



Frequently Asked Questions (FAQ): Smart Start Seed Fund Program

Program Eligibility:

1. Q: What are the three Smart Start Seed Funding Streams?

A:

Youth led investments:

- Up to \$30,000 in Seed Funding for start-ups founded by young entrepreneurs from the ages of 18 to 29
- Up to \$60,000 in Seed Funding for start-ups founded by young entrepreneurs from the ages of 18 to 29

Non-Youth led investments:

- Up to \$30,000 in Seed Funding for start-ups founded by entrepreneurs from the age of 30+ and that do not have at least one youth representative on the founders team

2. Q: I am over 40 years of age but due to the requirements of my business, I would like to apply for the \$60,000 funding stream, can I apply for this stream?

A: No. The \$60,000 in Seed Funding is awarded to Start-ups founded by young entrepreneurs from the ages of 18 to 29.

3. Q: I notice that up to \$7,500 will be awarded for Training and/or Advisory Services, is my company required to match this amount?

A: No. Though the Smart Start Seed Fund applications must include a mandatory training component in the form of Entrepreneurship Skills Training and/or Professional Advisory, these activities do not require matching contributions.

4. Q: If I was already awarded Smart Start Seed Funding, can I re-apply?

A: No. Start-ups can receive **only one award during the lifetime of the company**, and can only resubmit one time to the overall program.

5. Q: Do you have examples of where can I receive the Entrepreneurship Training and Professional Advisory for my start up?

A: Examples of Entrepreneurship Training and Professional Advisory include:

Keiretsu Forum Central Canada	Experience the capital raising first-hand through the Angel Simulator program. This is a “learning by doing program” where entrepreneurs participate in every aspect of raising capital and benefit from practicing before it really counts. You are immersed into the Keiretsu Forum process to receive direct experience on how start-ups position themselves for investment and global syndication.
The Revenue U	Two Stage Program, (\$2,500/each) - Learn how to get positive revenue results. TRU’s experiential training focuses on making first customer contact, closing deals and a creating a reoccurring or repeatable revenue stream. Begin with (1) Sales 101 and graduate to (2) 90-day Sprint to Revenue.
Others:	University or college courses offered by the institution’s Continuing Education Studies such as business administration, entrepreneurship, marketing and customer development, business strategy development



Advisory from experts in areas such as legal/IP, accounting, marketing, sales training to advance the skills and/or knowledge of the entrepreneur in these areas to develop strategies and make informed decisions for their venture Sector specific training (software development, retail marketing, regulatory)

6. Q: I have been operating within Ontario for five years, am I eligible to apply to this program?

A: No. The Smart Start Seed Fund Program supports Ontario-based start-ups, incorporated no more than three years by the Application submission deadline.

7. Q: What's the definition of third-party investor?

A: A third-party investor is an individual or entity that invests in the company but is not part of the founding partners of the company. This investor has to be at arm's-length.

8. Q: My parents would like to invest and provide the matching requirements on behalf of my start up, is this investment eligible for the 1:1 matching?

A: This only acceptable for the Youth-led \$30,000 stream and 50% of the Youth-led \$60,000 stream. At least 50% of Youth-led \$60,000 cash match must come from arm's-length third-party funds. For the Non-youth led \$30,000 stream, 100% of the cash match must come from arm's-length third-party investment.

9. Q: In order to apply, do I need to have a third-party investor term sheet prior to application submission?

A: Proof of matching cash contribution is required for the Non-youth led \$30,000 and at least 50% of Youth-led \$60,000 streams. Investor term sheet, SAFE sheet or similar official document is required.

10. Q: Do I need to provide proof of matching funds via a bank statement?

A: Proof of matching cash contribution, in the form of a **current bank statement**, must be submitted to OCE Finance prior to project activation.

If the company has expended some matching funding post submission, the bank statement date range can be expanded to 30 days prior to award notification as support for having the match at the time of attestation.

11. Q: How do I apply for this Program?

A: Please click [here](#) for more information on how to apply.

12. Q: What documents are required prior to submitting my application?

A: The following documents are required prior to application submission:

- Proof of incorporation
- **Business number**
- Proof of age – government-issued identification with the applicant's name and date of birth
- Proof of citizenship status – Examples include: passport, birth certificate, Citizenship Card, or Permanent Resident Card
- Startup Endorsement signed by a signing officer from a RIC, CLA or OCEA whom your company is a client of, and has been actively engaged with for four or more months



13. Q: My company has pre-recurring revenue of \$300,000, am I eligible to apply for this program?

A: No. Prior to application submission to the Smart Start Program, the start-up must have less than \$250,000 in revenue and significant investment (cumulative). "Significant investment" is defined as a third-party investment from a non-government source.

14. Q: My company is located in Alberta; can my start-up apply for this program?

A: The Smart Start seed fund program supports Ontario-based start-ups; the company should have operations in Ontario; applicants should be residing full-time in the province of Ontario, as well as committed to building an Ontario-based company.

