, processing, information and communication technology, life sciences, tourism or the cultural industry. Applications will not be accepted from primary production i.e. forestry, agriculture and mining, related-businesses as well as retail, consumer, professional and consulting operations and services.

Investments under \$10 million are eligible for 15% grant subsidies of up to \$1.5 million. Investments over \$10 million and creating no less than 50 jobs are eligible for 15% grant subsidies of up to \$1.5 million plus up to \$3.5 million in four-year interest-free loans.

Applicants located in Eastern Ontario municipalities with populations exceeding 20,000 or in areas having more than 100 persons per square kilometer must invest a minimum of \$500,000 and have at least 10 employees. Those located in smaller communities or areas are required to invest a minimum of \$200,000 and have at least 5 employees. All successful applicants will be obligated to increase their workforce by 50% up to 10 new employees whichever is less.

The **Growing Forward 2** program offers government grants of up to 50% to a maximum of \$350,000 towards activities that augment innovation, productivity, and competitiveness in Ontario's agriculture/agri-food sector. Business and organizations eligible for this government funding program include food processors, producers, agricultural-based pharmaceuticals and nutraceuticals, bio-products, ornamentals (flowers, shrubs), pet food makers as well as other entities that manufacture or

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transform agricultural commodities and products. Requests for funding must be related to environment and climate change adaptation, animal and plant health, assurance systems, market development, labour productivity enhancements or business and leadership development. Specifically, grants are awarded for:

- new technologies, hardware and software (e.g. ERP systems) purchases, implementation and employee training.
- production equipment purchases, implementation and employee training.
- plant retrofits for equipment and technology installation, to reduce energy consumption and/or attain quality assurance and safety standards,
- engineering and consulting costs related to product, market and business development, supply chain management, employee education and skill development

Expenses incurred prior to receiving funding approval are not eligible for this grant (i.e. based on past program performance do not request funding for activities occurring within 4 months of applying) Business applicants should be based or establishing operations in Ontario, be able to demonstrate potential income of at least \$30,000 within three years of applying, plus cannot use awarded funding to undermine other Canadian companies. A maximum of two applications may be submitted per intake. Applicants are limited to having 3 applications underway during any given time. Next deadline for applications is **May 21st, 2015**.

The **Rapid Response to Business Opportunities Program** will contribute up to \$10,000 towards the cost of closing a business deal that will generate incremental benefit to Ontario agriculture. Products to be sold must be innovative. Eligible expenses include travel and other associated costs of incoming and/or outgoing sales meetings. The program does not cover the cost of consultants, sales agents, product/brand representatives, trading houses, tradeshow and exploratory marketing/prospecting. A decision on funding approving will be given within 2 business days of receipt of request for support and will be based on the business deal's probability and resulting economic benefit (e.g. revenues) to Ontario agriculture.

Ontario's **Food and Beverage Growth Fund** will contribute up to 20% in grants towards food, beverage or bioproduct related projects. Eligible project expenses must be \$5 million or more. Eligible project-related cost categories include facility modifications, equipment and machinery purchases, materials, one-time labour expenses, research and development, training and new market access. Ineligible cost categories include ongoing production and labour costs, land and buildings, overhead, and business plan preparation. Projects must be related to creating or retaining jobs, strengthening supply chains, enhancing innovation and productivity, or increasing (export) market access. Applicants are required and will be evaluated on having a proven record of business success, generally for 3 years or more, as well as having sufficient financing, resources and expertise to undertake the project. Additionally, projects should meet the province's overall objectives of enhancing productivity, increasing innovation and creating greater market access for Ontario firms.

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The **AgrInnovation Enabling Commercialization and Adoption** program contributes **50%** up to **\$10 million** in interest-free loans towards the demonstration, market introduction, or adoption of new agri-food and agri-based products and solutions. Innovations must be within two years of market readiness, with testing and piloting already completed.

Eligible activities include the production of samples, creation of demonstration site, commercialization, and adoption or adaptation of recent innovations to existing operations. The following costs are supported:

- Building purchase
- Renovation and construction
- Equipment purchase and installation
- Salaries and benefits
- Contracted services
- Professional fees
- Marketing

For-profit corporations (including cooperatives) are eligible to apply. Projects must be completed before **March 31, 2018**. There is no deadline for applications; however, INAC Services recommends that businesses apply as soon as possible.

Ontario's **SaveonEnergy** program offers various grant rebates for reducing electricity and gas consumption. These rebates can be as high as 80% to a maximum of \$250,000/site/year. Eligible activities include but are not limited to:

- energy audits and other studies
- installing or demonstrating energy saving technologies and devices
- energy-saving building improvements, and hiring an energy manager

Program funding is more accessible in larger regions as well as for gas consumption related projects.