

**Guide to
Innovation
Funding for
Atlantic Canada**



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INTRODUCTION

Atlantic Canada's startup ecosystem is among the most robust in North America. Businesses in the region not only have access to various funding sources, including non-dilutive government grants and a recent surge in Venture Capital activity, but also benefit from a diverse, youthful, and aggressive community of innovators who are passionately dedicated to building great companies.

Across New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island, more than 100 new companies have been launched annually for more than [5 years and counting](#). At the same time, [Startup Genome's Global Startup Ecosystem Report 2019](#) found that Atlantic Canada was the fastest-growing activation ecosystem in North America.

To that end, the number of startups launched in Atlantic Canada almost doubled from 2016 to 2021, according to research from the [Atlantic Canada Opportunity Agency](#). More recently, startups in [Nova Scotia raised \\$41 million in venture capital](#) during the first quarter of 2023, despite a 72 percent decline in VC activity over the same period nationally.

But private funding is just one way that startups in Atlantic Canada fuel their roadmap. Along with a wealth of federal programs, all four Atlantic Canadian provinces offer their own unique funding mechanisms designed to help startups thrive.

With globally-leading clusters in **information and communication technology, medtech, cleantech, oceantech, agri-food, and life sciences** throughout the region, businesses in these sectors are uniquely positioned to thrive when setting shop on Atlantic Canada's shores.

In this ebook, we'll break down the various innovation funding programs designed to help fuel the growth of Canadian startups across sectors, strategies for navigating the often-complex tax code, and how to leverage these programs to optimize your capital strategy.





TAX CREDITS

What is SR&ED funding?

- *Stage: All*
- *Amount: 64% of Research and Development*
- *Provinces: All Atlantic Canada*

SR&ED—commonly pronounced just ‘SHRED’—is a federal tax incentive program that gives Canadian businesses of all sizes and across sectors access to both refundable and non-refundable tax credits aimed at covering the costs of research and development (R&D).

To qualify for SR&ED—which is the largest single source of government funding for industrial R&D offered in Canada—organizations must aim to create new (or improve existing) products, processes, principles, methodologies or materials.

From there, claimants can recover *up to 64 percent of qualifying expenditures*. These include:

- Salaries for those directly involved in SR&ED eligible work
- Subcontractor costs for directly involved SR&ED eligible work
- Material costs required to achieve technological advancement(s)

What are the SR&ED qualifying criteria?

For projects to be considered “SR&ED eligible,” activities must meet the following thresholds:

Technological Advancement

The project must generate information that advances understanding of the underlying technologies. In a business context, this means that when new or improved material, device, product or process is created, it must embody a technological advancement in order to be eligible, *increasing the technology base from where it was at the beginning of the project.*

Technological Uncertainty

A project must also directly address technological obstacles (or uncertainties) *that cannot be overcome by applying the techniques, procedures and data that are generally accessible to competent professionals in the field.* In other words, if there is already a technique that accomplishes the stated task, new processes for accomplishing the goal won’t qualify for SR&ED.

Technical Content

Claimants must provide proof that a systematic investigation was executed. This entails going from *identification and articulation of the scientific or technological obstacles to hypothesis formulation, through testing by experimentation or analysis, to the statement of logical conclusions.* In a business context, this requires that the objectives of the work must be clearly stated at an early stage in the project’s evolution, and the method of addressing the obstacle/uncertainty by experimentation or analysis must be clearly set out.

How to apply for SR&ED—and defend your application

The SR&ED application process can be extremely complicated, as just filling out form T661 alone calls for teams to provide a wealth of data related to payroll, engineering and project management systems that don't always work in tandem.

To that end, the SR&ED application calls for a working knowledge of both the business side of R&D as well as the engineering vernacular that individuals deeply involved in the development process may struggle to elevate for a non-technical audience. This can take weeks (or even months) to compile without a dedicated SR&ED consultant.

By partnering with Boast AI, for instance, customers can automatically sync all data relevant to the project's scope into a single platform, making sure it's properly organized and documented to align with SR&ED requirements. Boast AI also takes on the responsibility of your project's eligibility for the program, lending more credibility to a claim in the eyes of the CRA because dedicated tax experts were involved.

But while SR&ED is arguably the highest-profile funding option offered to innovative organizations by the Canadian government, there are a wealth of additional programs that startups can mix-and-match to help cover their research expenses.

