

Online Shops Grant Program Program Guide

1. Intake Overview

The Online Shops Grant Program (the Program) is a province-wide program administered by Alacrity Canada and is available for at least 1,500 eligible BC-based businesses. The Program is funded by the Province of British Columbia.

As part of B.C.'s Economic Recovery Plan: StrongerBC, the Program has been provided \$12 million to support businesses to get their operations online to drive economic development and support small and medium sized employers, including regional and Indigenous businesses.

This guide is intended to help applicants apply for funding through the program by providing the application process and eligibility criteria in one easy document.

1.1.Intake Objectives

To support BC's economic recovery and its small and medium sized businesses, the program will provide financial support to BC's small and medium sized businesses that produce or manufacture goods and products in BC. The funding is intended to help accelerate businesses move to selling their products online as operating models and customer expectations are changing, and to better be able to gain access to local customers and reach markets otherwise out of reach.

1.2.Program Scope

Expenses in relation to building an online shop, to improvements to existing e-commerce platforms, and digital customer acquisition activities are eligible for funding.

The grant will pay for up to 75% of eligible expenses, up to a maximum of \$7,500 per business.

- Up-to 25% of funds will be reserved for Indigenous businesses and businesses operating outside of the lower mainland and greater Victoria.
- The funds must be used to hire B.C.-based company(ies) to do the online store development.

The program supports a rapid response for businesses, and is accepting applications from businesses ready to start and finish their work in 12-weeks.

One application per business maybe submitted.

1.3.Application Process Overview

Application intake will stay open until all funds have been subscribed to, and grants will be awarded in the order of receipt. The application form must be submitted and approved before funding can be awarded. Meeting the program intake criteria does not guarantee that application will be approved for funding. Applicants must ensure that the application form and all required information and attachments are completed and submitted. Incomplete application will not be reviewed.

The program application has three steps:

Step 1: Develop a grant proposal that indicates how you plan to use the funds, broken out into the different costs fields as identified in 3.2.1 below. Businesses are expected to show a cost estimate that includes how much funding you need and how the money will be spent for each cost grouping (online shop development, digital customer acquisition or training costs).

Step 2: Complete the online application demonstrating that you meet the eligibility criteria and submit your online shop proposal.

Step 3: Applicants will be contacted within three weeks with the outcome of their application.

For the projects to have an immediate benefit, the funds will be issued and provided to the grant recipient as soon as the application to the program has been approved.

1.4. Program Timelines

Applicants that will be conditionally approved to the program must provide copies of the documents demonstrating they meet all eligibility requirements. At final approval, the grant letter and payment will be issued to the applicant by Alacrity Canada. The building of the online shop and all other activities related to the program must be completed within twelve weeks after approval. Following project completion, the business must submit the expense summary report listing all expenses incurred in completing their online shop and improvements to the existing online shop.

2. Applicant Eligibility

Eligible applicants must meet the following General Conditions:

- Applicant must agree that the qualified expenses are used solely towards their own online shop development, enhancement and digital customer acquisition activities.
- Applicant must participate in an audit, if selected. The audit will require for the receipts and invoices of the eligible expenses submitted for review.
- Applicant must participate in a follow-up survey to demonstrate the outcomes resulted from the Program. Aggregate results only will be made public.

Eligible applicants:

Applicants must meet all of the following **eligibility criteria**:

- The business is owned by a BC resident or residents;
- The business's sole or primary operations are located in BC.
- The business:
 - Is currently operating;¹

¹ Businesses not currently operating due to a public health order affecting their business or sector are not eligible for the program. Businesses that only operate seasonally but that are ready to open during the appropriate season (and that otherwise meet all other eligibility criteria) will be considered operating.

- Is registered in BC;²
- Employs³ less than 149 BC residents;
- Pays taxes in BC
- Maintains a
 - Business license number
 - GST number
 - PST and WorkSafeBC number (where applicable)
- Generated sales of more than \$30,000 in the past year (in 2019, or in the year preceding the application)
- Has repeatable products, or in the case of artists and jewellers, individual items that have slight differences (i.e. paintings or rings)
- Does not currently have an online store or has an online store that has no more than 3 of the 5 identified online store features.
 - *Customer registration and information security features*
 - *Shopping cart and order management capabilities*
 - *Payment processing options including application of appropriate taxes and shipping costs at time of ordering*
 - *Product catalogue, search and inventory status*
 - *Website analytics and reporting capabilities.*
- Up-to 25% of funds will be reserved for Indigenous or regional businesses
- The funds must be used to hire a BC-based company(ies) to do the online store development;
- The funds must be utilized within twelve weeks; and
- Businesses will be asked to declare access to other programs funded by the provincial or federal government such as Buy BC Partnership Program E-commerce Funding Stream or Canada United Small Business Relief Fund. The funds received must be complimentary and not used to cover the same expenses from different programs.

Ineligible applicants:

Applicants who do not meet the eligible criteria therefore are unable to apply for the Program.

² Only BC-based businesses are eligible for the Online Shops Grant Program. You must be registered and headquartered in BC and have a fixed place of business in BC. The program does not include BC-based subsidiaries of organizations that maintain a corporate headquarters outside BC.

³ Employee is defined in Section 1 of the BC *Employment Standards Act*. The Online Shops grant is available to businesses that are sole proprietors or directly employ between 2 and 149 BC residents for whom they deduct and remit payroll taxes, for at least 4 months of the calendar year. Where the business owner(s) work in the business without drawing wages and submit their Canada Pension Plan and other contributions through income tax returns, one business owner can count toward the employee requirements of this program.

