

# **ONTARIO SMALL BUSINESS SUPPORT GRANT**

User Application Guide

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# Table of Contents

- Program Overview ..... 3**
- Application Requirements ..... 3**
- Application Deadline..... 4**
- Funding Available ..... 4**
  - What to expect after applying ..... 4
- Payment..... 4**
- Eligibility Overview ..... 5**
- Enterprises ..... 5**
  - What is the definition of an “enterprise” and “affiliated enterprise” ..... 5
  - What does this mean for my business and applying to this grant?..... 5
- Eligible Businesses ..... 6**
- Ineligible Businesses..... 7**
- Calculating Revenue Loss..... 8**
  - How do I calculate my revenue loss for this grant? ..... 8
- Revenue ..... 8**
  - What is considered revenue? ..... 8
  - Seasonal Businesses ..... 8
- Employee Count..... 9**
- Audit and Compliance ..... 9**
- Contact Us ..... 10**

# Program Overview

The **Ontario Small Business Support Grant** is intended to help small businesses (including sole proprietorships) in Ontario that are required to close or significantly restrict services under Ontario's provincewide shutdown effective December 26, 2020.

Eligible businesses can receive between \$10,000 and \$20,000. Starting at \$10,000 for all eligible businesses, the grant will provide businesses with dollar for dollar funding up to a maximum of \$20,000 to help with revenue losses resulting from government mandated lockdowns.

Businesses will be able to use the support however they see fit. For example, some businesses will use the support to pay employee wages, while others will need support maintaining their inventory.

Eligible businesses may include those with less than 100 employees that were required to close or significantly restrict services due to the provincewide shutdown that came into effect at 12:01 a.m. on December 26, 2020 **and** have experienced a minimum of a 20 per cent revenue decline when comparing April 2020 to April 2019 monthly revenues. Note, the application portal will provide alternative revenue decline comparator months for small businesses not in operation in April 2019 or April 2020.

## COVID-19 Business Supports Link

The Government of Ontario reserves the right to impose whatever terms and conditions it deems reasonable in connection with disbursing funding under this program.

The Ontario Small Business Support Grant is a discretionary and non-entitlement program. As such, notwithstanding that an applicant has submitted a complete application and met all program criteria, there is no guarantee that the applicant will be approved for funding.

# Application Requirements

Businesses must provide and attest to the following information:

- Legal Business name
- Canada Revenue Agency (CRA) Business Number (If you do not have a CRA Business Number, please apply for one here: [Register for a business number or Canada Revenue Agency program accounts - Canada.ca](#))
- Business type
- Revenue figures
- Number of employees
- Business' bank account number - Name of financial institution - Address of financial institution - Financial institution number - Branch/Transit number - Account type

Applicants will also be required to acknowledge and agree to certain terms and conditions relating to funding under this program. Any person who has improperly received funding under this program is required to immediately repay the amount improperly received in full.

Note: Applications may be selected for audit and additional information and supporting documentation may be required to prove eligibility.

## Application Deadline

Application closing date of **March 31, 2021**.

## Funding Available

Eligible businesses can receive between \$10,000 and \$20,000. Starting at **\$10,000** for all eligible businesses, the grant will provide businesses with dollar for dollar funding to a **maximum of \$20,000** to help with revenue losses resulting from government mandated lockdowns.

## Application Processing

### What to expect after applying

The program aims to process applications and issue payments within 10 business days following the submission of a complete application. Applications with incomplete or incorrect information, or that require additional review, will experience a delay and will not receive payment within 10 business days.

## Payment

Approved applicants will receive funds via Electronic Fund Transfer directly into their bank account. Please ensure the banking information provided at the time of application is accurate to avoid payment delays.

# Eligibility Overview

Applicants must demonstrate they experienced a revenue decline of at least 20 per cent when comparing monthly revenue in April 2019 and April 2020. This time period was selected because it reflects the impact of the public health measures in spring 2020, and as such provides a representation of the possible impact of these latest measures on businesses. Note, the application portal will provide alternative revenue decline comparator months for small businesses not in operation in April 2019 or April 2020

To receive the grant, a business must:

- Be required to close or significantly restrict services due to the provincewide shutdown effective 12:01 a.m. on December 26, 2020, and at the enterprise or affiliated enterprise level
- Experienced revenue decline of at least 20 per cent, please see the “Calculating Revenue Loss “ section for comparators, and
- Had 99 employees or less at the enterprise level (please refer to “Enterprises” section for definition and further details).