IDMTC for Digital Media across provinces

- *Stage: All*
- *Amount: \$17.5% of Research and Development*
- *Provinces: Newfoundland and Labrador, Nova Scotia*

The Interactive Digital Media Tax Credit (IDMTC) is another potential refund offered to businesses in select provinces, focused squarely on innovating entertainment and education media. These include gaming, animation, television or film production companies that are based in:

- Newfoundland and Labrador
- Nova Scotia

Qualifying criteria for IDMTC

While each [province has its own unique guidelines](#) around the timing for applications (as well as how much cash back qualified applicants can expect in their return), the qualifying criteria for IDMTC is fairly uniform province-by-province, encompassing solutions that:

- Aim to *educate, inform, or entertain* the user
- Present information in a combination of text, sound, and images
- Are interactive by design

Examples of qualifying products could include video games, educational software, or AR/VR products, to name a few.

As for what doesn't qualify, the Canadian government is clear that only activities that actually contribute or lead to the commercialization of a given innovation will qualify. As such, promotional activities or repurposed/rebranded products are explicitly excluded from IDMTC, as well as:

- Blogs
- Search engines
- News and public affairs products
- Weather or financial market reporting
- Products used primarily for interpersonal communication

How much can qualified applicants receive from IDMTC?

Each province has different guidelines for both when and how to apply for IDMTC, as well as how much cash successful applicants should expect in return.

However, the IDMTC can be delivered as a mix of refundable and non-refundable credits accounting for both wages and material expenses. A general breakdown of what can be expected on a province-by-province basis includes:

- Newfoundland and Labrador: 40 percent of qualifying expenditures, which include eligible salaries and 65 percent of eligible remuneration
- Nova Scotia: The lesser of 50 percent of qualifying expenditures or 25 percent of total expenditures (a bonus credit of 10 percent for qualifying expenditures or 5 percent of total expenditures is also available)

When to use IDMTC, SR&ED or both

Any expenses claimed for either SR&ED or IDMTC can't overlap or therefore be stacked. While companies can file claims for separate expenses in both categories, they can't "double dip," so to speak—ie. Any wages or labor costs that are already filed as SR&ED claims can't also be IDMTC-eligible.

That's because the IDMTC essentially replaces the 10 percent provincial portion of a SR&ED claim.

Therefore, choosing whether to file a qualified expense under either IDMTC or SR&ED often comes down to timing—both in terms of the maturity of the project and the current status of the project's runway. SR&ED, for instance, often has a faster processing time than IDMTC, and could be tapped into for more immediate funding needs. But if a claim only partly qualifies for SR&ED while being fully eligible for IDMTC, the more comprehensive credit usually trumps the speedier return.

How to apply for IDMTC

Because there are so many contingencies for IDMTC, it's especially important that founders and finance teams don't embark on their applications solo.

While IDMTC can be a generous credit, there could be benefits to leveraging SR&ED or different non-dilutive funding options that ultimately offer greater returns. To that end, given the strict qualifying criteria, if potential applicants realize early that IDMTC is a no-go, knowledgeable R&D tax professionals can help determine other avenues for non-dilutive funding.

Economic Development and Growth Enterprise Program (EDGE)

- *Stage: Early-mid*
- *Amount: \$300,000 minimum (variable)*
- *Provinces: Newfoundland and Labrador*

The Economic Diversification and Growth Enterprises (EDGE) Program is designed to incentivize the creation of significant new business investment in the province to help diversify the economy and stimulate new private sector job creation.

A new startup (or even an existing business) interested in expanding within Newfoundland and Labrador may qualify for EDGE status when:

- There is the potential to create and maintain at least 10 new permanent jobs in the province;
- A startup is prepared to make a minimum capital investment of \$300,000 or generate incremental annual sales of \$500,000;
- Founders have agreed not to establish or expand in the province in the absence of the EDGE incentives;
- The EDGE incentives will not give this startup a direct competitive advantage over existing businesses in the province;
- The new business activity will have a substantial net economic benefit to the province.

Benefits of EDGE

Once a company is approved for EDGE status, they're eligible for the following incentives and benefits:

- 100 percent rebate on provincial corporate income tax and the provincial health and post-secondary education (payroll) tax for a period of 10 years if the business is established within the northeast Avalon area, or for 15 years if it is established outside the northeast Avalon area.
- 50 percent rebate on federal corporate income tax for the periods referenced above.
- An additional five-year period of partial rebates on the provincial and federal taxes referenced above, declining by 20 per cent in each year of this phase-out period.
- 100 percent rebate on municipal property and/or municipal business taxes for 10 or 15 years, followed by a five-year phase-out of such rebates, where individual municipalities elect to participate in the EDGE program.
- Access to unserviced Crown land for \$1.00 where such land is required to implement the company's business plan.

