TOP 10
FUNDING PROGRAMS
FOR IT AND SOFTWARE COMPANIES

Grants and Tax Rebates Specialists Since 1987
The **Scientific Research and Experimental Development (SR&ED)** program offers tax credits or refunds from 15% to over 45% for research and development related activities related to developing, modifying, or improving products, production processes, equipment and packaging as well as reducing energy, waste effluent and air emissions. Eligible expenses include:

- internal wages
- Canadian consultants, e.g. engineers, scientists, laboratories, research institutions
- test equipment, ingredients, materials and prototypes
- excess production costs while performing experimental production
- project related overhead

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 a company’s fiscal year. Late filed claims can take up to twelve months to be processed. Companies undertaking research with universities and colleges should consider the **Ontario Business Research Institute Tax Credits**; and those working in digital media should consider the **Ontario Interactive Digital Media Tax Credit**.

The **Industrial Research Assistance Program** (IRAP) contributes up to 80% to a maximum of $500,000 towards internal and external business R&D costs. Typically, for first time applicants, the funding awarded is up to $50,000 to cover a maximum of 80% of employee wages involved in an R&D project. 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. All program support is currently allocated; however additional funding may be available as early as November 2015.

The **OCE SmartStart Seed** program will fund 50% up to $60,000 for entrepreneurs with an incorporated, Ontario-based start-up company (less than three years old). Funding will be provided for:

- Product, business plan, and web development
- Customer sourcing, patents, market strategies
- Legal services, business registration, salaries
- Skill development, training, mentoring, attendance of learning conferences

Applicants must be key figures in their companies, and hold a significant portion of equity. Participating businesses should be generating revenue under $250,000 in sales and have 3rd party investments of less than $250,000. The applicant’s 50% contribution must come from sales or a 3rd party investor. Companies who have received previous OCE or FedDev funding are not eligible for funding. Applicants must be Canadian citizens or permanent residences, and endorsed by a Campus-Linked Accelerator (CLA), On Campus Entrepreneurship Activities (OCEA), or a Regional

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Innovation Centre (RIC) (for a comprehensive list, click here). Those deemed eligible by the OCE are able to claim an additional $7,500 for mentoring/ training services, and are encouraged to attend an annual “Founders Forum” dedicated to enhancing entrepreneurial experience. For entrepreneurs over 30, there is a maximum of $30,000 available through this program. Funding is limited and INAC encourages those who are interested to apply as soon as possible.

4 Ontario's **Investing in Business Innovation** program offers interest free loans of up to $1 million to cover 1/3rd of commercialization expenses incurred by businesses with fewer than 50 employees. The other 2/3rds of activity expenses must be covered by an angel or venture capital investor. Fund supported activities include but are not limited to: business development, building high-performance teams, adopting best management practices, processes and systems; late stage product development targeted towards market diversification and growth; customer and market development. Eligible Costs include labour, consulting, non-capital costs such as materials supplies and software. Equipment purchases are supported up to a total of 25% of eligible costs. Land and real estate are not supported. Repayment of interest-free loans can be delayed for up to 6 years. All projects must be completed by December 31, 2018. Applying businesses must provide evidence of the investment commitment in the form of a term sheet and/or subscription agreement from an eligible venture capital or Angel investor. Angel investors must be a member of a recognized angel investor organization. This program has a continuous intake process.

5 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 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 and have at least two years business growth. Companies are encouraged to apply as soon as possible.

6 The ICTC **CareerConnect** program will contribute 50% up to $13,000 towards the hiring of post-secondary graduates for information and communication technology (ICT) work placements in the private sector. Employers must offer full-time work terms of no less than 30 hours per week for a minimum of three months. Eligible placements include but are not limited to the following information-technology fields:

- Software & Hardware Engineering
- Software Testing
- Web Design & Development

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- Database Administration
- Help Desk & Technical Support
- Computer Programming
- Project Management
- Network Support
- Technical Writing
- Graphic Design

Graduates must be 15 to 30 years old, unemployed, not receiving Employment Insurance (EI) benefits, and have Canadian citizen, permanent resident, or refugee status. Eligible employees cannot have previously worked for the applicable company. Work placements must be completed by February 29th, 2016 and employers should be considering hiring the participant after the program ends. Please note that funding for this program will be available again the beginning of September 2015.

