



Digital Transformation Grant 2022 Program Guidelines and FAQs - DRAFT

What is a Digital Transformation Grant?

The Digital Main Street Ontario Grants Program (OGP) is focused on assisting **brick-and-mortar small businesses** with their adoption of technologies. The Digital Transformation Grant (DTG) is an opportunity available to enable this digital transformation process. Through a partnership with the Province of Ontario and the Toronto Association of Business Improvement Areas, and administered by the Ontario BIA Association (OBIAA), the DTG program will provide funding for training, advisory support, and grants to small businesses looking to increase their capacity through digital transformation.

What is the objective of the Digital Transformation Grant?

- **Support** brick-and-mortar small businesses through access to an online assessment to determine the digital needs of their business.
- **Knowledge transfer** through an online training course that provides the basics of how digital technology will transform their business for success and equips business owners with the digital literacy skills needed to develop a Digital Transformation Plan (DTP).
- Provide **resources** to assist eligible brick-and-mortar small businesses with the execution of their DTP (\$2,500 grant).

Who is eligible?

The DTG is open to participants who meet the following requirements:

- Must be a business that:
 - **Has** a permanent **'brick-and-mortar'** establishment in Ontario
 - **Is** employing **1-50 employees**
 - **Is** paying commercial property tax (commercially assessed), either directly or through commercial rent
 - **Is** a registered business in Ontario and/or is incorporated
 - **Is open for business/operating at the time of application (not a start-up)**
 - **Is NOT** a business supplying digital services to other businesses (e.g., website design/development, SEO, programming)
 - **Is NOT** a franchise, **including** those individually owned and operated
 - **Is NOT a wholesaler or manufacturer** i.e., is a consumer-facing business and can be accessed by consumers or provides in-person services and/or product sales to consumers
 - **Is NOT** a not-for-profit or charitable organization
 - **Is NOT** renting office space on a temporary basis (month-to-month)
 - **Is NOT** in a shared workspace such as a hot desk or dedicated desk
 - **Is NOT** a purely online business or distributor
 - **Is NOT** a home-based business

- Owned By:
 - An **Ontario resident** operating a business in Ontario
 - An individual of **18 years of age or older** at the time of application
 - A **Canadian citizen** or **permanent resident**
- Has completed the application process, which includes:
 - **the** Digital Main Street Assessment
 - passing the **pre-qualification quiz**
 - the **online training**
 - developing a **Digital Transformation Plan**
- *OBIAA reserves the right to determine who is eligible/ ineligible on a case-by-case basis*

Additional Notes

- Previous Digital Main Street Ontario Grant Program recipients who received a DTG from July 1, 2021 to March 31, 2022 (inclusive) may **NOT** apply at this time.
- Previous Digital Main Street Ontario Grant Program recipients who received a DTG before June 30, 2021 **may apply** provided **all DTG final reports** have been received and verified by OBIAA.
- Large corporations **are not** eligible to apply for a DTG (more than 50 staff)
- Businesses with **multiple** locations are only eligible to apply for **one** Digital Transformation Grant
- Owners with multiple businesses may only apply for **one** grant
- BIA Offices are **not** eligible to apply for this grant, but are eligible to participate in all trainings
- French translation assistance is available for applicants upon request

What costs are eligible (excluding GST/HST)?

- **Digital Marketing**
 - Hiring a consultant/agency/person to execute digital marketing initiatives
- **Website**
 - Redesign, improvement of existing website
 - Development of new website
 - Photography/videography costs for production of photos and/or videos
 - Ecommerce enablement
 - Accessibility compliance
- **Software**
 - Graphic design software
 - Productivity software (LastPass, Hootsuite, Dropbox, etc.)
 - Social media software (Hootsuite, Buffer, etc.)
 - Security software
 - Other software as evidenced in the DTP
- **Digital Training**
 - Ongoing digital training courses (in-person and online)
- **Hardware (limited to \$1,000 CAD)**
 - POS systems
 - All hardware must be deemed necessary (as determined by OBIAA in its sole discretion)

What costs are not eligible?