How to apply for EDGE

The program is first-come-first-serve, and applicants must fill out both the standard [EDGE application form](#) as well as the [Confidential Statement of Personal Net Worth](#) to be considered.

Advanced Marine Technology Tax Rebate

- *Stage: Mid-Late*
- *Amount: Variable*
- *Province: Prince Edward Island*

The Advanced Marine Technology (AMT) tax rebate took effect on July 3, 2015, and applies to eligible companies which establish operations within Prince Edward Island. The rebate has a lifespan of 10 years and applies to AMT companies with proven research capacity developing innovative marine technology for global applications.

Qualified AMT businesses must also be engaged in the research and development, manufacture and export of advanced marine technology products and services in Prince Edward Island for export off of the province.

Finally, the rebate only applies to companies that have a minimum of 15 staff in the province and a minimum payroll of \$700,000 per annum.



GRANTS

IRAP

- *Stage: Early-Mid*
- *Amount: \$50k-\$250k*
- *Provinces: All Atlantic Provinces*

Considered by many to be Canada's banner innovation funding vehicle, the Industrial Research Assistance Program (IRAP) from the National Research Council (NRC) offers small to medium-sized businesses (SMBs) non-dilutive, non-repayable financial and advisory assistance.

The goal of IRAP is to help innovators increase their capacity for research and development and to speed up the pipeline for bringing new ideas to market. This goes to benefit founders, who can extend their runway without taking on significant risk or dilutive funding (ie. via venture capital), while helping boost Canada's posture (and tax base) as a hub for technological advancement.

How to qualify for IRAP

To qualify, a business must be:

- A Canadian SMB, incorporated and profit-oriented
- 500 or less full-time employees
- Objective to grow and generate profits through development and commercialization of innovative, technology-driven new or improved products, services, or processes in Canada.

Historically, the program is broken into subprograms that offer SMBs the following:

Technology Innovation Projects

This subprogram provides grants to help firms fund research and development geared toward commercializing technology projects. Funding ranges between \$30K- \$300K, with the program matching 50-80% of total project cost. The total project cost and allocated funding is determined by working with a Industry Technology Advisor (ITA).

Youth Employment Strategy Programs

The Youth Employment Strategy Programs (commonly called “YEP”) provide SMEs with financial assistance to hire skilled post-secondary graduates in the following fields: *Science; engineering; technology; business; and liberal arts*. Graduates work on innovative projects, including research, development and commercialization of technologies. The program covers a portion of the salary costs of the post-secondary graduate.

Business Innovation Access Program

The Business Innovation Access Program (or commonly called “BIAP”) is a pilot program that was launched in April 2014 that will provide \$20M in funding over 2 years to help SMBs access business services or technical assistance at Canada’s learning institutions and publicly-funded research organizations.



Stacking IRAP and SR&ED

Aside from new administrative oversight, customers who take advantage of IRAP shouldn’t be concerned about their funding drying up. To that end, strategies that balance IRAP funding with SR&ED tax credits will remain a pivotal tool for innovative businesses looking to increase their R&D.

At Boast AI, many of our customers take advantage of both IRAP and SR&ED programs for government grants and tax credits, respectively. The main difference between the two programs is that IRAP is project-based and involves applying for grant money either before or at the onset of R&D. As such, teams taking advantage of IRAP need to work with individuals within the government (ITA) to present their project proposal for approval before they receive funding, which is allocated throughout the year.

SR&ED, on the other hand, allows qualifying founders to receive a cash refund or tax credit when filing corporate taxes at the end of the fiscal year.

When companies stack both the IRAP and SR&ED programs into their strategies, they receive the benefit of continual funding throughout the year as well as at the end of tax season; while there are maximums your business can receive by stacking IRAP and SR&ED claims, there is a net benefit when both are combined.

Navigating these existing funding structures can be complicated and time consuming, however—especially for founders whose time may be better allocated to actually executing on R&D. That’s why Boast AI takes a white glove approach to our partnership with innovative founders to help ensure they are reaping all the possible federal funding and credits they qualify for without exhausting their resources.