15. Q: My startup has received funding through a Jump Start Program; can I apply to this program?

A: No. Startups that have received funding from any other FedDev Scientists and Engineers in Business (SEB) and Jumpstart programs (e.g. RIC VentureStart, Northumberland Community Futures Development Company, Ryerson or Waterloo FedDev SEB Commercialization Fellowship, etc.) are not eligible for funding through this program.

16. Q: My startup has received financing through Futurpreneur, can I use those funds as my matching for the Smart Start Seed Fund Program?

A: Futurpreneur loan is not considered an eligible cash match.

17. Q: What do I provide to show that my company has been endorsed by a CLA, RIC, or OCEA?

A: Eligible applicants must be a startup and actively engaged with a [Campus Linked Accelerator \(CLA\)](#), [Regional Innovation Centre \(RIC\)](#), or [On-Campus Entrepreneurship Activities \(OCEA\)](#) accelerator for a minimum of four months prior to submitting the application. An [endorsement form](#) providing the name and contact information of the advisor and signed by the **signing authority** of the agency (not the advisor) must be completed and appended to the application prior to submission.

18. Q: In reference to 1:1 matching cash contributions, can I confirm whether the investment can be in a form of a long term loan rather than a dilutive equity investment?

A: No. Matching cash contribution cannot not be a loan.

19. Q: How much is the holdback for this program?

A. If approved, and upon receipt of the proof of cash matching cash contribution and company electronic fund transfer information, OCE will release a payment equal to 75 per cent of the total award.

OCE will release the remaining 25 per cent upon completion and receipt of the following: requested Semi-Annual Progress Reports, Final Report including attestation and proof of Training/Professional Advisory expenditures (receipts) from the company regarding the use of funds and Annual Metrics Report.

Expense Eligibility/Use of Funds:

1. Q: Do I need prior OCE approval if I intend to use OCE funds for trips to conferences outside Canada?



A: Yes. Travel outside Canada is not an eligible expense for some OCE programs. Please provide relevant justification such as purpose of the trip as related to key milestones and intended outcomes, estimated cost, date and destination to avoid delay in the approval of your application. Also, note that your airline ticket must be purchased at the lowest rate available. If you require clarification, please consult OCE prior to submitting your application.

2. Q: What percentage of capital expenditure is allowed in a budget?

A: Capital expenses are typically deemed ineligible. OCE may approve capital expenditure on a case-by-case basis and only prorated amounts of the capital expenditure based on the usage over project duration are eligible. Applicants are advised to provide detailed justification for such expenses on the application.

3. Q: What happens if an ineligible expense is charged to a grant?

A: This would violate the terms of the executed agreement. OCE will not cover such expenses. Please note that applicants and institutions/companies must complete and sign a use of fund attestation as part of the final report at project completion.

4. Q: Can OCE funds be used to pay for retroactive expenditures incurred prior to approval of the application by OCE?

A: No. OCE only allows expenses incurred after approval of the application.

5. Q: Can OCE funds be used to cover expenses associated with an OCE Discovery event?

A: No. OCE's cash contribution is meant to be used toward achieving approved milestones.

6. Q: What are common budget errors and weaknesses?

- Expenses that are deemed ineligible by OCE guidelines
- Excessive costs or a budget that appears inflated and contain expenses that are not adequately justified
- Incomplete information i.e., blanks in the budget or lines left unfilled
- Use of wrong expense categories and units
- No allocation for mandatory Training/Professional Advisory

7. Q: Why do I have to abide by the Broader Public Sector Procurement Directive?

A: It is a directive enacted in 2010 by the government to provide guidance on accountability and transparency for procurement decisions and processes. All procurement activity that involves the use of public funds must abide by the directive.

Funding and Reporting:



1. **Q: Once my application has been approved by OCE, how long will it be before funds are deposited in our account?**

A: Once the funding agreements are signed by all parties, funds are normally disbursed 10 business days after OCE receives the industry partner's cash contribution or confirmation of receipt of the industry partner's cash contribution by the Institution and banking information (where applicable) is supplied to OCE.

2. **Q: Can OCE make payments in USD?**

A: OCE remits payments in Canadian dollars only.

3. **Q: Does OCE track the progress of an initiative once it has been approved? Do I have to submit reports to OCE?**

A: Yes. For the SmartStart Seed Fund, bi-annual progress, annual metrics and final reports are required. At the end date of your project, you will receive a message reminding you to complete your final reports. Please note that the release of a final payment is contingent upon receipt of satisfactory final reports and an attestation for the use of funds. Requests for bi-annual progress and annual metrics reports will come via email.

At one, two, and three years after project completion, the Applicant will be sent a link to complete a retrospective survey to collect data on commercial outcomes from the project. This information is required by OCE for the assessment of program impact and continuous improvement.

4. **Q: Once the applicant has submitted the required final report, how long will it be before the holdback is released?**

A: Holdbacks are released upon satisfactory review of the final report and attestation for the use of funds.

Extensions:

1. **Q: I want to extend the end date of my initiative, what are the approval requirements for an end-date extension or budget re-allocation?**

A: Any project change request has to be submitted **prior** to project end-date. Please submit any change via your OCE online account (ACCESSOCE). Go to the 'Activity List' tab to access 'Project Change Request' tab.