- Purchases made prior to grant approval

- Microsoft Office or equivalent
- Website hosting
- Domain name renewal
- Software subscription renewal
- Signage and printing including LED/digital signage
- Logo redesign and rebranding
- Unnecessary or excessive equipment (or equipment business already has and wants to upgrade) (as determined by OBIAA in its sole discretion)
- iPhones or cell phones of any type. **No exceptions.**
- Business owner's salary or current employee salary for executing the project
- Costs of land, building or vehicle purchase
- **Any costs not listed under "Eligible Costs" are deemed INELIGIBLE**
- If you have any questions on eligibility you may contact us at grants@obiaa.com

How to apply?

The application portal for Digital Transformation Grants will open **June 2022** (exact date TBC) and applications will continue to be accepted until **October 31, 2022** (or until grant funds are exhausted). Should grant funds still be available after the portal has closed and all eligible applications have been processed, the application portal will re-open on **January 15, 2023** and remain open until **September 30, 2023** (or until grant funds are fully exhausted). To apply for a Digital Transformation Grant, a business must complete two main stages:

Stage 1 - Application:

1. Create an account on digitalmainstreet.ca/ontariogrants
2. Complete their digital assessment
3. Pass the eligibility and pre-qualification quiz; an email will be sent inviting the business to continue the application process and apply (check your SPAM filter)
4. Complete the online training program focused on developing their digital literacy skills
5. Develop a Digital Transformation Plan (DTP)
6. Submit an application that includes detailed information on the DTP along with a detailed budget (costs net of HST)
7. Submit a copy of their Commercial Tax Bill or a letter/lease from landlord indicating they pay commercial taxes
8. Submit a copy of their Business Number, Articles of Incorporation (AOI), or business registration
9. Submit a picture of their store front/business operation

****NOTE:** *Businesses **MUST** complete their assessment, pass the pre-qualification quiz, take the online training, and develop their Digital Transformation Plan **BEFORE** applying. Any business that cannot provide the required documentation with their application will be deemed ineligible; their application will be marked incomplete and closed.*

Stage 2 - Review and Award:

- OBIAA will review the application and once approved, the business will receive an agreement to be executed by both the business owner and OBIAA
- Upon receipt of the signed agreement, OBIAA will release the \$2,500 grant to the business to begin implementing the DTP

What are the obligations once the grant agreement is signed?

- The funds must be used for the project as outlined in the DTP and spending must align with the budget
- All receipts for expenditures must be submitted with the final report and retained for seven (7) years in case the stakeholder requires an audit of these expenses
- The final report must be completed and submitted on time
- All applicants must comply with all applicable laws
- All applicants must acknowledge their business name and location will be disclosed to the Provincial Government for the purposes of preparing events/success stories

How to learn more?

Visit digitalmainstreet.ca/ontariogrants for more information on timing and instructions for applying for Digital Transformation Grant.

Other Questions:

- **Do I have to be located within a zoned commercial core or main street area?**
 - **No**, however you must be able to prove you have a **brick-and-mortar** location (i.e., a physical location, not home-based) and pay commercial tax (either directly or indirectly).
- **Once I complete the pre-qualification quiz can I start my project?**
 - **No**, the pre-qualification process does not approve you for the grant, you still must go through the application process to receive final approval.
- **What do I do if I do not receive an email after I have completed the pre-qualification quiz?**
 - **Check your spam filter or junk mail folder!** This is an automated process and you should receive an email within a maximum of two (2) hours. If the email address you entered into the system is correct, you will receive an email either inviting you to apply or informing you that your business does not qualify.
- **Is the grant income?**
 - **No**, this grant is a reduction of an expense, see https://www.canada.ca/en/revenue-agency/services/tax/businesses/small-businesses-self-employed-income/business-income-tax-reporting/business-income/sources-income.html#gvrnmnt_grnts.
- **Do I include HST in my budget calculation?**
 - **No**, HST paid on any grant expenses can be claimed on the HST report you submit to the Canada Revenue Agency. If you include it in your grant application, you will be double dipping!
- **I do not have a Business Number. What do I do?**
 - All businesses (Incorporated and Sole Proprietors) that operate in Ontario are required to register for a Business Number. This number allows you to charge HST and if you have staff, to remit source deductions.
 - Check with your accountant or contact your local tax department.
 - A copy of your HST remittance is an allowable document to include with your application.
- **Where can I go to find a digital vendor?**
 - You may be able to find a local vendor on the Digital Main Street Vendor Directory. You can search by location to see if there are appropriate vendors near you.
 - Contact your local BIA, Economic Development Office, or Chamber of Commerce for digital marketing recommendations.
- **I own several businesses and they are all incorporated separately, but I am the owner. Can all of my businesses apply for the grant?**
 - **No**. One owner, one business, one grant, one location is the rule. If one of your businesses has a partner and it is a different corporation, the partner can apply for the grant.

- **I have started my project and realized I need to change my plan. Do I need to ask for approval before I do that?**
 - **No**, not necessarily. We expect, with all projects, that budgets are subject to change. As long as the expense is an 'eligible' one, there is no need to request approval. If, **however**, you want to purchase hardware, then yes, you will need to request prior approval.
- **What if I cannot spend all of the grant funds by the agreement deadline?**
 - You must inform the OBIAA office of any issues with keeping to your Digital Transformation Plan timelines and budget by emailing your Grant Coordinator ASAP.
- **If I am a small business located in an area that is zoned industrial, would I still qualify?**
 - **Yes**, small businesses located within an industrial area may qualify, but some restrictions do apply. While the industrial zoning would likely have an allowance to permit a commercial business to operate, the business must be clearly open to the general public i.e., is a consumer-facing business and can be accessed by consumers or provides in-person services and/or product sales to consumers. Supporting documentation for eligible businesses would include a tax bill or lease/rental agreement, and pictures of the **exterior and interior** of the brick-and-mortar location. The exterior photo must display the business's signage and the interior photo must clearly show the dedicated space where commercial transactions take place with consumers.
- **What if I am a wholesaler or a manufacturer but also sell locally to the public?**
 - As noted above, if you are a wholesaler or a manufacturer who sells to the public, you must have a dedicated commercial space where members of the general public i.e., consumers, can walk in and purchase products or services. An interior photo must include the dedicated space considered to be commercial.
- **What does it mean that businesses with multiple locations may only apply for one grant?**
 - If your business is part of a chain i.e., you have your own incorporation but share a common name and are listed on a common website that indicates your location is one of many locations, you do **not** qualify.
- **What if I am a distributor or sell my products online, but also sell locally to the public?**
 - If you are a distributor or online merchant who sells locally to the public, your website must indicate a brick-and-mortar location where the general public is able to visit to purchase the product or service onsite. An interior photo indicating the dedicated commercial space must also be included with the application.
- **I applied previously but was denied due to location. Can I re-apply?**
 - **Yes**, you won't need to complete the Digital Assessment, but you will need to complete the pre-qualification quiz, the online training, and submit your application which includes your Digital Transformation Plan. Login to your DMS account to proceed with the application process.
- **What if I apply using my trade name but my Articles of Incorporation and/or my business number have a different name?**
 - You must provide documentation that ties both names together i.e., Master Business License, banking document, utility bill.
- **I would like to spend the grant funds on marketing. Would print ads be an eligible expense?**
 - **No**, print advertising in magazines and newspapers, printed menus, table cards, business cards are NOT eligible expenses. Even if you are referencing your website, Facebook page, Instagram or #followme, it is not considered an eligible 'digital' expense.
- **If I have questions, who do I speak to, DMS or OBIAA?**
 - OBIAA is responsible for the Ontario Grants Program and each applicant is assigned a Grant Coordinator. You can reach out to them or send your questions to grants@obiaa.com