

Starter Company Plus

Frequently Asked Questions

Can I start any kind of business, or are some types excluded?

In order to receive funding the business can be a new start-up, an acquisition (i.e. the participant is purchasing a business from a retiring entrepreneur) or an existing business that is less than 1 year old.

As long as the applicant is fully responsible for the on-going operation of the business and is the majority shareholder in the case of a corporation, most types of businesses are allowed under the program.

To be eligible, a business or proposed business must:

- be an independent business venture
- not be a business that relies on commissioned sales
- be a legal business in Ontario
- not be a franchise
- operate at arm's length from family business ventures
- operate full-time as defined in the business plan
- maintain its own books and records
- maintain a separate bank account
- follow all government rules and regulations and applicable by-laws for the operation of the business
- be sales ready at the time of funding

In addition, the applicant must be a Canadian Citizen or Permanent Resident.

Can my business be a partnership?

Yes. A business or proposed business may be a sole proprietorship, partnership or corporation, but the grant can only be given to one person in the company. For corporations and partnerships, the recipient must own at least 50 per cent of the shares. The Starter Company Plus recipient must be responsible for the ongoing management of the firm.

In addition, if there are two partners only one is eligible to receive the Starter Company Plus grant of up to \$5,000 for a specific business idea (grants will not be given to multiple individuals for the same business idea).

How much grant funding is available and do I need to invest my own funds?

Participants may receive up to \$5,000 in funding.

Participants are expected to contribute 25 per cent of the grant amount they are requesting. This may include asset-based or in-kind contributions at fair market value, such as equipment or machinery required to run the business, e.g., ladders/scaffolding for a painting company, camera and lenses for a photographer.

In-kind contributions may not include "sweat equity" (a contribution in the form of effort as opposed to a financial contribution) or loans or other types of loaned support.

Do I have to open a business or attend mentoring meetings to receive the grant?

Yes. Participants who receive a Starter Company Plus grant must sign an agreement that outlines their responsibilities under the program. If they do not adhere to this agreement, they will be considered in default of the program and there will be every effort to recover all grant monies disbursed.

What is the expected time commitment for Starter Company Plus participation?

In addition to operating their business, participants are expected to attend formal mentoring meetings at least once a month for three months. Participants may also meet informally with their business mentors. During the three month period, participants must provide business reports. Reports could provide details on:

- Revenues
- Cash flow
- Hiring
- Other business details as requested

Who decides if I get approved?

A grant committee made up of local business professionals and private sector stakeholders will review applications and determine which applicants are accepted and the amount of funding a proposal receives. Acceptance decisions are based on:

- feasibility of the proposed business
- proposed business' potential for job creation
- start-up budget and financing needs of the proposed business
- cash and in-kind contributions of the applicant
- applicant's overall participation in the program

If my proposed business is not selected, can I still get mentoring and training?

Yes. Even if a proposal is not selected to receive funding, a participant can still participate in the training and mentoring components of the program to help them open a business. This is dependent on the number of seats available in training and mentoring.

Can I participate in Starter Company Plus while collecting Employment Insurance?

Yes. There is no restriction against participants receiving Employment Insurance (EI), Ontario Works, Ontario Disability Support, or other income support funding while they are in the Starter Company Plus program.

However, people participating in Starter Company Plus may not be enrolled in another self-employment program. See related question below.

Note that if selected to participate in the program, funds received through Starter Company Plus might affect other entitlements. Applicants should check to ensure that participation in Starter Company Plus does not affect the supports received from other programs.

Can I participate in Starter Company Plus while I am enrolled in another self-employment program?

Those participating in Starter Company Plus may not be enrolled at the same time in the Ontario Works Self Employment Development program, Summer Company, or any other similar programs offered by government funded organizations.

However, it is possible to access these programs sequentially. For example, someone who has started a business through Summer Company may later apply to participate in Starter Company Plus in order to take their business to the next level.

Similarly, participants may apply to Futurpreneur (formerly the Canadian Youth Business Foundation) after receiving Starter Company Plus funding and mentoring, provided that they apply in the first year of operation of their business.

I am in school part-time. Am I eligible for Starter Company Plus?

Yes, a potential applicant to the program who is enrolled in part-time schooling or training (part-time is defined as 1 course per semester) is eligible for participation in the Starter Company Plus program. You must be prepared to satisfy program training and mentoring requirements and commit a minimum average of 35 hours per week to running your business.

I am working full-time. Am I eligible for Starter Company Plus?

The intent of Starter Company Plus is to help people launch a new business or expand an existing business where other forms of financing are unavailable. Those working full-time are not eligible.

You may work part-time and still apply. A part-time job is defined as no more than 20 hours per week.

I don't live in Hamilton. Can I still apply?

Starter Company Plus is a provincial program, but you must apply in the municipality where you reside and where your business is located.