

## STARTER COMPANY PROGRAM GUIDELINES

### **Do you want to start your own business or get help to grow your existing business?**

#### **Be your own boss?**

If you've got a great idea for starting a new business or have a great business running and need assistance to grow it, you should consider applying to the Starter Company Program.

Starter Company is a great opportunity for enterprising people aged 18 and over who want to start, grow or buy a small business. The program provides hands-on business coaching and training, as well as mentoring from local business leaders who will help make your Starter Company a reality.

The duration of the program is up to 6 months in which you will receive:

- Assistance with developing your business plan
- Seminars, workshops and training on all aspects of running a small business
- Ongoing support for running your business
- Coaching and mentoring
- Networking opportunities
- On-site support through a site visit
- A grant of up to \$5000 to run your business

#### **How do I receive up to \$5000 to help start up or expand my business?**

If your application is approved, you will be eligible to receive up to \$5000 in funding, provided that you can match the funding with a 25% contribution. The matching contribution may include cash or in-kind assets, assessed at fair market value, such as equipment or machinery required to run the business.

Approved applicants will receive an initial award of up to \$3750 to put towards the start-up or expansion costs and up to \$1250 upon successful completion of the program.

#### **Where do I start?**

Contact your local program provider to register your interest in the program, confirm your eligibility and obtain the required application and business plan template. You can also take advantage of the business consulting services and resources available through the network of program providers.

#### **Am I eligible for Starter Company?**

You are eligible for Starter Company if you are:

- 18 years of age or older;
- Proposing a new company, expansion of an existing company or buying an existing business;
- Not a full time student and not returning to school full time;
- A resident of Ontario;

- A Canadian citizen or a permanent resident;
- Prepared to complete the business training components of the Starter Company Program as prescribed by your Small Business Enterprise Centre Program Provider;
- Prepared to commit to a minimum average of 35 hours a week running the business;
- Can demonstrate 25% matching funds in cash or in-kind assets
- Prepared to attend monthly meetings for at least six months after acceptance into the program;
- Have not received a Starter Company grant in the past; and

If you have any questions about your eligibility call your local program provider.

## **WHAT TYPE OF BUSINESS CAN I START?**

**Almost any type of business is eligible, as long as it:**

- A sole proprietorship or a corporation where the applicant will be the majority shareholder
- A partnership\*
- An independent business venture
- Social enterprise
- Fits the Canada Revenue Agency definition of being self-employed
- Operates at arm's length from family business ventures
- Operates in Ontario
- Operates full-time as defined in the business plan
- Maintains its own books and records
- Maintains a separate business bank account
- Follows government rules and regulations for operating a business

\*If only one partner is eligible for Starter Company he/she must demonstrate 51% ownership of the company

Businesses not eligible for Starter Company include:

- Distributorships
- Incorporated businesses that are controlled directly or indirectly by a person who would not be eligible for a Starter Company Award
- Commissioned sales
- Not-for-profit or charitable enterprises
- Multi-level marketing ventures
- Single events such as a theatrical production, a DJ gig, a music concert, a dance/party event, a fundraiser, a sporting tournament, etc.
- Businesses that are strictly pay per click
- 1-900 businesses

## HOW DO I APPLY FOR STARTER COMPANY?

### To apply you must:

- **Contact** your local program provider to register your interest in the program and obtain the required eligibility checklist, application, and business plan template.
- **Confirm** your eligibility
- **Complete** online or in-person training as prescribed by your program provider
- **Complete** the Starter Company application and business plan
- **Submit** your completed documents to the program provider

### How does Starter Company Work?

Your application will be reviewed and evaluated by your local program provider.

If your business plan is sound and meets the program's criteria, you may qualify for the next step. Selected candidates will be invited to present their business idea to the Grant Committee.

After the presentation, if your application is approved by the program provider and grant committee, you will be required to:

- Sign an agreement with your program provider outlining each party's rights and responsibilities
- Agree to comply with the program guidelines and implement the business substantially in accordance with the business plan and cash flow included with your application
- Show your business name registration and any required licensing documents to your program provider for verification
- Open and operate a separate business bank account for the business
- If operating a partnership, provide copies of the partnership agreement and proof of joint signing authority on the business bank account
- Operate your business on a full-time basis, minimum average of 35 hours a week
- Meet with your local program provider/mentors at least once per month for a minimum of 6 consecutive months
- Agree to one site visit by the program provider
- Maintain an activity journal, including time allocations, business tasks, operation and marketing activities
- Maintain appropriate business records of income and expenditures including receipts
- Participate in business training provided by the program provider
- Attend an exit interview with your program provider
- Complete the anonymous participant survey at the end of the program cycle

You will receive up to 75% of total eligible funding upon approval. The remaining amount will be received when you achieve the mutually agreed upon milestones/targets laid out in your business plan and have successfully completed the program according to the program requirements.

#### Notes

1. Funds from Starter Company award cannot be used for the purchase or lease of a vehicle.
2. Failure to successfully complete the program will result in default as specified in the Letter of Agreement.
3. Funding must be used to implement all components outlined in the business plan. Certain restrictions will apply.

#### **Tax Treatment of Award**

The Starter Company grant is considered taxable under the Canada and Ontario Income Tax Acts. A T4A slip will be issued to the recipient of the Award.