



FAIR GRANT WRITING

# Canadian Government Funding Update

Fall 2021

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FAIR GRANT WRITING

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# Agenda

- About Fair Grant Writing
- Types of Government Funding
- Success Stories
- Purposes of Government Funding
- Ontario 2021 Budget Highlights
- Federal 2021 Budget Highlights
- Questions & Answers



# About Fair Grant Writing

***Fair Grant Writing is on a mission to help Canadian independent and family-owned businesses survive and thrive by unlocking their access to Government funding.***

***Our value is a strategic approach to your business funding coupled with deep expertise in business and technical writing.***

- Recognized experts in government funding since 2013
- Millions of dollars are secured for our clients.
- Minimum clients' time spent with us.
- Top-level business & technical writers, finance professionals & editors.



# Types of Government Funding

- Government Grant: non-repayable funding awarded for certain purposes; for example, skills training & hiring, equipment purchasing, etc.
- Government Loan: repayable interest-free funding typically for large-scale expansion projects, e.g., plant construction or expansion.
- Tax Credit: non-repayable funding awarded retroactively for certain purposes; for example, research & development, hiring, or training.



# Types of Government Funding

- Temporary COVID Incentives: a combination of grants, loans, procurement programs and tax credits temporarily provided by the Federal and provincial governments to support economic activity during pandemic and facilitate post-COVID economic recovery.
- The application for a government grant or loan must be submitted and approved before the project starts and the costs are incurred.
- The application for tax credits or temporary COVID incentives must be submitted after the costs are incurred.



# Success Stories



**\$3,000,000 in Federal 0%-interest loan secured for Aerospace Components Manufacturer in Vaughan, ON**

The funding is used to purchase state-of-the-art production equipment, expand the building, advance ERP system and expose the business to larger numbers of international OEMs and Tier 1 suppliers to aerospace industry



**\$309,160 in government grants secured for Metal Fabrication plant in Kitchener, ON**

The funding is used to double the size of the building, buy new production equipment and overhead cranes in order to break into the market of heavier welded metal products

**CHECK YOUR ELIGIBILITY NOW**



# Success Stories

The Government of Canada has announced financing of close to \$100 million for the new Merit Functional Foods plant in Winnipeg.

Announced: June 22, 2020





# Purposes of Funding

- Equipment Purchasing, Productivity Improvement
- Skills Training
- Hiring
- Export Business Development
- Software Implementation & Training
- Research & Development
- Business Expansion, e.g. Plant Construction
  
- **The Government Provides No Operational Funding!**





# Fall 2021 Provincial Funding Highlights



# Ontario Regional Development Funds

- Southwestern Ontario Development Fund
- Eastern Ontario Development Fund
  - Three intakes in 2021 fiscal years
- Northern Ontario Heritage Fund
  - Funding extended for next 2 fiscal years
  - Four intakes in 2021 fiscal year
- Maximum amount of funding: \$600,000 in grants and \$1,500,000 in government loans
  
- Regional Opportunities Investment Tax Credit
  - Supports business expansion in Western, Eastern and Northern Ontario
  - Reimburses 20% of eligible expenses up to a maximum of \$90K (up from 10% and 50K maximum)





# Ontario Automotive Modernization Program

## Eligibility Criteria

- Must be an automotive parts manufacturer located in Ontario
- Must be adopting Hardware or Software to improve productivity and increase competitiveness (e.g. ERP systems)
- Next intake: [November 15, 2021](#)

## Eligible Cost

- Software and Hardware
- Advisory and Consulting
- Implementation, one-time setup
- Training in hardware and software use
- Labour cost for employees involved in implementation project



**Amount: 50% of the cost up to a maximum of \$150,000**



# Canada Job Grant (Lack of Funding)

## Eligibility Criteria

- Must be for-profit business of any size anywhere in Canada with at least one payroll employee
- Current employee or Candidate must complete the training in order to fill the vacancy  
OR
- Current employee must complete the training to improve existing skills or obtain new skills resulting in trainee's salary raise, promotion or both
- Current employee or Candidate must be Canadian citizen, permanent resident, or protected person (refugee)
- Training completion must be substantiated by a completion certificate or diploma

**Amount: \$10,000 - \$15,000 per trainee  
(50% to 83% of the training cost)**





# Fall 2021 Federal Funding Highlights



# Emergency Measures

- Say 'Goodbye' to the Canada Emergency Wage Subsidy
- Say 'Hello' to the Canada Recovery Hiring Program
- More than 10% revenue drop is required to qualify for CRHP
- Fixed subsidy rate for each period, that will go down over the next few months



