

CDAP Canada Digital Adoption Program – Grow Your Business Online Guidelines 2022

The maximum grant amount available is \$2,400

Program Overview

Small business is the backbone of Ontario's economy and their success is integral to local economic prosperity and vibrant communities, but the way Canadians do business has changed, and more business is being done online than ever before. In an effort to support business and communities across the province, The Ontario Chamber of Commerce, with the support of Government of Canada has launched The Canada Digital Adoption Program (CDAP) Grow Your Business Online. It has been established to help small and medium-sized enterprises (SMEs) realize their full potential by adopting e-commerce technologies.

Grow Your Business Online

For smaller, consumer-facing businesses, including those in service industries, Grow Your Business Online grants will help SME's adopt e-commerce technologies. In the technological age, it's imperative for consumer-facing businesses to develop and implement e-commerce capabilities to remain competitive locally, regionally and nationally. Digital technologies allow businesses to become more efficient and increase their customer base through the digital marketplace.

Over a three year period, the CDAP - Grow Your Business Online grant will help over 12,076 small businesses take advantage of e-commerce opportunities. Businesses will be provided with support and advice through our team of E-Commerce Advisors, who can also assist with application completion, information on the range of digital tools available and how to make use of them.

Objectives include:

- Short-term: Canadian small businesses and entrepreneurs, including those in equity deserving groups, have access to programs and services to digitize their businesses.
- Medium-term: Canadian small businesses and entrepreneurs, including those in equity deserving groups, receive support to digitize and develop ecommerce capabilities.
- Long-term: Canadian small businesses and entrepreneurs, including those in equity deserving groups, are able to sustain and grow their businesses.

Eligible Applicants

Eligible applicants must be small businesses, including those led or owned by equity-deserving groups that meet all the following criteria:

- A for-profit business (including for-profit social enterprises and cooperatives)
- A registered or incorporated business
- A consumer-facing business
- A business that can be accessed by customers or provides in person services to customers
- Have at least one employee (other than the owner) **OR** had at least \$30,000 in annual revenue in the previous fiscal year. For Businesses in operation less than 80 weeks who have not yet filed their first year's taxes or received their CRA Notice of Assessment, the Business must have a gross revenue of at least \$30,000 in the last 12 months of operations or since incorporation/registration.

Applicants Must Agree to the Following:

- Applicants must commit to maintain the digital adoption strategy for 6 months post intervention
- Applicants must consent to participating in follow-up surveys, having their information shared with the Government of Canada (ISED and Statistics Canada), and having the name of their business published as a recipient of funding
- Applicants must be in full compliance with all government laws and regulations
- One application per registered business
- Applicants have not received any other public funds for the reimbursement of the specific expenses included in this grant application

Applicants will be asked to supply the following 3 Documents:

- 1) Proof of business registration (ie – incorporation or registration documents, business/operating license etc)
- 2) Confirmation provided by CRA of Sales tax (GST/HST) registration **OR** confirmation provided by CRA of recent sales tax (GST/HST) filing (within the last 12 months)
- 3) A Signed Attestation to **one** of the following eligibility criteria:

One-Employee Requirement

The Business currently has at least one employee on the payroll (other than the owner) for whom tax deductions were remitted and who has been working at least three months prior to the application.

OR

For businesses that have been in operation for less than 80 weeks who have not yet filed their first year's taxes or received their CRA Notice of Assessment:

i. The Business has had a gross revenue of at least \$30,000 in the last 12 months of operations or since incorporation/registration (for businesses who have been in operation for under a year)

For businesses who have received a CRA Notice of Assessment:

ii. The Business had a gross annual revenue of at least \$30,000 in the previous fiscal year.

Note: The OCC reserves the right to ask for additional validation documents as deem necessary

Non-Eligible Applicants

Ineligible applicants include:

- Corporate chains, franchises, or registered charities
- Representatives of multi-level marketing companies
- Real estate brokerages and sales agents
- Not for profit organizations

Note: Geographic distribution of funds will be taken into consideration when making funding decisions. Priority sectors for consideration will include businesses owned by Indigenous People, women, racialized Communities, LGBTQ2+, and persons with disabilities.