MITACS

- **Stage:** *Mid-Late*
- **Amount:** *50% of human capital*

Founded in 1999, Mitacs is a nonprofit research organization that originally was focused on expanding access to internships and careers in “Mathematics of Information Technology and Complex Systems.”

Created in partnership with academic institutions, private industry and government bodies across the Canadian provinces, the program supports more than 10,000 internships annually, with an expanded mission that encompasses both technical and social innovation. As a result, there’s a wide swath of industries that can qualify for the program, which covers up to 50 percent of project costs and graduate student stipends for qualifying research-based activities.

As Mitacs’s mandate has expanded, the organization has grown to encompass six main programs, including:

Accelerate

The banner Mitacs program that pairs research interns with deserving CCPCs.

- **Who:** A student (*from undergrads to post-doctoral fellows to recent graduates, within two years*), a supervising professor and a partner organization in need of the student’s expertise.
- **Requirements:** Work with a Mitacs advisor to submit application, with six-to-eight week peer review for approval.
- **Benefits/Results:** Funding starts at \$15,000, with partner organization’s financial contribution starts at \$7,500. College students can do three four-month internships, master’s students can do up to four four-month internships and PhD students can do up to eight.

Elevate

Mitacs’s 2-year postdoctoral fellow program designed to launch long-term research projects.

- **Who:** Postdoctoral candidate and partner organizations.
- **Requirements:** A one or two-year research proposal with exclusive professional development curriculum.
- **Benefits/Results:** An award valued at \$60,000 per year with a minimum \$55,000 stipend (Partner organization contributes \$30,000 annually).

Globalink

A platform to build global partnerships with researchers and businesses spanning France, Israel, Mexico and Norway and more (13 international partner countries total).

- **Who:** 2,200+ international research collaborators; private businesses looking to develop joint ventures and “stay on top of global trends”.
- **Requirements:** Canadian companies can partner with researchers from an international pool of partner countries; International countries from any local can host interns from Canada.
- **Benefits/Results:** Mitacs matches project funds, starting at \$7,500 for a 16–24-week project.

Canadian Science Policy Fellowship

An avenue for PhD holders from all disciplines to explore a year-long immersion into the policy making process with participating government departments.

- **Who:** Canadian PhD holders (though call for fellows is on hold for 2023-24 cohort).
- **Requirements:** Focus on social sciences and humanities, as of 2017 mandate.
- **Benefits/Results:** Year-long policy immersion.

Entrepreneur International

A program offering travel grants (up to \$5,000) to Canadian startups housed in an incubator linked to an academic institution, with the goal of exploring new business opportunities in global markets.

- **Who:** Canadian startups with global ambitions.
- **Requirements:** Provide a detailed travel plan that supports international growth goals, whether for international investment or market research.
- **Benefits/Results:** Recouped travel costs for up to two full-time equivalent employees, founders or owners (up to \$5,000).

Business Strategy Internship

A limited-availability, 4-month internship program to support innovation and knowledge transfer between academia and the private-sector.

- **Who:** Registered students within a recognized academic institute; Canada-based businesses; not available in Prince Edward Island or New Brunswick.
- **Requirements:** An approved project proposal detailing goals and objectives for 4-month engagement.
- **Benefits/Results:** Either \$10,000 or \$15,000 per intern to work on the organization's innovation activities, helping them improve their products, processes, or services.

NSERC

- **Stage:** All
- **Amount:** Varies
- **Provinces:** All Atlantic Canada

The [Natural Sciences and Engineering Research Council of Canada](#) (NSERC) is the country's largest supporter of discovery and innovation, working with universities, colleges, businesses and not-for-profits to help Canada's research community thrive.

The key tenets of the program are to match academic, private, public and not-for-profit sector organizations with students and faculty to help drive innovation via a robust grant program.

More than 33,000 students and postdoctoral fellows have taken part in the Discovery Grants program—the NSERC's largest area of investment—with an average of 8,800 scholarships and fellowships awarded annually. There have also been \$1.72 billion in cash and in-kind contributions from partners who have taken part in the program over the past five years.

There are unique eligibility requirements for [Faculty, Students and Fellows](#), [Universities and Colleges](#) and [Partner Organizations](#) to take part in the program, which to date has helped support 76 percent of Canada's leading researchers in the natural sciences and engineering.

To learn more about how NSERC vets applications and distributes funding, they publish annual [Funding Decisions](#) paperwork online, which is a *great starting point for new applicants to understand the DNA of a winning proposal*.