# **NEW!** Canada Digital Adoption Program

- Announced in the 2021 Federal Budget
- Main Street Stream
  - Microgrants of up to \$2,400 to develop websites and e-commerce tools
- Manufacturing and Food Processing Stream
  - Grants for technology assessment and selection
  - Interest-free loans for technology acquisition, implementation and training
- Maximum amounts
  - Grant: 90% of the assessment cost up to a maximum of \$15,000
  - Interest-free loan: up to a maximum of \$100,000



# **NEW!** Aerospace Regional Recovery Initiative

- \$250 million allocated
- Regional development agencies will develop the rules
- Program will support productivity improvement, commercialization and greening their operations and products
- 50%-75% of eligible expenses up to a maximum of \$10 million
- Not in an aerospace sector? Apply for the Jobs & Growth Fund instead.



# Industrial Research Assistance Program - IRAP

## Eligibility Criteria

- Small or medium-sized enterprise in Canada, incorporated and profit-oriented;
- 500 or fewer full-time equivalent employees; and
- Have the objective to grow and generate profits through development and commercialization of innovative, technology-driven new or improved products, services, or processes in Canada.
- Must secure a pre-approval from National Research Council

**Amount: 80% of labour cost and 50% of subcontractors' cost up to \$50,000.**





# SR&ED Tax Credit

## Eligibility Criteria

- Must be Canadian-controlled private corporation
- Must conduct R&D activities that match CRA definition
- Scientific research and experimental development means systematic investigation or search that is carried out in a field of science or technology by means of experiment or analysis.

**Amount: 60% of labour cost, 40% of material cost and 30% of contractors' cost up to \$3,000,000 per fiscal year.**

**Application must be submitted following the applicant's fiscal year end together with tax return.**



# CanExport

## Eligibility Criteria

- Must be business anywhere in Canada with fewer than 500 employees
- Must be in business for at least 1 year
- Must have annual sales of \$100,000 to \$100 million
- Must target **NEW** export or the market where the applicant has not been exporting significantly
- **Next intake: January to April, 2022**

## Eligible Cost

- Trade Show / Trade Mission outside Canada: Booth Space, Airfare, Per Diem, Shipping Samples, Online Advertising, Translation

**Amount: 75% of the project cost up to \$75,000**



# Hiring Grants

**Candidate must be under 30 years old!**

## **Hiring Co-Op Student or Summer Student**

- Canada Summer Jobs Program
- Student Work Placement Program
- Co-operative Education Tax Credit
- Mitacs

## **Hiring Science / Engineering Students or Graduates**

- Youth Employment and Skills Strategy
- Sectoral Workforce Solutions Program
- IRAP Youth Employment Program & Youth-Green



# Regional Development Funds



- Funding for **Equipment, Plant Construction & Expansion**
  - Atlantic Canada Opportunities Agency
  - Canada Economic Development for Quebec
  - FedDev Ontario & FedNor Ontario
  - Western Economic Diversification Canada
  - Canadian Northern Economic Development Agency
  - **New: Regional Development Agency for British Columbia**
  - Supercluster Funding
  - Strategic Innovation Fund
  - Forest Industry Transformation Program
- **Amount: 15%-50% of the project cost**



# Canada Small Business Financing Program

## Eligibility Criteria

- Start-ups and existing for-profit small businesses in Canada
- Gross revenues of \$10 million

## Eligible Cost

- Purchase or improvement of land or buildings used for commercial purposes
- Purchase or improvement of new or used equipment
- Purchase of new or existing leasehold improvements (i.e. renovations)
- Registration fee

**Amount: Government-guaranteed loan up to \$1 million, including \$500K for equipment**



## Good Question

What about  
equipment  
funding?

*“We talk to the government every week trying to highlight the importance of such funding and restoring what used to be SMART grant program”*

Matthew Wilson, VP of Canadian Manufacturers and Exporters, April 28, 2021



# Book: Get Funded!



- How to navigate the variety of the funding options in Canada
- How to determine your funding needs and select the right funding options
- Tips from the funders and writers on how to increase the chances of getting the funding
- Examples of the best answers to the questions in the application forms
- Order at [www.fgwinc.ca/getfunded](http://www.fgwinc.ca/getfunded)



# Questions & Answers

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**FREE Eligibility Check**

<http://www.fgwinc.ca/eligibility>



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Group: Canadian Government Grants & Loans for Businesses