

Encouraging and supporting growth

Project-based incentives and grant programs

The federal and provincial governments offer a range of programs to support businesses with project-based incentives. From federal grants to tax credits, we can assist with applications for non-dilutive funding to drive your business' growth, innovation and market expansion.

Grant and tax credit funding

Research and Innovation (R&I) Stream: Agriculture Clean Technology Program	4	Government of Canada: Jobs and Growth Fund	13
Sustainable Canadian Agricultural: Partnership		Ontario: Ontario Automotive Modernization Program (O-AMP)	14
(Sustainable Cap): AgriScience Program	5	Ontario: Regional Development Funds	15
Government of Alberta: Alberta Innovates	6	Government of Canada: Scientific Research &	
Canada's Regional Development Agencies: Business Scale-up and Productivity Program	7	Experimental Development (SR&ED)	16
Government of Canada: Canada Job Grant	8	Innovation, Science, and Economic Development Canada: Strategic Innovation Fund (SIF)	17
Government of Canada: CanExport SMEs	9	Government of Canada: Student Work Placement Program	18
Provincial Governments: Ontario, Nova Scotia, BC, and Manitoba: Digital Media Tax Credit	10	Government of Canada: Sustainable Development: Technology Canada (SDTC) - Start up and scale up fund	19
National Research Council (NRC) of Canada Industrial: Research Assistance Program (IRAP) - Research Stream	11	Canadian Manufacturers & Exporters: Technology Investment Program	20
National Research Council (NRC) of Canada: Industrial Research Assistance Program (IRAP) - Youth Employment Program	12		

RESEARCH AND INNOVATION (R&I) STREAM

Agriculture Clean Technology Program

Funding



- **up to 50%** of eligible costs per project
- minimum 50% contribution from applicant

Contributions will be:

- non-repayable for research, development and demonstration activities
- **repayable** (10 years) where activities involve **commercialization and scale-up**

Who should apply?

- for-profit organizations, including agri-food processors
- not-for-profit organizations, including co-operatives
- Indigenous groups

Program priorities

The R&I Stream will prioritize investments in the development and commercialization of clean technologies that are near market-ready and show promise to considerably advance reductions in greenhouse gas emissions compared to what is currently available.

- **Green energy and energy efficiency** including better management of energy intensive processes and introduction of energy generation
- **Precision agriculture** which uses a wide range of technologies to gather and process data for the purpose of guiding targeted actions that improve the sustainability, efficiency and productivity of agricultural operations
- **Bioeconomy** which utilizes agriculture waste and by-products for energy and bio-product generation



SUSTAINABLE CANADIAN AGRICULTURAL PARTNERSHIP (SUSTAINABLE CAP)

AgriScience Program

Purpose

The AgriScience Program provides funding for pre-commercial science activities and research to accelerate innovation in Canada's agriculture and agri-food sector, as well as collaborative support from Agriculture and Agri-Food Canada (AAFC) research scientists. This program is part of the Sustainable Canadian Agricultural Partnership (Sustainable CAP).

Funding

Non-repayable contributions:



of eligible costs to a maximum of \$5M for a single project over the duration of the program (2023 to 2028)

\$10M of t du

of total funding over the duration of the program

Who should apply?

The applicant must be:

- a for-profit company
- an incorporated legal entity in Canada; and
- a business conducting research in one or more of the following priority areas:
 - o climate change and environment
 - economic growth and development
 - o sector resilience and societal challenges

Eligible costs

- Salaries and benefits of employees directly related to completing research activities for the project
- Contracted services directly related to completing activities for the project
- Travel
- Capital assets (such as, research equipment and prototypes)
- Other direct project costs





GOVERNMENT OF ALBERTA

Purpose

Alberta Innovates supports the entire innovation spectrum, from the generation of new ideas through applied testing to commercialization or end-use. In addition to funding, the organization provides advice, connections, technical expertise and applied research services to stimulate and grow research and innovation across Alberta.

Funding

With annual investments of \$286M, Alberta Innovates delivers a broad range of funding and grant opportunities through various programs, including funding for:

- Agriculture, forestry and food
- Business innovations
- Clean energy
- Health research
- Post-secondary institutions





CANADA'S REGIONAL DEVELOPMENT AGENCIES Business Scale-up and Productivity Program

Purpose

To provide financial support that will assist in the development of Canadian businesses in key growth or expansion stages. The financial aid is both repayable and non-repayable, depending on province. Funds would help with areas such as capital cost alleviation, market research, commercialization strategies, business management, etc.

Who should apply?

