

Starter Company Plus Frequently Asked Questions



What are the eligibility requirements for the program?

A business can be 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.

Applicant requirements

This round of the Starter Company Plus Grant is available to entrepreneurs that meet the following criteria:

- Be a Canadian citizen or permanent resident,
- Be 18 years of age or older,
- Not be attending school or planning to return to school while enrolled in the program,
- Be devoting a minimum of 35 hours per week to their small business and not employed anywhere else,
- Not be enrolled in any other government-funded employment program, and
- Be a resident of Hamilton with ability to demonstrate proof of physical address.

Business requirements

Eligible entrepreneurs must also have small businesses that meet the following criteria:

- Must be registered at the time of application (Sole Proprietor, Partnership or Corporation) and this documentation must show a Hamilton address,
- Must have a separate business bank account which corresponds with Business Registration documentation,
- Must have majority ownership and the ability to demonstrate proof of ownership and/or shareholder agreement,
- Businesses that require certification and/or license must be current at the time of application,
- Must have been in operation for a minimum of six months and be able to demonstrate financial activity statements for this period,
- Can provide a 25% investment of the grant amount (\$1,250), and
- Must be able to commit to 12 hours of entrepreneurship training.

Additionally, the business must:

- Be an independent business venture based in Hamilton
- Not be a business that relies on commissioned sales
- Be a legal business in Ontario
- 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

Ineligible businesses

The following businesses are ineligible for a Starter Company Plus Grant:

- Nightclubs, lounges, cabarets, discotheques, music festivals and events or other similar activities,
- Online businesses that are resellers,
- Technology apps which are not market-ready,
- Student housing and other residential rental accommodation,
- Quasi-financial institutions or money service and money transfer businesses (including insurance companies and financial services companies),
- Cryptocurrency (e.g. Bitcoin) businesses and traders,
- Businesses brokering funds or taking on a fiduciary duty handling funds for clients (including investment, insurance, and real estate brokers who handle funds in trust for clients),
- Brokers (insurance, real estate, investment, etc.) who are working for an existing firm are not seen to be creating a new business,
- Businesses and platforms that raise funds for charities,
- Charities and non-profits and social enterprise,
- Franchises,
- Collection agencies,
- Businesses that raise investment capital for other businesses,
- Businesses that include or promote financing from equity crowd funding (share capital),
- Medical marijuana and cannabis retailers

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 one percent (51%) 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 four mandatory virtual training sessions of approximately two hours in length (eight 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). Starter Company Plus team members are available to assist with questions.

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

Who decides if I get approved?

A grant committee made up of local business professionals and private sector stakeholders will review applications and listen to individual business pitches, then determine which applicants are accepted. Acceptance decisions are based on:

- applicant's overall participation in the program
- quality and completeness of written business plan, start-up costs and cashflow
- articulation of business plan outlining market opportunity for success
- sustainability – cashflow shows income and support for full-time operation
- overall presentation – organized, professional, prepared

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

Even if a business is not selected to receive funding, applicants can still participate in the virtual training component of the program to help them open a business. Due to space limitations, in-person mentoring is reserved for successful grant recipients.

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?

No, a potential applicant to the program who is enrolled in schooling or training or planning to return to school while enrolled in the program is ineligible for participation in the Starter Company Plus program.

If I am working somewhere else, am I eligible for Starter Company Plus?

The intent of Starter Company Plus is to help people support a full-time business where other forms of financing are unavailable. Those working part-time or full-time anywhere else outside their business are ineligible.

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.