

Program Eligibility:

1. Q: I notice that up to \$7,500 may be awarded for Training and/or Professional Advisory Services. Is my company required to match this amount?

A: Yes. SmartStart Seed Fund applications can include a training component in the form of Entrepreneurship Skills Training and/or Professional Advisory Services; these activities require 1:1 matching contributions.

2. Q: If I was already awarded SmartStart Seed Funding, can I re-apply?

A: No. Start-ups can receive **only one award during the lifetime of the company** and can only resubmit applications one time to the overall program. For the current round, applicants may submit only one time.

3. Q: I have been operating within Ontario for five years. Am I eligible to apply to this program?

A: No. The SmartStart Seed Fund Program supports Southern Ontario-based start-ups, incorporated for no more than four years by the application submission date.

4. Q: What is the definition of third-party investor?

A: A third-party investor is an individual or entity that invests in the company but is not part of the founding partners of the company. This investor must be at arm's-length.

5. Q: My parents would like to invest and provide the matching requirements on behalf of my start-up. Is this investment eligible for the 1:1 matching?

A: This is acceptable, however, strong preference will be given to applications where the cash match comes from arm's-length third-party investment.

6. Q: In order to apply, do I need to have a third-party investor term sheet prior to application submission?

A: No. 1:1 matching cash contributions can come from any non-government source, with a strong preference for company revenue/third-party accredited investors (i.e. angel investors, institutional investors).

7. Q: Do I need to provide proof of matching funds via a bank statement?

A: No. OCE funds will flow directly to the company on a claims and reimbursement basis. Funding will not be released at the project start. Claims for reimbursement can be made when submitting an interim report, and the final report required at the end of the project. OCE will release a payment of up to 50 per cent of the total OCE award upon receipt of the company's interim report and all accompanying proof of expenditures and receipts. OCE will release the remaining OCE funds (holdback) upon project completion and receipt of the following: final report including progress and metrics, financial attestation, and proof of all expenditures from the company.

8. Q: What documents are required prior to submitting my application?

A: The following documents are required prior to application submission:

- Resume, CV and/or LinkedIn profile of the Applicant and key team members
- Proof of incorporation
- [Canada Revenue Agency Business number](#)
- Proof of citizenship status – Examples include: passport, birth certificate, Citizenship Card, or Permanent Resident Card
- Startup Endorsement signed by a signing officer from a RIC, CLA or OCEA. Your company must have been actively engaged with the Endorsing Organization for four or more months within the last 12 months, and/or recently accepted to a program involving a selection process (such as an accelerator, a bootcamp/pitch competition winner, recipient of an embedded executive, etc.) within the Endorsing Organization.

9. Q: My company has pre-recurring revenue of \$300,000. Am I eligible to apply for this program?

A: No. Prior to application submission to the SmartStart Program, the start-up must have less than \$250,000 in revenue and significant investment (cumulative). "Significant investment" is defined as a

third-party investment from a non-government source.

10. Q: My company is located in Alberta. Can my start-up apply for this program?

A: The SmartStart seed fund program supports Southern Ontario-based start-ups. The company should have operations in an eligible Southern Ontario census region; applicants should be residing full-time in the province of Ontario, as well as committed to building an Ontario-based company.

11. Q: My start-up has received funding through a Jump Start Program. Can I apply to this program?

A: No. Start-ups that have received funding from any other FedDev Scientists and Engineers in Business (SEB) or Jumpstart programs (e.g. RIC VentureStart, Northumberland Community Futures Development Company, Ryerson or Waterloo FedDev SEB Commercialization Fellowship, BURST, Fierce Founders Accelerator, etc.) are not eligible for funding through this program.

12. Q: My start-up has received financing through Futurpreneur. Can I use those funds as my matching for the SmartStart Seed Fund Program?

A: Yes, a Futurpreneur loan is considered an eligible cash match.

13. Q: What do I provide to show that my company has been endorsed by a CLA, RIC, or OCEA?

A: Eligible applicants must be a start-up and actively engaged with a [Campus Linked Accelerator \(CLA\)](#), [Regional Innovation Centre \(RIC\)](#), or [On-Campus Entrepreneurship Activities \(OCEA\)](#) accelerator for a minimum of four months within the last 12 months, and/or recently accepted to a program involving a selection process (such as an accelerator, a bootcamp/pitch competition winner, recipient of an embedded executive, etc.) within the Endorsing Organization. An [endorsement form](#) providing the name and contact information of the advisor, a support letter from the advisor, and signature of the **signing authority** of the agency (not the advisor) must be completed and sent to OCE by the Endorsing Organization, at which point the application will be initiated in OCE's online application system.