7 The **IRAP Youth Program** is available to Canadian companies that have less than 500 employees. This fund will pay up to 50% of a new employee’s wages to a maximum of $20,000. Normally, the program will not simultaneously support more than 2 employees per company. Employment must be full-time for a minimum of 6 months, and be in a technical (e.g. logistics, information technology, engineering, quality control, etc.), or marketing related field. Eligible employees must be between the ages of 19 to 30, have been out of school for two years, and have a college or university diploma/certificate. Eligible employers must have the ability to adequately train and mentor program supported employees. Funding may be available November 2015 but no later than April 1 2016.

8 The **Smart Advanced Technologies for Global Growth (ATGG)** program will contribute 35% up to $100,000 towards the adoption or adopting of advanced technologies. An eligible applicant must be an Ontario manufacturer (including food processors) that has been in business for 2 years and has between 15 and 1000 employees. As well, applicants need to be “exporting or planning on exporting or selling in a value chain leading to export”. Projects must improve the facility’s operational efficiency by either increasing productivity, investing in green energy and technology, commercializing products, or developing new domestic or global markets. Eligible project costs include:

- **Capital purchases and installation costs** including equipment, software and IT purchases but excluding land, building or vehicle acquisitions.
- **Consulting fees** which directly relate to project implementation but exclude training

Projects that began before April 1, 2014 or have incurred greater than 50% of eligible costs before application submission will not be considered for funding. Funding is limited; therefore it is advised to apply as soon as possible.

9 Ontario’s **Interactive Digital Media (IDM) Fund** contributes a maximum of 50% up to $300,000 towards the proof of concept prototype creation or commercialization of a product. Eligible costs include but not limited to production labor, equipment, materials, and administrative expenses. IDM

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does not support the creation of prototypes or playable demos. Applicants must provide attestation (e.g. details, notes, agreements, third party quotes) of estimated costs. The program will support commercially viable products presenting a range of genres, budgets and delivery platforms (e.g. web-based, CDs or downloadable). As well, eligible products must be:

- Intended to educate, inform, or entertain (e.g. training tools, games and simulations).
- Interactive, meaning that it must impact user experience on a network or device, which facilitates user decision-making, manipulation, and sequencing being offered by the product’s capability for browsing and selecting content options.
- Presented in a combination of text, sound (music, sound effects, voice, etc.), and/or images (pictures, animations, video, etc.)
- Be suitable for commercial exploitation.

Applicants must be owners/operators with at least one employee with three years professional experience in interactive digital media production, plus possess 51% of the product’s copyright. Ten percent of expenditure costs must be covered by a third party investor. Please note that the Export Fund of the Ontario Media Development Corporation offers support for export marketing of new products.

The Build in Canada Innovation Program (BCIP) contributes up to $1 million towards the procurement, testing and evaluation of innovative goods and services by Canadian government departments and agencies. Eligible technologies must be pre-commercial yet in an advanced stage of development, plus include 80% Canadian content. Innovative goods and services must address one of the following program priorities:

- **Environment**: alternative energy, greenhouse gases, energy and material efficiency materials, environmental sampling and monitoring, waste management, pollution control and conservation, natural pesticides, etc.
- **Safety and Security**: national and international security, public safety, all forms of sensory systems, etc.
- **Health**: medical and assistive devices, medicine, food supply and safety, medical, pharmaceutical food regulations, consumer health, etc.
- **Enabling Technologies**: nanotechnologies, biotechnologies, Information and Communications technologies, information management.
- **Military**: protecting the soldier, cyber-security, arctic and marine security, training systems, in-service support.

Support is awarded through a competitive procurement process.

There are several other programs that support the purchase of new technologies. For information on these funding opportunities, please contact us.

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