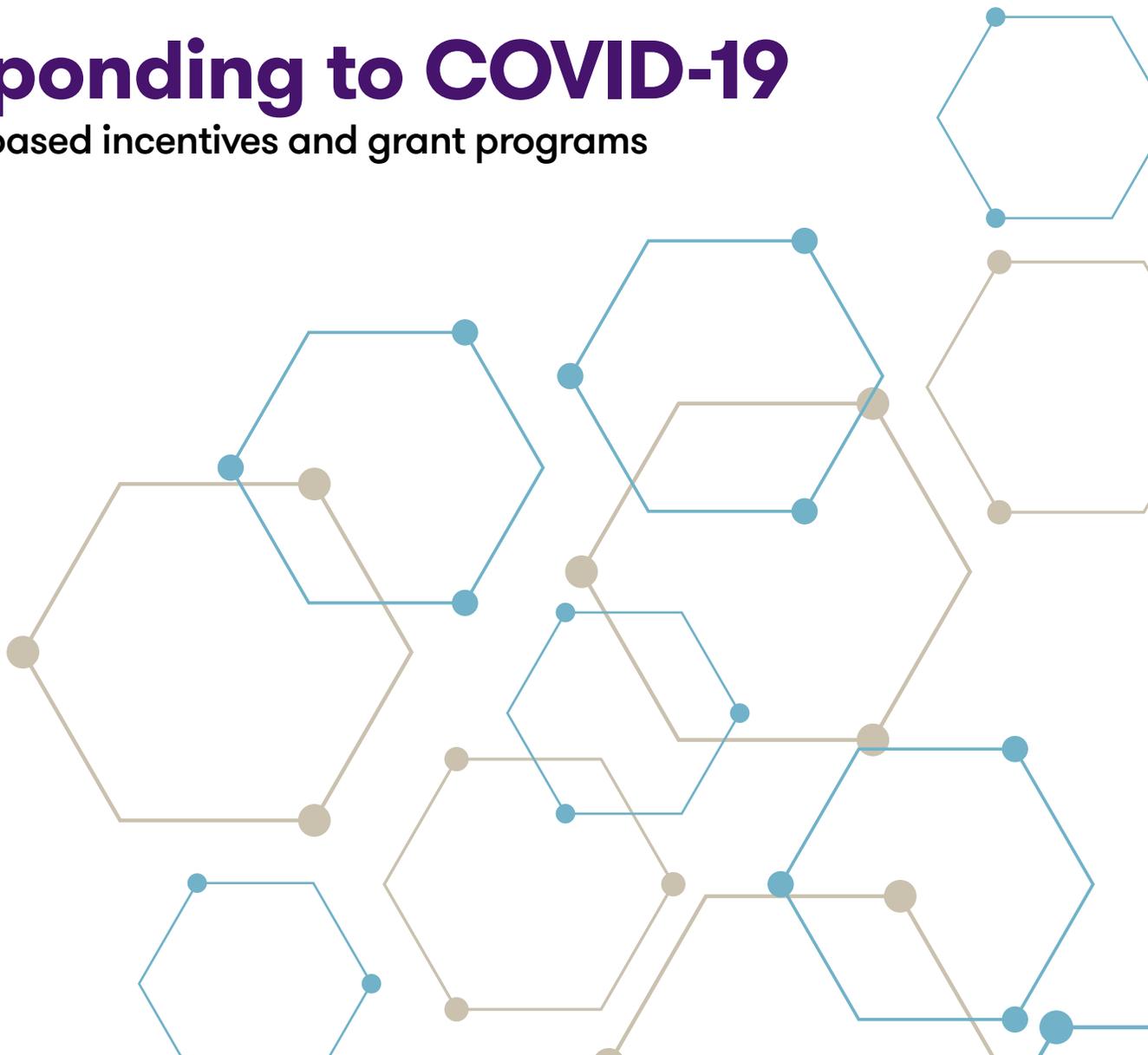


Responding to COVID-19

Project-based incentives and grant programs





The COVID-19 pandemic has had an unprecedented impact on Canadian businesses and the global economy as a whole.

In response, the federal government has updated existing programs or launched new programs to support project-based initiatives. From research and development grants to direct funding for expansion, we have outlined some options available and highlighted the requirements for approval.