SDTC

- *Stage: Late*
- *Amount: \$250k-\$2 million*
- *Provinces: All Atlantic Canada*

The [Scientific Development Technology Canada](#) (SDTC) program offers non-dilutive financing to projects enhancing Canada's environmental and economic prosperity by covering up to one third of a firm's pre-commercial development and demonstration project costs.

The program is available for Seed, Startup and Scaleup organizations in the clean tech sector, having invested more than \$1.38 billion toward climate tech projects since the program was launched in 2001.

For Seed

The Seed Fund provides one-time grants of \$50,000 to \$100,000 to early-stage cleantech entrepreneurs. Along with being a CCPC, qualifying requires that founders are nominated by one of the SDTC's partner accelerator programs. Businesses must also have raised at least half of the amount of requested grant funds through private equity services.

For Startups

At the Startup phase, along with being a CCPC, qualifying applicants must offer a product or service that has the potential to deliver significant and quantifiable environmental benefits resulting from commercial-scale deployment. To that end, there must be a customer or end user available to validate the market potential of the solution.

Once qualified, the SDTC will fund (on average) 33 percent of project costs (up to 40 percent). To that end, at least 25% of the eligible costs must be funded through private sector contributions, while at least half of these expenses must be incurred in Canada.

For Scaleups

The benefits and results for Scaleups aligns closely with the criteria for SDTC's Startup fund. At this stage, qualifying businesses have already demonstrated the commercial viability of their clean technology innovation, and are on a rapid growth trajectory.

Invest Nova Scotia Accelerate

- *Stage: Early-mid*
- *Amount: \$40,000*
- *Provinces: Nova Scotia*

The Accelerate program targets businesses in the ocean-tech, health-tech, agri-tech, clean-tech and software sectors that have demonstrated a growth trajectory and opportunity for further success while based in Nova Scotia.

The program offers \$40,000 in non-repayable, non-dilutive funding via its five funding streams, while committing qualified businesses to one-on-one mentorship and partner perks for taking advantage of the grants.

- **Accelerate Agriculture Tech:** a cohort for start-ups addressing the global food production challenges while reducing dependency on fossil fuels or petrochemicals.
- **Accelerate Clean Tech:** a cohort for start-ups addressing climate change and clean air, water and soil.
- **Accelerate Health Tech:** a cohort for start-ups developing new therapeutics, medical devices or digital health technologies solving large unmet healthcare needs.
- **Accelerate Ocean Tech:** a cohort for start-ups developing solutions in ocean health, fisheries and aquaculture, offshore energy, shipborne technologies and marine bioresources.
- **Accelerate Software:** a cohort for start-ups working on software solutions leveraging artificial intelligence, computer vision, blockchain, or data network effects to solve large unmet market needs.

Qualifying businesses must have less than \$1 million in cumulative sales and less than \$250,000 in equity investment (including convertible debt) raised to date, while entrants must be majority owners (ie. 51 percent stake) in the qualified business. Applications are only accepted in the Fall and Winter on a rolling basis.

Atlantic IP Advantage

- *Stage: Early*
- *Amount: Variable*
- *Provinces: All Atlantic Canada*

This program from Springboard is designed to help cultivate and protect intellectual property (IP) within the provinces. The goal is twofold, aiming to both raise awareness around the importance of IP in the region, and to give founders access to key supports for IP strategy development and implementation, via two different funding streams:

IP Strategy Development

This program matches startups with IP professionals who can help them develop an executable strategy, ensuring that founders have a comprehensive understanding of the domain they are pursuing while tailoring their IP strategy to their business model. Funding is available for 90 percent of costs up to \$50,000 paid directly to IP service providers.

- Eligibility is limited to start-ups that have attended awareness events
- Start-ups work with Springboard Atlantic IP Advantage teams to develop applications
- Award amounts are 90% of costs up to \$50,000
- Funding is paid directly to providers to develop an executable strategy
- Organization's financial contribution starts at \$7,500. College students can do three four-month internships, master's students can do up to four four-month internships and PhD students can do up to eight.

IP Strategy Implementation

This funding stream introduces founders to experts who can assist with executing IP strategies, offering coaching and advice to integrate IP protection into business operations and organizational culture, while also help with IP filings. Funding is available for 90% of costs up to \$25,000 and is paid directly to IP service providers.

- Eligibility is limited to start-ups that have attended awareness events
- Start-ups work with Springboard Atlantic staff to develop applications
- Award amounts are 90% of costs up to \$25,000
- Funding is paid directly to providers to implement an executable strategy
- Prior to accessing IP Strategy Implementation Program support, the start-up must have an IP strategy finalized.

