



SMARTSTART SEED FUND (SSSF)

Eligible Use of Funds:

Eligible expenses include costs and activities directly related to start-up business activities. Funded companies are required to maintain accounting records that account for their project costs for a minimum of 7 years post project completion.

Eligible Expenses:

This is a cash reimbursement program, as such only cash paid eligible expenditures will be recognized by OCE. Actual costs directly attributable to and necessary for the completion of the project and are not wholly or partially for another purpose. One-time costs, directly attributable to implementation of the project; actual cash outlays that must be documented through invoices, receipts, or records, and are subject to verification by an independent auditor. Evidence of payment must be maintained for audit purposes. Only costs incurred inside of Ontario are eligible.

Retroactive Expenses:

OCE will acknowledge expenses after the approval date. In cases where an application is not approved and activated, expenses are incurred at the risk of the applicant.

Travel outside of the province of Ontario requires a request for pre-approval from OCE which will include justification.



TRAVEL AND LIVING:

| Eligible Expenses | Ineligible Expenses |
|--|---|
| <ul style="list-style-type: none"> Travel expenses are explicitly project-related, and represent the most economical option (economy fare) <p>Additional Limits & Conditions:</p> <ul style="list-style-type: none"> Travel costs must be clearly documented as to the purpose of each trip Where a personal automobile is to be used, kilometer (mileage) allowance will be based on current Treasury Board of Canada Travel Directives | <ul style="list-style-type: none"> Food, accommodation and entertainment (hospitality) costs Reimbursement for airfare purchased with personal frequent flyer points programs Commuting costs between residence and place of employment Passport and immigration fees |

SALARIES AND BENEFITS:

| Eligible Expenses | Ineligible Expenses |
|--|---|
| <ul style="list-style-type: none"> Incremental salary and benefits for employees of the company working on the project activities, to a maximum specified in the funding agreement with OCE (specify position and employment status) <p>Additional Limits & Conditions:</p> <ul style="list-style-type: none"> Salaries and benefits must only be claimed in proportion to the amount of time spent working directly on Project activities The company shall be required to maintain timesheets or appropriate records for all employees working directly on the project Claims relating to the employer's portion of WSIB, statutory benefits (CPP, EI and vacation) and discretionary benefits (i.e., dental, extended health, disability and life insurance, pension plans, holiday and paid leave) negotiated as part of collective agreements or other salary and benefit packages shall be limited to the lesser of (i) actual cost and (ii) twenty percent (20%) of the payroll rate of each employee. Benefits such as car allowances and other benefits beyond those listed above are not eligible | <ul style="list-style-type: none"> Costs related to proposal development (including staff) |



OPERATING EXPENSES:

| Eligible Expenses | Ineligible Expenses |
|---|---|
| <ul style="list-style-type: none"> • Cost of direct materials, necessary for, marketing, promotion, and trade shows • Sub-contractor and consultant fees, provided these costs are related to start-up business activities • Costs of developing web-based information, including website maintenance fees • Office lease • Up to \$7,500 in OCE contribution for entrepreneurship training and/or advisory services (combined) is allowable and must be matched 1:1 by the applicant. This means that a maximum of \$15,000 is allowable as eligible expenses for these costs involved in providing: <ul style="list-style-type: none"> a) Key start-up company personnel with early stage business and market development training and/or skills development, to prepare the entrepreneur and start-up company for investment readiness (e.g. learning conferences, peer networks, one-on-one mentoring with a seasoned entrepreneur, entrepreneurship training workshops, etc.) b) Professional advisory services to assist entrepreneurs in launching their businesses (e.g., legal services, business registration support, market strategy, business planning) c) Intellectual property (IP) protection costs, which are the responsibility of the applicant, however OCE may consider supporting a company with up to \$5,000 in costs associated with IP filing (\$10,000 total considering 1:1 match) | <ul style="list-style-type: none"> • Expenses of a personal nature • Costs related to staff awards and recognition • Monthly parking fees • Cost of research and development • Costs of moving • Cost of raising more capital such as crowdfunding, and Kickstarter • Meals, entertainment expenses, gifts, and alcoholic beverages • Expenses associated with lobbying or government relations activities • Costs not directly associated with meeting the deliverables and milestones as specified in the funding agreement with OCE • Tax expenses (including but not limited to sales taxes, tax filing, income taxes) • Cost of basic utility services • Allowance for interest on invested capital, bonds, debentures, mortgages, bank or other loans together with related bond discounts and finance charges • Losses on investments, bad debts and other debts • Fines or penalties • Costs related to litigation • Opportunity costs • Costs of membership in a professional body • Tangible capital costs such as, but not limited to, land, buildings, vehicles, and equipment • Infrastructure costs • Costs of intangible assets such as goodwill, whether capitalized or expensed • Depreciation or amortization expenses |