

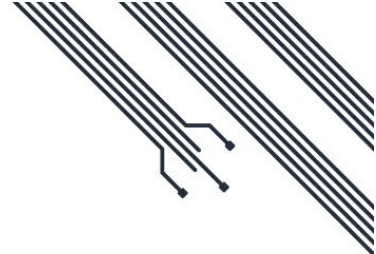


GRANTS GUIDE 2022-2023

Canadian Digital Adoption Program - Québec

Grow Your Business Online





Canada Digital Adoption Program

“Grow Your Business Online” micro-grant

1. Description

The rapid acceleration of technological change has an impact on all industries. In this respect, digital trends are helping businesses become more efficient, profitable and sustainable as well as socially, economically and environmentally viable. To that extent, e-commerce is becoming a fundamental pillar for maintaining a privileged competitive position.

To help Canadian businesses be even more innovative and creative in the e-commerce arena, to enable them to capture their target customer base and be more competitive, the Government of Canada has created the Canada Digital Adoption Program (CDAP). This program is being implemented in Quebec through a strategic alliance between the Réseau des Sociétés d'aide au développement des collectivités and the Centres d'aide aux entreprises (SADCs & CAEs) and the Fédération des chambres de commerce du Québec (FCCQ) to strengthen their joint mission of supporting regional economic development.

The SADCs & CAEs

The network brings together 57 Sociétés d'aide au développement des collectivités (SADCs) and 10 Centres d'aides aux entreprises (CAEs), that have been working for over 40 years in the economic development of regions of Quebec. More specifically, 400 professionals and more than 600 volunteers assist and finance each year nearly 10,000 entrepreneurs and 2,000 collective projects for successful communities. SADCs and CAEs provide entrepreneurs with personalized assistance, as well as flexible funding solutions suited to respond to their needs. Canada Economic Development for Quebec Regions provides financial support to SADCs and CAEs.

The Fédération des chambres de commerce du Québec

The Fédération des chambres de commerce du Québec (FCCQ) is the largest group of business people and businesses in Quebec. With its wide network of nearly 125 chambers of commerce and 1,100 corporate members, the FCCQ represents more than 50,000 businesses across the province. The FCCQ fosters the implementation of initiatives that contribute towards the socio-economic development, as well as the accelerated efforts of Quebec businesses to adapt to global economic changes.



2. Canada Digital Adoption Program (CDAP)

To fuel economic recovery, jobs and growth, the Canadian Digital Adoption Program proposes two concrete actions:

- Creating a network of e-commerce advisors;
- Awarding “Grow Your Business Online” micro-grants.

2.1 A network of e-commerce advisors at your service

The Quebec CDAP will provide businesses in every administrative region of the province the assistance each year of a team of 260 e-commerce advisors, whose objective is to facilitate the completion of a 360° diagnosis, aimed at identifying the maturity level of the business e-commerce, as well as their needs and priorities in that respect. This diagnosis will also help identify the human resource challenges businesses are facing to implement these technologies.

The outcome of the diagnosis will allow advisors to identify programs and projects offering alternatives that can be adapted to the needs of each business and to propose an action plan to take advantage of the “**Grow Your Business Online**” micro-grant, as well as additional programs and projects to help the business increase its level of digital maturity.

2.2 The “Grow Your Business Online” micro-grant

The purpose of the Quebec CDAP is to offer 6,280 micro-grants per year limited to a maximum of \$2,400 in value to help businesses and entrepreneurs offset the costs related to the implementation of e-commerce projects designed to encourage the expansion of their online customer base. The micro-grant shall be applied as follows:

- Supporting efforts to digitize operations;
- Helping to take advantage of opportunities to increase web-based commerce and to develop e-commerce skills;
- Providing access to programs and services for the adoption of digital technologies;
- Contributing to the sustainability and development of the business.