BBI Business Consulting Advisory Services Grant Program

- *Stage: Early-mid*
- *Amount: \$5,000*
- *Provinces: All Atlantic Canada*

This program is designed specifically for small-to-medium, Black-owned businesses in all four Atlantic provinces as a means to build up and strengthen their operations and continue to grow. These grants of \$5,000 can go to the following activities:

- Development of Sales or Marketing Strategy
- Business Management Development Practices
- Technology or Digital Support
- E-Commerce Integration

Canadian Women's Foundation

- *Stage: Early-mid*
- *Amount: Variable*
- *Provinces: All Atlantic Canada*

The Canadian Women's Foundation provides support and funding for programs that are designed for women, girls, and Two Spirit, trans, and non-binary people across Canada. The Foundation is expansive, and accepts grants for a wide array of female-led initiatives on an annual basis.

The program is only available to incorporated, non-profit organizations that have a valid charitable number from Canada Revenue Agency, or First Nations Bands designated as qualified donees and by Canada Revenue Agency.

Teen Healthy Relationship Grants

This grant stream opens once every 4 years (last awarded in 2020) and support school- and community-based programs that work with young people of all genders, aged 10-19, on learning about dating violence, gender stereotypes, sexual harassment, and how to create safe and healthy relationships.

Rebuilding Lives Grants

Winners of this 3-year grant program (whose latest cohort will be announced in March 2024) offer support for women, girls, Two-Spirit, trans, and non-binary peoples rebuilding their lives after experiencing violence, including housing supports, sexual assault and harassment supports, counselling, child witness to violence programs, court/legal supports.

Economic Development Grants

This stream, which opens once every 5 years and was last awarded in 2023, supports programs for women, Two Spirit, trans, and non-binary people who are living on low incomes to learn a skilled trade, start a business, or gain work experience, with the goal of achieving a sustainable livelihood.

Girls' Fund Grants

These 4-year grants (last awarded in 2020) support programs for girls, Two Spirit, trans, and non-binary people, age 9 to 13 to build confidence, critical-thinking skills, resilience, and a sense of belonging.

Investment Readiness Program (IRP) Grants

Last awarded in 2022, this is another 4-year grant program targeting organizations that support and encourage their growth and participation in the social innovation and social finance ecosystem. The grant program will focus on preparing the ground for new projects to address women's needs in Canada in various sectors, working with diverse and underserved communities.

Community Needs Grants

The aim of the Community Needs Grants—which are granted annually—is to provide short-term support for organizations doing gender-based work (particularly smaller grassroots organizations) to meet a range of immediate needs. Applicants may apply for funds to cover program costs, to undertake timely policy or advocacy initiatives, to support organizational capacity-building or professional development, to build networks, and/or for operational and administrative expenses.

CBDC Consulting Advisory Services

- *Stage: Early-mid*
- *Amount: \$5,000*
- *Provinces: All Atlantic Canada*

The Atlantic Association of CBDCs Consulting Advisory Services (CAS) program provides existing businesses with consulting services to:

- Conduct a diagnostic assessment of your business;
- To assess market readiness;
- To develop a business plan for an expanding or repurposing business.

The Program provides up to 75% of the costs of the work to a maximum program participation of \$5,000.

CIRA Community Investment Program

- *Stage: Early-mid*
- *Amount: \$5,000*
- *Provinces: All Atlantic Canada*

This bi-annual grant program offers upwards of \$100,000 in funding toward programs that support Canada's Online Infrastructure, Online safety and Policy engagement. Qualifying businesses must be:

- Recognized by the Canada Revenue Agency as registered charities
- Not-for-profit organizations
- Academics and researchers affiliated with a Canadian university or college
- Indigenous communities (not required)
- Must have a .ca domain
- Organizations must be based in Canada and projects, while they can have a broader impact, must benefit Canadians.



LOANS

Atlantic Canada Opportunities Agency - Business Development Program (BDP)

- *Stage: Early-mid*
- *Amount: Variable*
- *Provinces: All Atlantic Canada*

Through the BDP, the Atlantic Canada Opportunities Agency (ACOA) gives startups the funding they need to launch, modernize and grow their business in Atlantic Canada. The program's repayable funding is interest-free and unsecured, offering founders upwards of 50 percent off of the capital they need for growth.