Eligible Canadian small and medium-sized businesses that are:

- looking to scale up and/or expand
- demonstrating technology and the commercialization of new technologies
- improving productivity through early adoption or adaptation of leading-edge technologies and processes
- wanting to increase business capacity to growth through market diversification and entry into global markets

Funding

- · Either non-repayable or repayable contributions
- Funding ranges are dependent on the Regional Agency distributing funds

More information on the programs below by provincial agency:

FedDev Ontario (for South-Eastern Ontario)

FedNor Ontario (North and North-Western Ontario)

Atlantic Canada Opportunities Agency (for PEI, NS and NFLD)

Canada Economic Development for Quebec Regions (for Quebec)

Business Scale-up and Productivity (BSP) in the Prairie provinces (for Alberta, Saskatchewan and Manitoba)

Canadian Northern Economic Development Agency (for Nunavut, Northwest Territories, and Yukon)

Business Scale-up and Productivity (BSP) (in British Columbia)



GOVERNMENT OF CANADA Canada Job Grant

Purpose

Provides direct financial support to small, medium and large employers who wish to invest in training for their employees delivered by an eligible, third-party trainer. Types of training can include information technology skills development; training on new equipment; technical training; workflow systems and processes; or other training that will benefit your business or organization and that is not typically funded through other government programs.

Funding

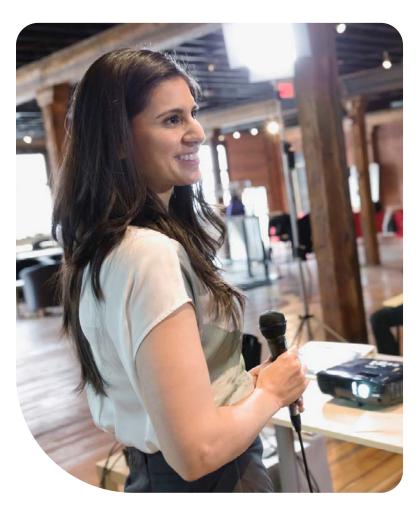
Up to 100%

to a maximum of \$10K in government support per person for training costs

Get program details (Ontario)

Get program details (Alberta)

Get program details (British Columbia)







Purpose

CanExport SMEs is a funding program designed to promote and enhance Canada's trade diversification efforts. It offers Canadian companies funding to prepare for and establish a presence in international markets where they currently have little or no sales.

Funding



of eligible costs to a maximum of \$50K per application and requires a minimum project spend of \$20K

Who should apply?

Eligible Canadian small and medium-sized enterprises must:

- be for-profit
- be an incorporated legal entity, limited liability partnership (LLP) or cooperative
- have a Canada Revenue Agency (CRA) business number
- employ fewer than 500 full-time equivalent staff
- have no less than \$100K and no more than \$100M in annual revenue declared in Canada

Eligible costs

- Costs related to exhibiting at a trade event (e.g. booth, registration fees, on-site design and construction services, and power/internet)
- Travel
- Online advertising, including Search Engine Optimization (SEO)
- Translation services
- Application fees paid to local authorities for the protection of intellectual property (IP)
- Expert advice for legal, tax or business matters
- Expert advice on regulatory issues (such as market access, intellectual property and certification)
- Expert advice for digital and e-commerce marketing



PROVINCIAL GOVERNMENTS: ONTARIO, NOVA SCOTIA, BC, AND 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)





NATIONAL RESEARCH COUNCIL (NRC) OF CANADA

Industrial Research Assistance Program (IRAP) - Research Stream

Purpose

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

Funding

Up to 80%

of internal labour (50% of sub-contractual labour)

Who should apply?

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

Focus areas





Automotive



NATIONAL RESEARCH COUNCIL (NRC) OF CANADA

Industrial Research Assistance Program (IRAP) - Youth Employment 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



per graduate per 12-month contract

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



Information and communication technology

Life sciences

Clean technology



Aerospace

Automotive

Get more program details

MAIN MENU

Purpose

The fund helps Canadian business future-proof their businesses, build resiliency and prepare for growth to support job creation and growth. The program aim is to enhance competitiveness through digital adoption, transition to a green economy and fostering an inclusive recovery to strengthen capacity in sectors critical to Canada's recovery and growth.

Funding



Suggested minimum funding is \$500K and maximum funding is \$10M

Who should apply?

- Businesses, including co-operatives
- Not-for-profit organizations and community economic development partners

Eligible project activities

- Support the transition to a green economy
- Foster an inclusive recovery
- Preserve Canada's competitiveness and futureproof SMEs through digital adoption
- Strengthen capacity in sectors critical to Canada's recovery and growth
- Economic development partners

Focus areas

- Promoting clean technology and sustainable economic growth
- Supporting a more inclusive and equitable community
- Increase the adoption of modern technological business solutions
- Building Canadian business diversification and global competitive edge



ONTARIO

Ontario Automotive Modernization Program (O-AMP)

Purpose

Provides support to small- and medium-sized automotive parts suppliers in the province with a goal of helping modernize the automotive supply chain to increase competitiveness and responsiveness to the changing needs of customers.