Programs

COVID-19 funding

- COVID-19 Solutions Program
- NGen Supercluster
- COVID-19 Community Support
- ISC Challenge Stream (TRL 1-6)
- NRC IRAP Innovation Assistance Program (IAP)
- Ontario Together Fund: Help Fight Coronavirus
- Call to action for manufacturers and call for suppliers (procurement)
- NSERC Alliance COVID-19 Grant

Other funding programs

- Sustainable Development Technology Canada (SDTC)
- Strategic Innovation Fund (SIF)
- Futurpreneur Financing Program
- Industrial Research Assistance Program (IRAP)
- Youth Employment and Youth Employment Green Program
- CanExport Program
- Ontario Development Funds

Other tax credits

- Scientific Research & Experimental Development (SR&ED)
- Digital media tax credit

COVID-19 funding programs



COVID-19 Solutions Program

Purpose

To invest up to \$60M in digital technology solutions to improve the health and safety of Canadians and support Canada's ability to address critical issues caused by the COVID-19 outbreak.

Funding



towards salary, contractors, and wages (employee benefits, user fees, capex, etc)

Who should apply?

- Members or Associates of the Supercluster.
- Project proposals that are led by a Supercluster Member or Associate who will become a member upon project selection.
- Project collaborations are strongly encouraged, however single company initiatives will be considered in exceptional circumstances. *The Supercluster will help organizations identify potential partners.*

Focus areas



Health system



Community health



Safe living



Diagnostic and therapeutics



Emergency response



Other contributions

[Get more program details](#)

NEXT GENERATION MANUFACTURING CANADA

NGen Supercluster

Purpose

To build a Canadian supply of essential equipment, products and therapeutics that respond to the COVID-19 pandemic.

Funding

Priority will be given to projects that will have an immediate impact (from April–June 30 2020).

Medium term projects (those with an impact after June 30) may also qualify for funding.

Who should apply?

- Members of the Advanced Manufacturing Supercluster
- Non members may apply to be considered a partner or co-investor
- All applicants must be incorporated in Canada

[Get more program details](#)



Immediate term
eligible project costs
(100% up to \$5M)



Medium term
eligible project costs
(50% up to \$5M)

THE NATIONAL RESEARCH COUNCIL (NRC) OF CANADA

COVID-19 Community Support

Purpose

To help small and medium-sized businesses refine and sell their near-to-market product or solution to address needs related to COVID-19.

Funding



Total available funding

Who should apply?

Small and medium-sized businesses with fewer than 500 employees with solutions to address COVID-19.

Focus areas



Personal protective equipment



Sanitization



Diagnostic and testing therapeutics



Disease tracking technology



Rapid detection and diagnosis



Therapeutics and vaccine development



Digital health

[Get more program details](#)

ISC Challenge Stream (TRL 1-6)

Purpose

Work with government departments to launch COVID-19 related challenges through which SMEs can receive significant financial support to develop prototypes that could lead to procurement.

Funding



for proof of concept



for prototype development

The ISC Testing Stream has posted requests for proposals for testing of new technologies by government departments in 6 broad COVID-19 thematic areas.

Who should apply?

Any SMEs with near-to-market products can apply.

Focus areas

Medical



Theme 1: Prevention and protection

Includes, but is not limited to Personal Protective Equipment (PPE) and sanitization



Theme 2: Testing and diagnostics



Theme 3: Patient monitoring and tracking



Theme 4: Treatment and therapeutics

Non-medical category



Theme 1: Surveillance, tracking, situational awareness and critical response



Theme 2: Sanitization

[Get more program details \(ISC Challenge Stream\)](#)

[Get more program details \(ISC Testing Stream\)](#)

THE NATIONAL RESEARCH COUNCIL (NRC) OF CANADA

NRC IRAP Innovation Assistance Program (IAP)

Purpose

To assist small and medium-sized enterprises (SMEs) pursuing technology-driven innovation who have been unable to secure funding under the Canada Emergency Wage Subsidy.

Who should apply?

- Those ineligible for the Canada Emergency Wage Subsidy;
- Incorporated, profit-oriented small or medium-sized business in Canada;
- Companies with 500 or fewer full-time equivalent employees;
- SMEs pursuing growth by developing and commercializing innovative, technology-driven new or improved products, services or processes;
- Be incorporated by no later than March 1, 2020.



Funding



Total available funding

[Get more program details](#)

GOVERNMENT OF ONTARIO

Ontario Together Fund: Help Fight Coronavirus

Purpose

To help companies retool, build capacity or adopt the technological changes needed to produce supplies and equipment for hospitals, long-term care homes and other critical public services.

Funding



Total available funding

This fund will support those who:

- Supply products
- Solve problems
- Generate ideas
- Volunteer

[Get more program details](#)

Who should apply?

Businesses, institutions or organizations with

- ideas or products and services that could help Ontarians;
- solutions for remote learning for elementary and secondary students;
- medical products like: ventilators, swabs, masks, eye protection.

