

OVERVIEW OF THE CANADIAN NONDILUTIVE FUNDING SYSTEM

AM I ELIGIBLE? 🤖

This is the question that everybody wants answered! However, it is a bit complicated and completely depends on the funding program.

1. At the baseline, you need to be registered and/or incorporated in Canada. 🍁
2. The Canadian Government is very focused on technology and exportation right now. If your company plans on expanding beyond Canada and/or you are building a new technology, there IS funding for you. However, if you do not fall into either one of those categories, there are still options. Most of the funding you will be eligible for is for hiring and training new Canadian employees.
3. Lastly, some programs have a minimum revenue quantity (ex. BS&P), and some programs do not (ex. SR&ED). So it is worth it to see if you are eligible even if you are just starting out.

NONDILUTIVE FUNDING TYPES

If you think you might be eligible, the second step is to get the basic lingo down. There are several different types of funding that might be right for your business.

Grants - These are payments (typically reimbursements) from the funding program to your business for payments that your business makes. You do not owe the money back.
Ex. IRAP.

Loans - These are loans that you must pay back. Different terms and conditions apply for each program, but typically they will front the cost of a project and you owe them the loan (plus interest) back starting at the end of the project. Some programs offer zero-interest loans.
Ex. BS&P.

Tax credit - SR&ED is the largest nondilutive funding program in Canada. They offer tax credits on expenses that relate to research and development. If you are successful in your application, you will receive a lump sum several months after you file your corporate income tax return.

TIMING 🕒

The Canadian government fiscal year runs April 1 - March 31. The funding system follows the fiscal year. So, funding programs typically want your project to start no earlier than April 1 and end no later than March 31. In my experience, you are more likely to receive funding if you apply prior to April 1.

But regardless, it is imperative that you are on top of application windows so that you are ready to go when something opens. Over the past few years, programs have been filled within 24 hours of the application window opening.

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WHERE TO START? ●

Here is a short summary of some of the most popular programs in Canada. Keep in mind that this is not all encompassing, but it is a good place to start. Even if you aren't eligible for any of these programs listed, please reach out and we can do a deep dive for your specific needs.

Program	Eligibility Notes	Amount
CanExport GRANT	<ul style="list-style-type: none"> • Must be expanding to a different country • Must be incorporated • At least \$100k in revenue in previous fiscal year 	Up to 50% of your project cost Up to \$50,000
IRAP GRANT	<ul style="list-style-type: none"> • Only for companies involved in r&d • Must be connected with a representative 	Up to 100% of your cost Ranging from \$20,000 to over \$100,000
CDAP - GYBO GRANT	<ul style="list-style-type: none"> • To increase digital presence • At least 1 employee or \$30k revenue 	\$2400
BS&P ZERO-INTEREST LOAN BC ONLY	<ul style="list-style-type: none"> • Deadline is in September • At least 2 years of operation • High growth businesses that are scaling up 	Up to 50% of costs Minimum = \$200,000 Maximum = \$5,000,000

We know that the grant system can be overwhelming and time consuming.
 Let us help you navigate the system and lead the application process.
 Reach out to us to see how we can help!

Reach out to get started!
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