14. Q: In reference to 1:1 matching cash contributions, can the investment be in a form of a long-term loan rather than a dilutive equity investment?

A: Yes. The matching cash contributions can be any form of cash match.

15. Q. How much is the holdback for this program?

A. Upon receipt and approval of the interim report (after June 1 2019), including proof of cash spending and matching contributions, and completion of the mandatory entrepreneurial training through attendance at the OCE Discovery Founders' Forum, OCE will release a payment up to 50 per cent of the total award. OCE will release the remaining funds upon receipt and approval of the following: final project report including proof of cash spending and matching contributions, attestation from the company regarding the use of funds, and project metrics.

Expense Eligibility/Use of Funds:

1. Q: Do I need prior OCE approval if I intend to use OCE funds for trips to conferences outside Canada?

A: Yes. Travel outside Canada is not an eligible expense for some OCE programs. Please provide relevant justification such as purpose of the trip as related to key milestones and intended outcomes, and the estimated cost, date and destination, to avoid delay in the approval of your application. Also, note that your airline ticket must be purchased at the lowest rate available. If you require clarification, please consult OCE prior to submitting your application.

2. Q: What percentage of capital expenditure is allowed in a budget?

A: Capital expenses are typically deemed ineligible. OCE may approve capital expenditure on a case-by-case basis and only prorated amounts of the capital expenditure based on the usage over the project duration are eligible. Applicants are advised to provide detailed justification for such expenses on the application.

3. Q: What happens if an ineligible expense is charged to a grant?

A: This would violate the terms of the executed funding agreement. OCE will not cover such expenses. Please note that applicants and institutions/companies must complete and sign a use of funds attestation as part of the final report at project completion.

4. Q: Can OCE funds be used to pay for retroactive expenditures incurred prior to approval of the application by OCE?

A: No. OCE only allows expenses incurred after approval of the application.

5. Q: Can OCE funds be used to cover expenses associated with an OCE Discovery event?

A: No. OCE's cash contribution is meant to be used toward achieving approved milestones.

6. Q: What are common budget errors and weaknesses?

- Expenses that are deemed ineligible by OCE guidelines
- Excessive costs or a budget that appears inflated and contain expenses that are not adequately justified
- Incomplete information i.e., blanks in the budget or lines left unfilled
- Use of wrong expense categories and units

7. Q: Why do I have to abide by the Broader Public Sector Procurement Directive?

A: This directive was enacted in 2010 by the government to provide guidance on accountability and transparency for procurement decisions and processes. All procurement activity that involves the use of public funds must abide by the directive.

Funding and Reporting:

1. Q: Once my application has been approved by OCE, how long will it be before funds are deposited in our account?

A: OCE funds will flow directly to the company on a claims and reimbursement basis. Funding will not be released at the project start. Claims for reimbursement can be made when submitting an interim report, and the final report required at the end of the project. OCE will release a payment of up to 50 per cent of the total OCE award upon receipt of the company's interim report and all accompanying proof of expenditures and receipts. OCE will release the remaining OCE funds (holdback) upon project completion and receipt of the following: final report including progress and metrics, financial attestation, and proof of all expenditures from the company. Once the reports are approved, funds are normally disbursed within 10 business days.

2. Q: Can OCE make payments in USD?

A: OCE remits payments in Canadian dollars only.

3. Q: Does OCE track the progress of an initiative once it has been approved? Do I have to submit reports to OCE?

A: Yes. For the SmartStart Seed Fund, interim progress, annual metrics and final reports are required. At the end date of your project, you will receive a message reminding you to complete your final reports. Please note that the release of a final payment is contingent upon receipt of satisfactory final reports and an attestation for the use of funds. Requests for interim progress and annual metrics reports will come via email.

At one, two, and three years after project completion, the Applicant will be sent a link to complete a retrospective survey to collect data on commercial outcomes from the project. This information is required by OCE for the assessment of program impact and continuous improvement.

4. Q: Once the applicant has submitted the required final report, how long will it be before the holdback

is released?

A: Holdbacks are released upon satisfactory review of the final report and attestation for the use of funds.

Extensions:

1. Q: I want to extend the end date of my initiative. What are the approval requirements for an end-date extension or budget re-allocation?

A: Any project change request has to be submitted **prior** to project end-date. Please submit any change via your OCE online account (AccessOCE). Go to the 'Activity List' tab to access the 'Project Change Request' tab.