

Starter Company Plus Frequently Asked Questions



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

A business can be a start-up, an acquisition (e.g. the applicant is purchasing a business from a retiring entrepreneur) or an existing business that is not older than two years. The business must be wholly owned by the applicant (or the applicant must be the majority shareholder in the case of a corporation), who is responsible for the day-to-day operations of the business. The applicant must also be a Canadian Citizen or Permanent Resident.

Additionally, the 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 operating full-time and be sales ready at the time of funding

Can my business have more than one owner?

Yes. A participating business may be a sole proprietorship, partnership, or corporation; however, the award can only be given to one person in the company. If there are two partners, only one is eligible to receive the Starter Company Plus grant. Grants will not be given to multiple individuals for the same business idea.

For corporations and partnerships, the applicant must own at least fifty percent (50%) of the shares. The applicant must be responsible for the ongoing management of the business.

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

Applicants can receive a total of \$5,000 in funding through this program. If accepted into the program, applicants are expected to contribute at least twenty-five percent (25%) of the total grant amount. This may include assets, such as working capital, or in-kind contributions at fair market value, such as equipment or machinery required to run the business. In-kind contributions do 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.

What is the expected time commitment to participate in the program?

Applicants will need to attend three mandatory training sessions of approximately two hours in length (six hours total). These training sessions are scheduled by the program administrator over the course of several weeks.

Applicants will also need to formulate a business plan on their own time (roughly ten to fifteen hours) and complete five hours of self-directed online webinars covering a range of business topics.

Those selected for the grant are required to attend three one-hour monthly mentoring sessions over three months.

Over the course of the program, applicants will also meet with the program administrator several times to report on the following:

- 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. 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 business is not selected, can I still get mentoring and training?

Yes. Even if a business is not selected to receive funding, applicants 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. Applicants should check to ensure that participation in Starter Company Plus and receiving the grant does not affect the supports received from other programs. Please note that funds received through Starter Company Plus might affect other entitlements.

Can I participate in Starter Company Plus while 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, 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 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, if they apply in the first year of operation of their business.

If I am attending school, am I eligible for Starter Company Plus?

Yes, a potential applicant to the program who is enrolled in schooling or training 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.

If 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 eligible, provided you can demonstrate that you are working in your business a minimum average of 35 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.

Do I have to sign a contract 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.