Eligibility criteria

Only one micro-grant may be awarded to SMEs of all sizes in all industries. To apply, small businesses must meet all of the following criteria:



- Have at least one employee¹ OR had at least \$30,000 in annual revenue in the most recent tax year (2021)
- Be a for-profit business (including for-profit social enterprises and cooperatives)
- Be registered or incorporated
- Sell goods and services directly to consumers (B2C)
- Be accessed by customers or provide in-person or online services
- Commit to maintaining the digital adoption strategy for at least six months after participation in the program
- Consent to participating in follow-up surveys, to sharing information with the Government of Canada (ISED and Statistics Canada) and having the name of the business published as a recipient of the funds.

2.2.1 Non-eligible businesses

- Corporate chains, franchises, or registered charities
- Representatives of multi-level marketing companies
- Brokerage firms, such as real estate agents, investment advisors, insurance agents, etc.
- Businesses that is engaged in online reselling or drop-shipping reliant on third-party suppliers.

2.2.2 Eligible expenses

Eligible expenses under the Quebec CDAP are related to the implementation of e-commerce solutions or the improvement of an existing e-commerce plan. Eligible expenses covered by Quebec CDAP include, but are not limited to, the following:

- Costs related to the implementation of a digital e-commerce plan (e.g. online reservation/booking tools, online ordering systems, electronic payments).
- Costs related to website search optimization.
 - o **Note:** plan cannot be strictly website search optimization, it needs to be tied to overall e-commerce implementation plan, and not a standalone item.
- Costs related to the installation of an e-commerce platform (including subscription fees/costs).
- Costs of back-office solutions to support an e-commerce strategy.
- Costs of social media advertising.
 - o **Note:** plan cannot be strictly social media advertising, it needs to be tied to overall e-commerce implementation plan, and not a standalone item.

¹ For the purposes of this program, the owner is not considered an employee.



- Costs related to the creation of customer databases.
- Hiring a consultant/agency to execute Digital Marketing initiatives related to your e-commerce store.
- Development of new e-commerce website.
- Upgrading existing e-commerce site for added functionality (i.e., new plugins, or features).
 - o **Please note redesign of an existing site is not eligible.**
- E-commerce software including:
 - o Software to track and manage product inventory, as well as fulfill and ship orders.
 - o Software for product databases.
 - o Software to track sales, market to customers, offer discounts, maintain a loyalty program.
 - o Software to simplify marketing.
 - o Cyber Security software or certifications.
- Hardware and accompanying software up to 20% of total micro-grant amount.
 - o As for examples of limited coverage for software, it would be any software that is bought with the equipment that is required to support an e-commerce strategy. For instance, if a small business buys a new e-commerce integrated point of sale (POS) system that costs \$1,300 (including software), CDAP will cover 20% or \$260.

* Please note all eligible costs must be directly tied to the sale of goods and services online (i.e., online reservations/ordering or chat bot function on the website), and you will need to clearly outline this in your application.

2.2.3 Non-eligible expenses

Non-eligible expenses include, but are not limited to, the following:

- Costs of connectivity.
- Costs related to the shipping of goods purchased through the e-commerce platform.
- Purchases made prior to micro-grant approval.
- Renewal of digital services such as domain name, software subscription, etc.
 - o This includes existing e-commerce subscriptions.
- Signage and printing.
- Logo redesign and rebranding.
- Business Owner's salary or current employee salary for executing the project.
- Costs of land, building or vehicle purchase.
- Costs of intangible assets such as goodwill, whether capitalized or expensed.



- Depreciation or amortization expenses.
- Interest on invested capital, bonds, or debentures.
- Bond discount and monthly mortgage, loan and/or rent payments.
- Refinancing of an existing debt.
- Losses on investments, bad debts, and any other debts.
- Fines or penalties or costs related to litigation.
- Fees for administrators including payments to any member or officer of the Recipient's Board of Directors.
- Opportunity costs.
- Hospitality and entertainment costs.
- Franchise fees and/or franchise license costs.
- Lobbyist fees.
- New capital expenditure.
- Consulting fees for submission of CDAP application or any costs not related to the acquisition or set up of technology solution.