To qualify, a business must be:

- Staff training
- Efficiency studies
- Marketing/trade activities
- Productivity improvements
- Quality assurance
- Environmental management systems

The program also offers assistance for non-profit organizations, including non-specified funding totals for:

- Business counselling and advice
- Training and specialized services
- Networking opportunities
- Research and development
- Technology transfer

ACOA- Regional Economic Growth through Innovation (REGI)

- *Stage: Early-mid*
- *Amount: \$500k Max*
- *Provinces: All Atlantic Canada*

Through REGI, the ACOA is helping businesses and non-profit organizations develop a more robust, dynamic and inclusive economy, both through individual business development as well as regional ecosystem support.

The program offers 2 funding streams—*Business Scale-up and Productivity Regional Innovation Ecosystems*—that are targeting for-profit and non-profit startups, respectively. Private businesses, specifically, can apply for funding to support scale up and expansion efforts, the adoption of new technologies, implementation of systems to improve productivity, and for startups to create new products and find new markets.

Qualifying businesses who can take advantage of this fund include:

- Sole proprietorships
- Partnerships
- Social enterprises
- Incorporated companies
- Corporations or co-operatives
- Indigenous-owned businesses
- All other types of enterprises and non-profit organizations that offer services to businesses.

BDC Start-up Financing

- *Stage: Early-mid*
- *Amount: Up to \$250k*
- *Provinces: All Atlantic Canada*

The BDC Start-up financing program is designed for Canadian businesses who have been in operation for at least 12 months and have already generated revenue. While the timeline for qualification is only one year, the program targets businesses that clearly demonstrate a growth trajectory and long-term value to their market.

Along with the revenue and length of operation requirements, qualifying companies must:

- Be Canadian-based
- Have a good credit history
- The founder has reached the age of maturity in the province or territory where they live.

Futurepreneur

- *Stage: Early*
- *Amount: \$40K (per year)*
- *Provinces: All Atlantic Canada*

[Futurepreneur](#) is Canada's only national, non-profit organization that provides financing, mentoring and support tools specifically to aspiring business owners aged 18-39. Since launching in 1996, almost 18,000 entrepreneurs have engaged with the program to launch more than 13,000 businesses across all provinces and territories.

Futurepreneur Canada is able to finance up to \$20,000 per business (with a term of 5 years), while their partner the Business Development Bank of Canada (BDC) can provide additional financing of up to \$40,000. Interest is charged at CIBC's prime rate + 3 percent.

Qualified loan receivers will only be tasked with interest-only payments for the first year, while principal repayments are made in equal monthly installments together with interest over the remaining four years.

CMF

- *Stage: Early-Late*
- *Amount: \$50k-\$1 million*
- *Provinces: All Atlantic Canada*

The Canadian Media fund offers creative entrepreneurs a path to financing innovative content and software applications. In 2022-2023, the program budget topped more than \$365 million, and funded more than 1300 projects.

For qualifying projects, the CMF contributes 75 percent of costs with a cap of \$1 million in form of a repayable loan. In most cases, repayment in full needs to be completed within 7 years.

Through financial support and industry research, the program encourages development for current and emerging digital platforms, supporting the Canadian television and digital media industries through two funding Streams:

The Experimental Stream

With more than a dozen targeted programs, this stream offers funding and support for the development of interactive content and software applications for digital media platforms, including educational resources. It's a great path for R&D-focused media projects with an array of specialized offerings, including:

- Anglophone Minority Incentive
- CMF-Quebecor Fund Export Assistance Program Partnership
- CMF-Quebecor Fund Intellectual Properties Intended for International Markets Production Support Program
- CMF-SODEC Predevelopment Program for Television Series Based on Literary Adaptations
- Development Envelope Program
- Diverse Languages Program
- Early-Stage Development Program
- Francophone Minority Program
- Indigenous Program
- Performance Envelope Program
- Pilot Program for Racialized Communities
- POV Program
- Predevelopment Funding
- Regional Production Funding
- Targeted Development Funding
- Versioning Program

The Convergent Stream

This stream targets the creation of more broad-based television and digital media content, "which Canadians can enjoy anytime, anywhere." It's a popular program for creative entrepreneurs, with a smaller focus on R&D than the Experimental Stream and a greater emphasis on commercialization. The program includes the following sub-streams:

- Accelerator Partnership Program
- Commercial Projects Program
- Conceptualization Program
- Digital Linear Series Program
- Innovation & Experimentation Program
- Prototyping Program

Newfoundland-Labrador Business Investment Program

- *Stage: Early-Late*
- *Amount: \$500K-\$1 million*
- *Provinces: Newfoundland and Labrador*

The Newfoundland Department of Industry, Energy and Technology's Business Investment Program offers funding to small-to-medium sized startups in the form of repayable term loans at the department's base rate of 4.5%. The program also offers equity funding in the form of redeemable preferred shares to a maximum of \$500,000 per project, with a maximum aggregate payout of \$1 million.