Eligible Expenses

The maximum grant amount available is \$2,400

Eligible costs are those that relate to the implementation of e-commerce solutions or the net new cost for improving an existing e-commerce plan, which include:

- Costs related to the implementation or improvement of their digital e-commerce platform (e.g. new plugins or features such as online reservation/booking tools, online ordering system, electronic payments)
- Costs related to website search optimization
- Costs related to the installation of an e-commerce platform (including new subscription

fees/costs)

- Costs of back-office software solutions to support an e-commerce strategy (all software must be directly tied to the selling of goods and services online) examples include :
 - Software to track and manage product inventory, as well as fulfill and ship orders
 - Software for product databases
 - Software to track sales, market to customers, offer discounts, establish an e-commerce loyalty program
 - Software to simplify marketing
 - Cyber Security software (e.g. Norton, McAfee, panda, etc) to protect customer data

- Costs of social media advertising (only as part of ecommerce implementation or improvements, not a stand-alone item)

- Costs related to the creation of customer databases

- Cost related to cybersecurity including activities to secure network and privacy of customer data

- Costs related to hiring a consultant/agency to execute Digital Marketing initiatives related to an e-commerce store

- 20% of the costs of hardware and related software purchases which directly support e-commerce implementation up to a maximum of \$480

This amount would then be added to the non- hardware/software amount to arrive at the total grant amount.

For Example:

If you apply for a grant for SEO support of \$1,000, and also apply for reimbursement for a computer plus software in the amount of \$5,000, the computer plus software portion will be calculated at the 20% rate to the maximum allowable amount. Therefore, the total grant would be \$1,480.

All expenses must be tied to the selling of goods and services online, and you will need to clearly outline this in your application.

Non-eligible Costs and Expenses

Ineligible costs include, but are not limited to the following:

- Costs of connectivity
- Cost of existing e-commerce solution or renewal of digital subscriptions (ie software subscriptions, renewing domain name, e-commerce subscription, etc.)
- Costs of upgrading current website (ie new graphics, photography, etc)
- Signage, printing, logo redesign and rebranding
- Office Software not directly related to ecommerce (ie Microsoft Office, iWork, Google Workspace, etc)
- Costs related to the shipping of goods purchased through e-commerce platform
- Business plans/strategic plans/feasibility studies/strategies, etc.
- Inventory costs
- Existing operating costs
- Equipment/Hardware such as laptops, tablets, cellphones, headphones, printers, cables, etc. unless they are directly related to ecommerce adoption
- Items purchased for resale
- Payroll costs (for owner or employee) , including costs associated with training
- Non-arm's length transaction between a CDAP applicant and their chosen service provider (ie a transaction between related parties as described in Section 251 of the Income Tax Act, which defines related persons as individuals connected by blood relationship, marriage, or adoption, and any situation involving different degrees of control by these person or corporations)
- Purchases made prior to grant approval
- Land, building or vehicle purchase
- Costs of intangible assets such as goodwill, whether capitalized or expensed
- Depreciation or amortization expenses
- Interest on invested capital, bonds or debentures
- Bond discount

- Monthly Mortgage, loan and/or rent payments
- Refinancing an existing dept
- Losses on investments, bad debts and any other debts
- Fines or penalties
- Costs related to litigation or any other legal fees
- Fees for administrators including payments to any member or officer of the Recipient's Board of Directors
- Opportunity costs
- Hospitality and entertainment costs
- Franchise fees and /or franchise license costs
- Lobbyist Fees
- New capital expenditure
- Consulting fees for submission of CDAP application or any cost not related to the acquisition or set up of e-commerce solution

How to Submit an Application

All applications and supporting documentation must be completed and submitted online. Documents must be submitted in PDF format.