## Enterprises

### What is the definition of an “enterprise” and “affiliated enterprise”

An enterprise is a corporation, unincorporated business, partnership, charity, non-profit organization or any other type of entity operating a business in Ontario.

An enterprise is affiliated with another enterprise if:

- One of the enterprises controls the other enterprise directly or indirectly in any manner whatsoever
- Each enterprise is controlled directly or indirectly in any manner whatsoever by the same enterprise, individual, or group of individuals or enterprises.

### What does this mean for my business and applying to this grant?

To receive the grant, you must have owned and operated at least one business on or prior to December 24, 2020. If your business was not in operation (i.e. in existence) on December 24, 2020, you are not eligible for this grant.

An enterprise may proceed to applying for funding under this program if such enterprise did not have any affiliates during any of the months used to calculate the difference in revenue for purposes of this program. For clarity, the enterprise must satisfy all conditions to funding to receive any funds under this program.

If (i) an enterprise had any affiliates on April 30, 2019 (or at the end of an earlier month that is used to calculate the difference in revenue for purposes of this program (“Earlier Month”)), and

(ii) such enterprise, together with its affiliates, had 100 or more employees as at April 30, 2019 (or, if applicable, at the end of the Earlier Month), then neither the enterprise nor any of its affiliates are eligible for a grant under this program.

For enterprises that are not excluded from applying for funding as described above, the rules below apply.

If an enterprise applying for funding was affiliated with one or more other enterprises on December 24, 2020, the following rules apply:

- (a) You will need to calculate a decline in the aggregate gross revenue of the applicant enterprise and of all enterprises with which it was affiliated on December 24, 2020. Do this by comparing (i) the gross revenue of the applicant enterprise for April 2020, plus the revenue for April 2020 of all enterprises with which it was affiliated on December 24, 2020, with (ii) the revenue of the applicant enterprise for April 2019, plus the revenue for April 2019 of all enterprises with which it was affiliated on **April 30, 2020**.
- (b) If the decline in gross revenue as calculated in paragraph (a) immediately above is less than 20 per cent, then neither the applicant enterprise nor any of its affiliates are qualified for a grant under this program.
- (c) If the decline in revenue as calculated in paragraph (a) above is 20 per cent or more,
  - (i) The grant available under this program will be based on the aggregated revenue reduction as calculated in paragraph (a) above for the affiliated group (subject to a maximum of \$20,000 in funding); and
  - (ii) only one of the enterprises in the affiliated group may apply for funding under this program.

If one or more of the businesses in your affiliated enterprise uses a month other than April 2020 as the later month for determining its revenue decline, substitute that other month where April 2020 is mentioned in (a), (b) and (c) above, but only for the business that uses the different month. If you are not able to ascertain the revenue of a business you can omit that business from the calculation of the affiliated group's percentage revenue decline. If you started up a new business in November or December 2020, omit that business from the calculation of the affiliated group's percentage revenue decline

## Eligible Businesses

Only the following businesses are eligible to apply for funding under this program:

- Before- and after- school programs
- Campgrounds
- Cannabis retail stores
- Cell phone and computer providers & repairs
- Community centres and multi-purpose facilities
- Conference centres and convention centres
- Day camps for children
- Domestic services
- Drive-in cinemas
- Driving instruction

- Facilities for indoor sports and recreational fitness activities (including fitness centres and gyms)
- Garden centres
- Hardware stores (including Big Box stores) required to close for in-person shopping
- In person teaching and instruction
- Media industries including film and television production (excluding radio/television broadcasting)
- Meeting or event space
- Museums, galleries, aquariums, zoos, science centres, landmarks, historic sites, botanical gardens and similar attraction
- Outdoor markets (excluding grocery)
- Outdoor sports and recreation facilities
- Performing arts and cinemas
- Personal care services relating to the hair or body (excluding oxygen bars)
- Personal services
- Pet/animal food and services
- Photography services
- Racing venues, casinos, bingo halls and gaming establishments
- Rental and leasing services (including automobile, commercial and light industrial machinery and equipment rental)
- Restaurants and bars
- Retail required to close for in-person shopping
- Safety, medical and assistive devices retail (excluding pharmacies)
- Shopping malls
- Ski hills
- Tour and guide services
- Vehicle and equipment repair services
- Veterinary services

## Ineligible Businesses

Businesses that are not eligible include those that were already required to close prior to the introduction of modified Stage 2 provincial public health measures on October 10, 2020, and essential business permitted to operate with capacity restrictions (e.g., discount and big box stores selling groceries, supermarkets, grocery stores, convenience stores, pharmacies, and beer, wine and liquor stores).