Funding



to help cover a maximum of 50% of eligible project costs

Who should apply?

The program is open to any business who meets all of the following requirements:

- is a for-profit business
- employs less than 500 employees in Ontario
- generates less than \$1B in global revenue
- · has at least two years of financial statements
- has a minimum of 50% of its total sales revenue generated by the auto supply sector
- has a manufacturing location in Ontario at the start of the project



ONTARIO Regional Development Funds

Purpose

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

Funding



of project costs

Who should apply?

Businesses that:

- Employ over 10 full-time equivalents
- Are incorporated with three years of operations experience and financial statements
- Invest at least \$500K over four years
- Create 5-10 net new jobs over four years

Eligible costs



Facility modifications/retrofits

品

4

Equipment/machinery upgrades

Salaries/wages

Permits, fees, training

Get more program details (Southwestern)

Get more program details (Eastern)



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, as well as a refundable investment tax credit (ITC) for Canadian Controlled Private Corporations (CCPCs).

In addition to the federal SRSED 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





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

Up to 50%

of project costs (repayable and non-repayable 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

Who should apply?

- For-profit businesses (small, medium or large)
- Larger projects with an estimated cost of at least \$20M
- The combined level of assistance from all governments (federal, provincial, territorial and municipal) shall not normally exceed 75% of eligible costs

Student Work Placement Program

Purpose

A program targeting students, post-secondary school stakeholders in order to connect students and employers to provide work-integrated learning opportunities, such as co-op terms, mentorship programs, practicums, applied research projects and internships. The program provides employers with wage subsidies to hire post-secondary students for paid work experiences.

Funding

to a maximum of **\$7K** per placement

Who should apply?

- Registered Canadian businesses, not-for-profit, hospitals, long-term care facilities and postsecondary institutions (universities, colleges, and polytechnics)
- Are committed to paying the student for the role
- Are willing to provide a quality learning experience to a post-secondary education student
- Has the financial capacity to pay the student for the duration of the placement in full (the wage subsidy will be administered after receiving the final pay stub at the end of the placement)

Certain exclusions for government and financial institutions apply. Consult program for full details.

Get more program details

Sustainable Development Technology Canada (SDTC) - Start up and scale up fund

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



of project costs

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

Eligible costs





CANADIAN MANUFACTURERS & EXPORTERS

Technology Investment Program

Program Deadline

April 1, 2023 - October 31, 2023

• Investment projects beginning April 1, 2022 or later may be eligible for funding retroactively

Purpose

A program to support the growth of SME manufacturers in Southern Ontario and enable the adoption of critical technologies. This program aims to help increase productivity, reduce environmental footprint, encourage expansion into new markets, and stimulate higher-paying jobs and skills.

Funding



of eligible costs to a maximum of \$50K

Who should apply?

Manufacturers in Southern Ontario that have:

- been incorporated for 2 years or more
- between 15-500 Full Time Employees

Eligible costs

- project management/consulting fees (excluding travel)
- direct labour devoted to the completion and management of the project
- direct materials related to the project
- · training on new equipment related to the project
- capital equipment (including installation, if related to the project)

Eligible project activities

- technology investments to improve and modernize the manufacturing process
- new additions that reduce environmental footprint
- commitment to develop export markets, or be part of the value supply chain, or potential to become a strong global player on a regional or global basis
- creation of long-term employment and high-value jobs

Focus areas



Business growth and expansion



Technology Investment Program - CME

Driving Canada's recovery, fueling your business growth.

The federal and provincial governments offer a range of programs to support businesses with project-based incentives. From federal grants to tax credits, our Grant Thornton advisors can guide you through the application process to help get you the funding you need.

Have questions? We can help.



<u>Christina Albert</u> Partner, Tax Services



<u>Naren Balakrishnan</u> Partner, Tax Services



Audit | Tax | Advisory

© 2023 Grant Thornton LLP. A Canadian Member of Grant Thornton International Ltd. All rights reserved.

About Grant Thornton LLP in Canada

Grant Thornton LLP is a leading Canadian accounting and advisory firm providing audit, tax and advisory services to private and public organizations. We help dynamic organizations unlock their potential for growth by providing meaningful, actionable advice through a broad range of services. Grant Thornton LLP is a Canadian member of Grant Thornton International Ltd, whose member and correspondent firms operate in over 100 countries worldwide.

grantthornton.ca