3. How to obtain a micro-grant





Step One — Fill in the online form to start the process

Click here: [Apply for a grant | PCAN \(pcan-quebec.ca\)](https://pcan-quebec.ca)

Step Two — Identification and prioritization of needs

To ensure the success of the solution to be implemented, it will be necessary to determine the current conditions of the business activity to be improved to plan the actions required to increase the business market share. This analysis involves looking at competitors' practices and identifying the preferences and consumption habits of potential customers.

To facilitate this exercise of identification of needs, the Quebec CDAP provides, at no cost, the assistance of one of the program's advisors who will facilitate a diagnosis to help the business prioritize its actions to define the measures required to improve its commercial activities on the Web.

An advisor will contact you to plan a meeting.

Step Three — Wording of e-commerce project, draft and submission of application

Your advisor will provide you with the Excel form “Quebec CDAP grant application” to apply for the grant. This document is divided into four sections:

A) “Details of the organization” Section. This section contains general information related to the type and size of the organization, the industry, as well as contact details of the business and of the person in charge of the business.

B) “EDI — Equity, diversity and inclusion” Section. This section contains a demographic picture of the business owners.

C) “Eligibility attestation” Section. This section is for the company to attest meeting the eligibility criteria regarding the company.

D) “Project” Section. In this section, the applicant business shall:



- Describe the identified issue: provide a brief description of the e-commerce issue or challenge. (What? And Why?)
- Identify the actions to be achieved as part of the project. (Current value and Goal).
- With each action, determine the indicator to measure goals achievement. Ensure to clearly state the indicators current values and the values that will be obtained after project completion.
- Finally, establish the budget requested for each action, as well as the starting and closing dates of the actions. Keep in mind that the starting dates need to be set to a near future considering that you need your application approved before starting your actions.

That document shall be sent to subvention@pcan-quebec.ca with the name of your business.

When the application is received by the person in charge of reviewing the application, the business will automatically receive a notification of receipt of the application.

Step Four — Reception and signature of Funding Agreement

A review of the application shall be done to check the eligibility of the business and the actions contemplated in the project. If the project is approved, a Funding Agreement shall be sent to the business four working days following receipt. This document, which must be signed by Quebec CDAP and the recipient business, shall set out the various commitments and responsibilities of each party. In addition, this document shall present as an appendix a checklist specifying the various supporting documents to be attached to the request for release of the micro-grant.

If the project contains inconsistencies that prevent its immediate approval, instead of receiving the Funding Agreement, the business shall receive a list of recommendations to adjust the document to be resubmitted. In this case, 72 hours after sending the updated document, the business will receive the Funding Agreement if the project has been approved or, if not, it will receive an official letter confirming that the project was refused with proper justification.



Step Five — Implementation of e-commerce project and supporting documents

Immediately after receiving the Funding Agreement, the recipient business shall be able to implement the various actions proposed in the project according to the schedule. During this phase, the recipient business shall gather all the supporting documents included in the checklist attached to the Funding Agreement, which are required to request release of the micro-grant.

Step Six — Request for release of the funds

Once the business has carried out the investments anticipated in the approved project, it shall send the signed Funding Agreement and supporting documents (invoices and proofs of payment). Invoices and proofs of payment must be named according to the action they refer to.

Invoices must be named after the action number found in the checklist included in the agreement, along with the invoice number.

- Example of invoice nomenclature: action number_invoice number

For the proofs of payment, you must use the action number, the invoice number and add the word “Decaissement”


- Example of invoice nomenclature: action number_invoice number_Decaissement

Similarly, the recipient business shall send the “Recipient business bank details” with a void cheque from the business or a letter from the bank confirming its bank details.

Step Seven — Receipt of Electronic Funds Transfer

A review of the request for release of the funds shall be conducted and if their validity is confirmed, four working days following their receipt, the Electronic Funds Transfer (EFT) shall be carried out and the recipient business will receive a notification confirming the EFT has been completed. However, the money shall





be credited to the bank account within 5 to 7 working days following receipt of the EFT notification.

Three months after receiving the funds granted for this project, the business will be contacted for a follow-up on the impact of the Quebec CDAP on the financial health of the business and on the growth of its sales resulting from the deployment of these e-commerce solutions.





CONTACT US



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