Call to action for manufacturers and call for suppliers (procurement)

Purpose

Assist Canada in meeting the need for medical supplies. Work with the federal government to supply products and services in support of Canada's response to COVID-19.

Who should apply?

Manufacturers in Canada who have ready access to necessary inputs through supply chain

Businesses that:

- have equipment or facilities that can be rapidly re-tooled to meet medical needs, including for personal protective equipment (PPE) such as gloves, masks, and surgical gowns, sanitizers, wipes, ventilators, and other medical equipment and supplies;
- have skilled workers able to respond and who could be available for work in the current circumstances;
- supply products such as masks, gloves, gowns and hand sanitizer;
- have services such as security, nursing, food, laundry, accommodation maintenance and IT support.

Are you part of the supply chain?

- Gloves
- Masks and gowns
- Sanitizers and wipes
- Ventilators
- Thermometers
- Test kits

[Submission form for suppliers](#)

[My business wants to help \(manufacturers\)](#)

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL OF CANADA

NSERC Alliance COVID-19 Grant



Purpose

Support to stimulate collaboration between academic researchers and the public and not-for-profit sectors, and industry to address pandemic-related research and technical challenges.

Funding



in total support

Who should apply?

Researchers in natural science and engineering and their partners across Canada.

Apply by June 1, 2020

Other funding programs

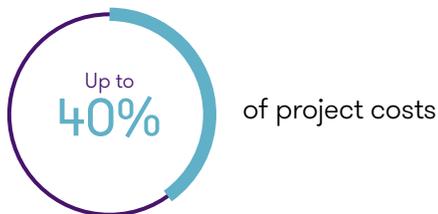


Sustainable Development Technology Canada (SDTC)

Purpose

To assist Canadian small and medium-sized businesses advancing innovative pre-commercial technologies that have the potential to have environmental and economic benefits for climate change, clean air, clean water and clean soil.

Funding



- On average 33% (up to 40%) of eligible costs
- The average contribution is \$3M disbursed over a period of up to five years
- 25% of the eligible costs must be funded through private sector contributions (including in-kind)

Who should apply?

Businesses developing new and novel technology with significant and quantifiable environmental benefit to Canada:

- Who've formed a consortium that includes at least one other partner.
- Incurring at least 50% of eligible project costs in Canada.

Eligible costs

-  Salary
-  Materials
-  Professional services
-  License fees and permits

[Get more program details](#)

INNOVATION, SCIENCE, AND ECONOMIC DEVELOPMENT CANADA

Strategic Innovation Fund (SIF)

Purpose

To assist firms in commercializing new products, processes and services, as well as to grow and expand in Canada.

Funding



Who should apply?

- For-profit businesses (small, medium or large).
- Larger projects with over \$10M in requested contribution.
- The combined level of assistance from all governments (federal, provincial, territorial, and municipal), shall not normally exceed 75% of eligible costs.

Eligible costs



Direct labour and sub-contractual labour (including consultants)



Overhead (program limits apply)



Materials and equipment



Other direct costs

[Get more program details](#)

FUTURPRENEUR CANADA

Financing Program



Purpose

Futurpreneur Canada supports young entrepreneurs with up to \$60,000* in financing, an expert business mentor for up to two years, and resources to help you plan, manage and grow your business. Offering collateral free loans for young aspiring business owners.

Funding



including \$20K from Futurpreneur and \$40K from BDC

Who should apply?

Aspiring business owners aged 18–39 who are Canadian citizens or permanent residents currently living in Canada.

[Get more program details](#)

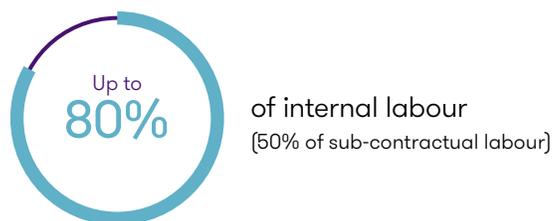
THE NATIONAL RESEARCH COUNCIL (NRC) OF CANADA

Industrial Research Assistance Program (IRAP)

Purpose

To help small and medium-sized businesses commercialize new technologically-driven products, processes or services.

Funding



Who should apply?

For-profit businesses with 500 or fewer employees, operating in Canada.

Focus areas



Advanced manufacturing



Information and communication technology



Life sciences



Clean technology



Aerospace



Automotive

[Get more program details](#)

THE NATIONAL RESEARCH COUNCIL (NRC) OF CANADA

Youth Employment and Youth Employment Green Program

Purpose

To help small and medium-sized businesses hire young talent and facilitate the transition of highly skilled young people to a rapidly changing labour market.

