

Canada Digital Adoption Program

In today's digital age, small businesses must adapt to the ever-growing online marketplace to stay ahead of the competition. With the Grow Your Business Online Grant as part of the Canada Digital Adoption Program, we'll equip your business with the essential e-commerce capabilities it needs to thrive.

- Receive a micro-grant of up to \$2,400 to build your e-commerce store, boost your online presence, and digitize your business operations.
- Collaborate with a dedicated E-Commerce Advisor for personalized guidance, strategy, grant planning, and tech support.

Program Eligibility

To apply for the Grow Your Business Online Grant as part of the Canada Digital Adoption Program, your business must:

- Be a for-profit business
- Be registered or an incorporated business
- Be a consumer-facing business
- Attest to one of the following options:
 - The business currently has at least one employee on the payroll (other than the business owner or a contractor) for whom tax deductions were remitted and who has been working at least three months prior to the application
 - For businesses that have been in operation for less than 80 weeks who have not filed their first year's taxes or received their Notice of Assessment: The business has had a gross revenue of at least \$30,000 in the last 12 months of operations or since incorporation/registration for businesses who have been in operation for under a year
 - For businesses that have been in operation for more than 80 weeks who have received a CRA Notice of Assessment: The business had a gross annual revenue of at least \$30,000 in the previous fiscal year
- Commit to maintaining a digital adoption strategy for 6 months after participating in the program
- Consent to participate in follow-up surveys, have this information shared with the Government of Canada (ISED and Statistics Canada), and have the name of their business published as a recipient of funding

Program Ineligibility

The following types of small businesses are ineligible to apply for the Grow Your Business Online Grant:

- Corporate chains, franchises or registered charities
- Representatives of multi-level marketing companies
- Real estate agents, real estate brokerages or real estate brokerage firms
- Insurance agents, insurance brokerages or insurance brokerage firms
- Financial advisors, financial brokerages or financial brokerage firms
- Mortgage advisors, mortgage brokerages or mortgage brokerage firms
- Any brokerage agents or brokerage firms
- Non-profit organizations
- Businesses that engage in online reselling or drop-shipping businesses reliant on third-party suppliers
- Wholesale or distribution businesses or manufacturers (unless their business model includes direct sales to the end consumer)

Grant Expense Eligibility

The \$2,400 micro-grant is a reimbursement-style grant, meaning funding will be issued after your spending plan is approved, the grant agreement is received, and eligible receipts/proof of payments are submitted and approved.

Please note the approval of the spending plan is not an authorization to purchase any items, and no funds should be spent until the business receives an email from the Funding Manager authorizing purchases.

Eligible Costs

Please note that all eligible costs must be directly related to implementing a new e-Commerce store, as outlined in your proposed spending plan. Any expenses that aren't directly related to the online sale of products or services will not be considered eligible expenses.

- Please note that any transactions deemed to be non-arms length between a successful grant recipient and their chosen service provider will be deemed ineligible.
 - A non-arms length transaction is defined as a transaction made between related parties as described in **Section 251 of the Income Tax Act**
- Costs related to the implementation or improvement of a digital e-commerce plan (e.g. online reservation/booking tools, online ordering systems, electronic payments)
- Costs related to website search optimization (SEO) including:
 - Keyword research and metadata optimization
 - Mobile-friendly web design changes
 - Page speed load optimization
 - Creating internal website links
- 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 and digital marketing (Note: Plan cannot be strictly social media advertising and digital marketing, it needs to tie into overall e-commerce implementation plan)
- 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)
 - Note: redesign of an existing site is not eligible
- E-commerce software including:
 - Software to track and manage product inventory, as well as fulfill and ship orders
 - Software for product databases
 - Software to track sales, market to customers, offer discounts, maintain a loyalty program
 - Software to simplify marketing
 - Cyber Security software or certifications
- 20% of the total cost of hardware and accompanying software to support an e-commerce strategy
 - An example of limited coverage for software is any software that is bought with equipment that is required to support an e-commerce strategy. For instance, if a small business wants to purchase a new e-commerce integrated point of sale (POS) system that costs \$1,300, CDAP will cover 20% or \$260
 - The maximum amount of the grant that can be allocated to hardware and accompanying software is 20% of \$2,400, or \$480

Ineligible Costs

- Costs of connectivity
- Costs related to the shipping of goods purchased through the e-commerce platform
- Purchases made prior to grant approval
- Office Software (e.g., Microsoft Office, iWork, Google Workspace, etc.)
- Renewal of digital services such as domain name, software subscription etc.
- 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 a goodwill, whether capitalized or expensed
- Depreciation or amortization expenses
- Interest on invested capital, bonds, or debentures
- Bond discount
- Monthly mortgage, loan and/or rent payments
- Refinancing of an existing debt
- Losses on investments, bad debts, and any other debts
- Fines or penalties
- 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

Please Note: Digital Main Street and Business Link reserve the right to determine the eligibility of expenses on a case-by-case basis necessary. These are merely serving as an outline and represent best practices.

Application Requirements

You'll need the following information to apply for the Grow Your Business Online Grant:

- Business name (legal entity name/trade name)
- Business owner's name and contact information
- Business structure (incorporated, sole proprietor, partnership)
- Number of years in business
- Alberta business registration number
- Articles of incorporation (include all pages of the document for upload)
 - OR Sole Proprietorship Registration Statement (include all pages of the document)
 - OR Partnership Registration Statement (include all pages of the document)
- Industry type and **NAICS code**

Are You Ready to Apply?

To apply for the Grow Your Business Online Grant, visit businesslink.ca/canada-digital-adoption-program or scan the QR code below.