Businesses owned by the federal, provincial, or a municipal government, or by a person holding federal or provincial office are also ineligible for this grant.

# Calculating Revenue Loss

## How do I calculate my revenue loss for this grant?

Eligible small businesses must demonstrate they experienced a revenue decline of at least 20 per cent when comparing monthly revenues (additional rules apply to businesses affiliated with other businesses; see “Enterprises” section).



**A** = is the numerator when calculating revenue change (IE: the lower revenue)

**B** = is the denominator when calculating the revenue change (IE: the higher revenue)

$$\frac{(B - A)}{B} \times 100 =$$

**% Revenue Reduction**



### Businesses who were operational in April 2019 or prior

- A** = April 2020 Gross Revenue
- B** = April 2019 Gross Revenue

### Businesses who were not in operation in April 2019

The application portal will provide alternative revenue decline comparator months

## Revenue

### What is considered revenue?

All revenues attributable to Ontario operations. An entity's revenue for the purposes of this grant is its revenue from its ordinary activities in Ontario earned from arm's-length sources, determined using its normal accounting practices. Revenues from extraordinary items and amounts on account of capital are excluded.

For registered charities and non-profit organizations, the calculation includes most forms of revenue, excluding revenues from non-arm's length persons. This would include donations for charities. These organizations are allowed to choose whether to include revenue from government sources as part of the calculation. Once chosen, the same approach would have to apply throughout the program period.

### Seasonal Businesses

All applicants must use gross monthly revenues.

Winter seasonal businesses, such as ski hills, will be permitted to use an alternative revenue decline of December 2019 or January 2020 compared to December 2020.

Summer seasonal businesses would use the standard revenue decline comparison dates as discussed above.

## Employee Count

- Employee count is based on the total number of employees across all affiliated enterprises. Employee count includes full-time, part-time and seasonal workers (i.e. using various payroll data and T4s).
- For businesses with their first month of operation in April 2019 or prior, the employee count will be based on April 2019 (additional rules apply to businesses affiliated with other businesses; see “Enterprises” section). The application portal will provide alternative employee months.

## Audit and Compliance

All applications and the corresponding grant are subject to audit or verification by the Government of Ontario, or their authorized representatives, upon reasonable notice to the recipient. Applicants are required to keep all documents required to prove their eligibility for this grant for 6 years.

Any audit or review process may encompass taking or requiring copies and extracts of the records and books of account maintained by the recipient in accordance with eligible criteria outlined in these guidelines.

A funding recipient will be required to repay to the Government of Ontario any funding provided under this program if such recipient’s records or accounts are deemed inadequate to permit a determination and/or verification by the Government of Ontario of the recipient’s eligibility for funding under this program or the use of such funding by the recipient.

Please note that the Ministry of Economic Development, Job Creation and Trade (the “Ministry”) is bound by the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. F.31 (the “Act”), as amended from time to time, and any information provided to the Ministry may be subject to disclosure under the Act. Section 17 of the Act provides an exemption from the disclosure of certain third-party information that reveals a trade secret or scientific, technical, commercial, financial or labour relations information supplied in confidence where disclosure of the information could reasonably be expected to result in certain harms. Any trade secret or scientific, technical, commercial, financial or labour relations information submitted by a third party in confidence to the Ministry should be clearly marked by the third party as such. The Ministry will provide notice to the affected third party before granting access to a record that might contain information referred to in section 17 of the Act so that it may make representations to the Ministry concerning disclosure.

# Contact Us

For questions, please contact Service Ontario at:

Tel: 416-325-6691

Toll-free: 1-855-216-3090

TTY: 416-325-3408

Toll-free TTY: 1-800-268-7095

Our call centres are open Monday to Friday: 8:30 a.m. to 5:00 p.m.