Funding



of participants' salaries and wages (maximum of \$10K)

Who should apply?

Candidates who are recent post-secondary graduates aged 15–30, for a full-time placement of 6–12 months in duration. Must participate in a STEM position.

Focus areas



Advanced manufacturing



Information and communication technology



Life sciences



Clean technology



Aerospace



Automotive

[Get more program details](#)

GOVERNMENT OF CANADA

CanExport Program

Purpose

To provide direct financial assistance to Canadian small and medium-sized businesses expanding into new¹ international markets.

Funding



or **75%** of
eligible costs

¹ A market where the company reported less than \$100,000 in sales during the last tax year or one that contributes less than 10% of total sales.

Who should apply?

For-profit companies:

- With CRA business numbers;
- That are incorporated legal entities or limited liability partnerships;
- Reported at least \$100,000 and no more than \$100M in prior fiscal's annual revenue.

Eligible costs



Market research



Adaptation and translation of marketing tools



Intellectual property protection, certification, and adaptation of contracts



Expert advice on business, legal or tax matters

[Get more program details](#)

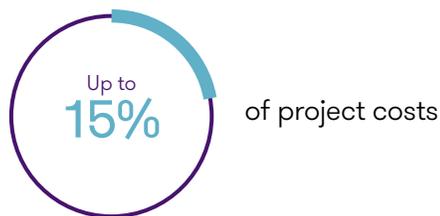
GOVERNMENT OF ONTARIO

Ontario Development Funds

Purpose

To support businesses with repayable and non-repayable funding that encourages economic development in Southwestern and Eastern Ontario.

Funding



Who should apply?

Businesses that:

- Employ over 10 full-time equivalents;
- Are incorporated with 3 years of operations experience and financial statements;
- Invest at least \$500,000 over 4 years;
- Create 5–10 net new jobs over 4 years.

Eligible costs

-  Facility modifications/retrofits
-  Equipment/machinery upgrades
-  Salaries/wages
-  Permits, fees, training

[Get more program details \(Southwestern\)](#)

[Get more program details \(Eastern\)](#)

[Get more program details \(Northern\)](#)

Other tax credits



Scientific Research & Experimental Development (SR&ED)

Purpose

The SR&ED Program uses tax incentives to encourage Canadian businesses of all sizes and in all sectors to conduct research and development (R&D) in Canada. The benefits are an income tax deduction, a refundable investment tax credit (ITC) for Canadian Controlled Private Corporations (CCPCs).

In addition to the federal SR&ED credit, claimants can also benefit from related R&D provincial tax credits.

Funding



Who should apply?

A company must undertake a project that:

- addresses a technological uncertainty that could not be resolved using standard practices;
- leads to a technological advancement by generating new information or improving one's understanding of scientific relations or technology;
- includes a planned systemic investigation that is supported with documentation.

Focus areas



Advanced manufacturing



Information and communications technology



Medical and pharmaceutical



Agri-food development

[Get more program details](#)

PROVINCIAL GOVERNMENTS: ONTARIO, NOVA SCOTIA, BC, MANITOBA

Digital media tax credit

Purpose

A refundable tax credit for an eligible digital media product whose primary purpose is to entertain, or educate users under 12.

Funding



of related labour, and up to \$100K of marketing and distribution costs for the development of the eligible products.

Who should apply?

Corporations developing digital media content and associated platforms that allow the user to navigate the product through a combination of text, sound and images.

Focus areas



Digital games



Mobile applications



E-learning products for children

Note: Operating system software is not eligible for the tax credit.

[Get more program details \(Ontario\)](#)

[Get more program details \(Nova Scotia\)](#)

[Get more program details \(British Columbia\)](#)

[Get more program details \(Manitoba\)](#)

You can help Canada fight COVID-19

We understand that during times of uncertainty it is difficult to know where to start. At Grant Thornton our specialists are familiar with incentive programs and can guide you through the application process to help get you the funding you need.

Contact [Martha Oner](#), our National R&D and Government Incentives Leader if you have questions about these programs.

Visit our [COVID-19 Hub](#) for timely information and resources and connect with your [Grant Thornton advisor](#) to learn more.



Grant Thornton LLP wants to caution that these rules are still new and continue to evolve as the government continues to re-evaluate the economic impact caused by the COVID-19 pandemic. We may still see changes to these measures—as well as new measures—as the government attempts to address the issues that have been raised by us and the tax community. Therefore, any analysis included herein, reflects our knowledge as of the date and time of this email and may no longer be applicable if changes do occur and you should proceed with caution before making any decisions.



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