



CANADA DIGITAL  
ADOPTION PROGRAM

# GRANT GUIDE

2023-2024





## **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 120 chambers of commerce and 1,100 corporate members, the FCCQ represents more than 45,000 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 of a team of e-commerce advisors, whose objective is to facilitate the “Grow Your Business Online” micro-grant.

## 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 ecommerce projects designed to encourage the expansion of their online customer base,

### Eligibility criteria

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

- ☐ Have at least one employee<sup>1</sup> OR had at least \$30,000 in annual revenue in the most recent tax year
- ☐ Be a for-profit business (including for-profit social enterprises and cooperatives)
- ☐ Be registered or incorporated
- ☐ Sell goods and services directly to consumers (B2C: Sells goods and services directly to **end consumers**)
- ☐ 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, registered charities or nonprofit organizations.
- ☐ Representatives of multi-level marketing companies.
- ☐ Brokerage firms, such as real estate agents, investment advisors, insurance agents, etc.
- ☐ Businesses that are engaged in online reselling or drop-shipping reliant on third-party suppliers.
- ☐ a wholesale or distribution business and manufacturer (unless you sell directly to consumers)

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<sup>1</sup> For the purposes of this program, the owner is not considered an employee.

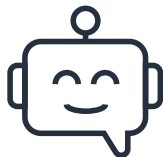
### 2.2.2 Eligible expenses

Eligible expenses covered by Quebec CDAP:



#### **Building a new e-commerce website**

\* Please note redesign of an existing site is not eligible.



**To add functionality to your existing site (added transactional component for example: online reservation/booking tools, online ordering systems, electronic payments, etc)**

\* Please note redesign of an existing site is not eligible.



**Costs related to the installation of an e-commerce platform (Shopify, Amazon, WooCommerce, etc.)**



**Hiring a consultant to implement back-office solutions to support an e-commerce strategy**

\* For marketing strategies, please select the Digital Marketing activity.



**Creation of a customer database**



**To add an e-commerce software to manage inventory and sales, offer discounts, maintain a loyalty program\*, or increase cyber security:**

- ☐ Software to track and manage product inventory, as well as fulfill and ship orders,
- ☐ Software for product databases
- ☐ Cyber Security software or certifications



**Hardware and accompanying software up to 20% of total micro-grant amount. (The maximum amount covered possible is 20% of 2400\$, therefore 480\$)**

- 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.



#### **Website search optimization/SEO**

#### **In addition to the eligible expenses above:**

- Digital marketing: Hire a consultant to execute Digital Marketing initiatives related to your e-commerce store, loyalty programs and social media advertising.\*

\*Your grant cannot be used solely for digital marketing or any other activities that are exclusively marketing-related, with the exception of search engine optimization/SEO.

**CAREFUL:** Marketing functionalities and software are considered digital marketing as well. Please note all eligible costs must be directly tied to the sale of goods and services online.

### **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.
- 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.

### 3. HOW TO OBTAIN A MICRO-GRANT

#### **Evaluate your company's program eligibility**

#### **Validate your project's eligibility**

Ensure that your project falls under one of the following categories of eligible activities

#### **Identify your needs and objectives**

To prepare adequately for the implementation of your e-commerce project, it is essential to identify your needs and objectives. Take a moment to ensure that you have considered all aspects of your project during its development. Follow the link below to access a checklist of factors to consider before launching your online store.

#### **Complete the interest form**

Now that you have verified the eligibility of your project and have a comprehensive understanding of the necessary steps to bring it to fruition, we invite you to fill out the interest form below to take the first steps towards your grant.



**Attention:** Please note that the grant process takes place solely between the recipient company and our team of e-commerce advisors. The participation of external suppliers is not permitted throughout the grant application process.

Furthermore, no agency, service provider nor third party is mandated to represent Component 1 of the CDAP. Only FCCQ and Réseau des SADC et CAE employees are authorized to provide you with information and process your requests.

## 4. NEXT STEPS

01

### Verification of your project's feasibility

Once you've submitted your interest form, you'll receive an invitation from an FCCQ e-business consultant to make an appointment to discuss the feasibility of financing your project.

02

### Submitting the grant form

If you're ready to submit the grant application, an e-commerce advisor will accompany you to complete the application form. This step can take between 5 and 10 minutes.

The form contains the following:

#### 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.

**Careful:** Your application needs to be approved before starting your actions.

Your advisor will contact you as soon as possible after your application has been reviewed.

03

### Signing the grant agreement

Once your application form has been submitted, it will be analyzed and, if approved, you will receive a grant agreement to sign. This document specifies the responsibilities of each party and the conditions of the grant. All eligible expenses approved as part of your application must be incurred after the grant agreement has been signed.

## 04

### Sending supporting documents

To receive payment of the grant, you must send the signed grant agreement to your e-business advisor, along with your bank details, a sample cheque, invoices and proof of payment for expenses authorized in the grant.

**Careful:** Your service provider must not have a conflict of interest with you or your company. In this sense, in the context of the CDAP, a conflict of interest arises when the service provider is a related person. "Related persons" means the following persons: persons linked by blood, marriage, common-law union or adoption.

#### Appendix -Banking Informations

##### Naming of supporting documents:

- • Invoices: Invoice-name of supplier
- • Proof of disbursement: Disbursement-name of supplier

## 05

### Receiving the grant

Following an analysis, if the supporting documents submitted are in order, you will receive the transfer of grant funds within a maximum of 15 working days. Please note that beneficiary companies have 3 months to carry out the activities set out in their projects and to send in the supporting documents to claim the grant.

# CONTACT US



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