Steps:

Read the eligibility criteria and conditions for participation

- Go to our website at: <https://occ.ca/growyourbusinessonline> and click on the related link (**Apply Now**) to access the application
- Create an account on the portal
- Complete the application and click submit, if the submit button is not active a required field has not been completed. Please complete the required field(s) and then re-click the submit button

If you have already obtained a quote from a 3rd party vendor (ie marketing agency/consultant, etc) for your proposed expenditures please upload this in PDF format in the document page of your online application.

Description of Project

The lead applicant must describe the proposed project, list the planned expenses, and clearly show how the activities will support e-commerce. All expenses must be tied to the selling of goods and services online.

Application Frequency

Applicants are only permitted to submit one application under the program. The Program may establish specific intake periods and will be limited to a predetermined number of applications. Each intake period will be open until the predetermined number of applications are received.

Please note: As funds are limited, applications will be reviewed on a first-come-first-served basis. Once funds are exhausted, all other applications will not be processed. We reserve the right to close the application window when the application allotment is reached.

Conditions of Participation for All Eligible Applicants

- Application forms must include all required information and be signed/endorsed by a senior officer or senior manager of the applicant organization certifying that the information is accurate and verifiable. Applications not providing enough information to allow for a decision will be disqualified.
- Application forms will become the property of the Ontario Chamber of Commerce.
- Contact information (mailing address, telephone and fax numbers, as well as e-mail and website addresses) will be included in the OCC client management system for correspondence purposes. Applicants agree that the OCC shall have the right to make available and/or to publish, in print or electronically, certain analyses, reports or studies that are based upon aggregate data which is derived from information contained in the application forms and results achieved for those applications that are funded. At the OCC's discretion, these studies and aggregated data may be released to selected groups including government entities or to the public at large.
- Applicants agree that their names and level of funding, if approved, may be published
- Once received by the OCC, all applications will be at all times the property of the OCC and none will be returned. The OCC will not be responsible for applications that are lost, misdirected, or delayed
- The OCC reserves the right to limit the amount of funds requested by the applicant. Applicants will not necessarily receive the full amount of funds requested. The OCC reserves the right to limit the award amount regardless of the requested amount and the information contained in the application to ensure a broad distribution of funds among regions and

communities

- Applications providing incorrect information or not providing enough information to enable a decision will be rejected
- Funding decisions are based on the timeliness and quality of applications. Applicants meeting all eligibility criteria will not automatically receive funding
- At the point of application submission, applicants are required to agree to the Terms and Conditions. Applicants approved for funding are required to enter into an agreement and abide by the conditions outlined in the Terms and Conditions
- All decisions are final

Evaluation Criteria for All Eligible Applicants

Funding decisions will be subject to a 40-business day turnaround time provided the application is complete when submitted and all requirements have been met. Incomplete applications will not be processed.

Applications will be assessed using the following criteria:

- Applications are processed on a first come first served basis
- Grant funds are limited. Once funds are exhausted, all other applications will not be processed
- Eligibility of the applicant and capacity of applicant to carry out the project
- Funds requested and activities outlined clearly related to the implementation of e-commerce solutions or the net-new cost for improvements to an existing ecommerce plan
- Budget requested – in line with program parameters, directly related eligible expenses
- Completeness of the application
- A broad number of communities and regions of Ontario benefit from the program

Payment Terms and Reporting Requirements

Successful applicants will be provided with a one-time payment, upon submission of a final report satisfactory to the Ontario Chamber of Commerce (OCC). Payments will be made by electronic funds transfer (EFT). The OCC will assess the submitted expenses against the approved eligibility criteria and determine the final grant amount. All decisions made by the OCC will be final. The Government of Canada retains the right to audit.

Final reports will include, but not limited to the following:

- Invoices from vendors providing digital services directly related to the project activities
- Proof of payment of invoices for eligible expenses
 - Acceptable proof of payment are: credit card statements, e-transfers, bank statements, wire transfers, or cancelled cheques from a financial institution
- Program survey
- Final Award Letter

All businesses are required to consent to participating in follow up surveys, having their information shared with the Government of Canada (ISED and Statistics Canada) and having the name of their business published as a recipient of funding.