3. Funding

The maximum grant amount is \$7,500 per business, which can be used to cover up-to 75% of eligible expenses.

General Conditions:

- All funding decisions are final.

3.1.Awarding of Funding

Approval of funding to successful applicants will be conditional upon the terms and conditions set out in the grant letter. The program reserves a right to award partial contributions towards the total funding request.

General Conditions:

- Funding agreements will require the applicant to follow program guidelines and requirements, including submitting progress and final reports and financial reporting documents.
- Failure to meet the requirements of the grant agreement could result in the requirement for the repayment of funding to the Program and disqualify the applicant from further applications.

3.2.Eligible/Ineligible Expenses

Alacrity Canada will assess the eligibility of costs.

3.2.1. Eligible Expenses (Costs)

Funding recipients MUST use local BC service providers to complete contract work to build or improve their online store. The only exception to this rule is when a service is provided entirely online, such as:

- Platform subscription
- Purchase of online photos and graphics
- Purchase of online promotional space such as Facebook ads

Expenses related to the development of own online shop – must support e-commerce (website only with and email and/or phone number is not an eligible expense), such as:

- Service provider costs:
 - Development time for the platform (create new or substantially enhance)
 - Pictures (including photographer), stock photos or related graphics required for site
 - Copy and online content writing
 - Online inventory of goods and products development
- Digital customer acquisition costs:
 - Subscription costs of e-commerce platform (up to 1 year)
 - Online advertising costs (up to 1 year)
 - Search Engine Optimization (SEO)

- Banner and other embedded advertising creation (e.g. social media sites, gaming, etc.)
- Staff training to manage own online shop and/or gain digital marketing skills

3.2.2. Online Shop Completion Checklist

The online shops created with the funding should include the following components:

- Customer registration and information security features
- Shopping cart and order management capabilities
- Payment processing options including application of appropriate taxes and shipping costs at time of ordering
- Product catalogue, search and inventory status
- Website analytics and reporting capabilities.

Businesses producing and selling cannabis products will need to ensure compliance with laws and regulations. As it is illegal for private cannabis retail stores to accept payment for product online or to deliver products to customers, online shop created with the program funding will require adjustments accordingly to develop a “click and collect” e-commerce site that will require customers to come in person to the business’s physical location to pay for and collect their order.

3.2.3. Ineligible Expenses

Expenses that are not related to businesses own e-commerce. Funding is not to be used for ongoing e-commerce activities that have already started or will commence before the project start date or for general website or IT upgrades. Further, it is not to be used for:

- Starting an e-commerce business which intends to sell products on behalf of other companies
- Adding non e-commerce web pages to existing websites
- Hosting an existing site
- Credit card processing fees
- Packaging materials for product shipping and related shipping costs

4. Application Process

Applicants must submit an online application form that can be accessed at <https://www.launchonline.ca>. The application must demonstrate that the applying business meets the eligibility criteria set out in section 2. Applications must be submitted in English.

4.1. Grant Proposal

Businesses are to develop a grant proposal that indicates how they plan to use the funds. Businesses are expected to show a cost estimate that includes how much funding they need and how the money will be spent as outlined in section 3.2.1. Open text fields where to enter the proposal information are included in the online application form.

5. Application Assessment

Applications will be assessed based on the criteria set out in section 2.

Up-to 25% of funds will be reserved for Indigenous businesses and businesses operating outside of the lower mainland and greater Victoria.

6. Successful Applicant Information

Successful applicants must review and comply with the criteria outlined in this section.

- Applicant will receive a grant letter that will outline the terms and conditions for the agreement and eligible expenses under the Program.
- Once the applicant has accepted the terms and conditions, the grant payment can be issued.
- Funds must be used to hire BC-based companies to develop website and provide other eligible services.

6.1. Expenses Report Assessment and Audits

Once applicants have worked with a service provider to create an online store, they will be required to submit a report of their eligible expenses and a link to their new online store. Applicants will be required to submit an Expense Summary Report that lists all expenses related to the project and provide the service providers' BC business licence number and BC address. The applicant must keep invoices and receipts related to project expenses, and proof of payment, in case of audit.

- The reports will be reviewed, and the online store created will be assessed against a set of criteria.

A percentage of applicants' reports will be audited, and expenses will be reviewed in detail, by an independent auditor.

6.2. Final Reporting Requirements

Six months following project completion, applicants are required to complete a short follow up survey to demonstrate the outcomes they have experienced as a direct result of the grant funding. The survey will assess sales and customer acquisition intel related to the Program outcomes.

Only aggregate information will be included in the final report, which may be made available to the public.

6.3. Events and Communications

Throughout the project there may be a number of occasions that require communication support for events and/or publications. As such, the following is required:

- Funding recipients must keep the Program contact person(s) informed in advance (with a minimum notice period) of any promotional activities or events related to the project.

- The Program funder (the Province of British Columbia) and Alacrity Canada must be acknowledged in project communications, events and signage.
- The Province is required to provide consent to publish project details in reports and in promotion of the Program.

6.4. Freedom of Information

Applications submitted under the Program are subject to the *Freedom of Information and Protection of Privacy Act*. The information being collected is for the purpose of administering the Program and evaluating eligibility of the proposal.

7. Application Support/Contact Information

If you have a question that is not addressed in the Program guide, support is available from Program staff. Support is provided in English. Please contact Program staff at:

<provide phone number> TBD

<provide email address> TBD