

Starter Company Eligibility & Program Guidelines

Are you interested in starting, growing or buying an existing company?

If you are between the ages of 18-29, have a great idea for starting a new business, or already have a business running and need assistance to grow it, or are looking to purchase an existing business, then consider applying to the Ontario Starter Company Program!

Starter Company is a great opportunity for enterprising young people who want to start, run or purchase an existing business – a new program has been implemented to help young people succeed in today's global economy. Successful candidates are eligible to receive a grant of up to \$5000. This program provides hands-on business coaching and mentoring from local community business leaders who will work with you to make your company a reality.

This opportunity may lead you to an exciting career

Once you have filled in the Starter Company inquiry online, an Enterprise Renfrew County program representative will contact you to discuss your eligibility and the program requirements.

If eligible, the process begins with the development of your business plan and a two year forecast, participation in workshops and meetings with the program provider is required. We recommend that you work diligently throughout this process - it will take time to complete the plan and spaces for the program are limited! Remember, Enterprise Renfrew County is available to help you throughout the process as our goal is to help you succeed in building a sustainable business.

You are eligible for Starter Company if you:

- Are between 18 to 29 years of age as of program intake date
- Are proposing a new company, expansion of an existing company or buying an existing business;
- Are not a full time student and not returning to school full time
- Are a resident of Ontario; a Canadian citizen or a permanent resident
- Prepared to complete the business training components of the Starter Company Program as prescribed by Enterprise Renfrew County (ERC)
- Are prepared to commit a minimum average of 35 hours a week running your business
- Can demonstrate 25% matching funds in cash or in-kind assets
- Are prepared to attend the monthly business training and mentorship sessions with ERC for six months
- Have not received a Starter Company grant in the past and
- Are not currently enrolled in the Ontario Self-Employment Benefits (OSEB) Program

Persons Not Eligible

- Youth attending school or returning to school full-time
- Part-time or seasonal businesses
- Applications that involve concurrent funding from training or mentoring-based program (OSEB, Futurpreneur Canada*)

*Futurpreneur Canada financing may be eligible as long as it is obtained prior to, or after the Starter Company granting period – not concurrent with

If you have any questions about your eligibility call us at 613-432-6848 ext 114 or 613-735-8224

What type of business can I start?

Almost any type of business is eligible, as long as it:

- Is a sole proprietorship or corporation where the applicant must own at least 50% of the shares; must be fully engaged in all business decisions, and genuinely running the business
- A partnership*
- Is an independent business venture
- Fits the Canada Revenue Agency definition of being self-employed
- Operates at arm's length from family business ventures
- Operates in Ontario
- Operates full-time as defined in the business plan
- Maintains its own books and records
- Maintains a separate business bank account
- Follows government rules and regulations for operating a business

*Only one partner is eligible for Starter Company; he/she must demonstrate 50% ownership of the company

NOTE: On-line businesses are acceptable, but there must be face-to-face opportunities to sell your product as well.

Business not eligible for Starter Company includes:

- Distributorships
- Incorporated businesses that are controlled directly or indirectly by a person who would not be eligible for a Starter Company Award
- Commissioned sales
- Not-for-profit or charitable enterprises
- Multi-level marketing ventures
- Single events such as a theatrical production, a DJ gig, a music concert, a dance/party event, fundraiser, a sporting tournament, etc.
- Businesses that are strictly pay per click
- 1-900 businesses

Note: Enterprise Renfrew County at its sole discretion may determine that a particular business is inappropriate for the Starter Company program.

How do I apply for Starter Company?

To apply you must:

- **Contact** your local program provider (ERC) to register your interest in the program and discuss your business or business idea
- **Confirm** your eligibility
- **Complete** the Starter Company application
- **Complete** training as prescribed by your program provider
- **Complete** your business plan with assistance and direction from ERC
- **Submit** your completed documents to the program provider

How does Starter Company Work?

Your application will be reviewed and evaluated by your local program provider.

If your business plan is sound and meets the program's criteria, you may qualify for the next step. Selected candidates will be invited to present their business idea to a Grant Committee.

After the presentation, if your application is approved by the program provider and grant committee, you will be required to:

- Sign an agreement with your program provider outlining each party's rights and responsibilities
- Agree to comply with the program guidelines and implement the business substantially in accordance with the business plan and cash flow included with your application
- Show your business name registration and any required licensing documents to your program provider for verification
- Open and operate a separate business bank account for the business
- If operating a partnership, provide copies of the partnership agreement and proof of joint signing authority on the business bank account
- Operate your business on a full-time basis, minimum average of 35 hours a week
- Meet with your local program provider/mentors at least once per month for a minimum of 6 consecutive months
- Agree to one site visit by the program provider
- Maintain appropriate business records of income and expenditures including receipts
- Participate in business training provided by the program provider
- Attend an exit interview with your program provider
- Complete the anonymous participant survey at the end of the program cycle.

You will receive up to 75% of total eligible funding upon approval (\$3750) to put towards the start-up or expansion costs. The remaining 25% (\$1250) will be received when you achieve the mutually agreed upon milestones/targets laid out in your business plan and have successfully completed the program according to the program requirements.

Notes

1. Funds from Starter Company award cannot be used for the purchase or lease of a vehicle.
2. Failure to successfully complete the program will result in default as specified in the Letter of Agreement.
3. Funding must be used to implement all components outlined in the business plan. Certain restrictions will apply.

Tax Treatment of Award

The Starter Company grant is considered taxable under the Canada and Ontario Income Tax Acts. A T4A slip will be issued to the recipient of the Award.