Qualifications include:

- Business is based and operating in Newfoundland and Labrador with fewer than 100 employees and less than \$10 million in sales.
- Proven ability to undertake the work identified in the project proposal.
- Proven ability to access the financial capital required to complete the project.
- Operates in a strategic sector as defined by the office of Industry, Energy and Technology.
- Be in good standing with the Government of Newfoundland and Labrador.

Export Development Canada (EDC)

- *Stage: Early-Late*
- *Amount: Variable*
- *Provinces: All Provinces*

The EDC is designed for businesses engaging in the global supply chain based in Canada. Along with providing funding, the EDC has coached thousands of companies embarking on international expansion, connecting resources and stakeholders across the nation and globe.

The EDC has both an Investment Matching Program as well as an Inclusive Trade Investments Program that qualifying startups can leverage. While individual funding totals vary, the EDC has access to \$3 billion in evergreen capital to help Canadian businesses reach their potential.

To take part in either of the EDC's programs, startups must:

- Be a Canadian business
- Product in market
- Commercial revenue from arms length customer
- Have a growing MRR
- Demonstrate visible growth not just potential
- Meet banks' criteria for credit
- Have a relationship already with a bank
- Meet above EBITDA criteria
- But facing bottlenecks accessing finance for export

Nova Scotia Small Business Loan Guarantee Program

- *Stage: Early*
- *Amount: Up to \$50-\$200K*
- *Provinces: Nova Scotia*

Via the Nova Scotia Co-operative Council, the Small Business Loan Guarantee Program invests \$200,000 in mission-based enterprises in the province that are looking to start and/or grow and expand their enterprise.

Investment can be in the form of a guaranteed loan or line of credit, subordinated debt, equity, revenue sharing or royalty agreement. A maximum investment of \$50,000 will be granted to successful applicants, until the funds are all invested.

Qualifying enterprises include start-ups and/or growth and expansions, not-for-profits, co-operatives or private businesses that have a positive impact on a social or environmental issue that meets a community need or maximizes a community opportunity.

Important to note: Funds cannot be used for business planning, debt restructuring or to cover losses.

QuickFund from Boast AI

Unlike traditional SR&ED Financing models with financial institutions, [Boast lends up to 75%](#) of the quarterly accrued R&D expenditures to early stage, pre-revenue, high-growth businesses. Additionally, Boast can provide this advanced funding as early as three months into the tax year (i.e., more than one year before the SR&ED claim is filed), which can dramatically—and positively—impact the growth trajectory of any business.

QuickFund is a non-dilutive funding program designed to help businesses access the funding they need to continue investing in their SR&ED efforts, without having to wait for their tax credits to be processed.

This non-dilutive capital extends the cash flow runway and provides the financial flexibility needed to make better decisions about scaling the business. The compounding effect of adding additional sales, marketing, and development resources 12 months early often leads to 1.5x higher valuation over a 24-month period.

Features of the QuickFund for founders include:

- Access up to 75% of anticipated SR&ED Tax Credit amount
- Non-dilutive funding to maintain current cap structure
- Most applications take less than 30 minutes to complete
- Fully completed applications can be approved in less than 2 weeks
- Funds are typically released in 1-2 business days after all loan documents are executed
- Not required to use Boast for SR&ED claim preparation
- No monthly payments, no prepayment penalties, and no standby fees!



CONTRACT

BCIP

- *Stage: Mid-Late*
- *Amount: \$250k-\$1 million*
- *Provinces: All Atlantic Canada*

Build in Canada Innovation Program (BCIP) is a highly competitive program offered by the Canadian government, designed to provide funding to Canadian companies of all sizes to help move their innovative goods to the marketplace at scale.

With over \$40 million in Canadian funds available, successful BCIP applicants will gain access to funding and sponsorship from the government to bolster their first sale to the market. Essentially, the government partners with your company to help sell your innovation on a larger scale, as they search and select ideal buyers for your product.

These innovative goods are used by all levels of government departments, agencies, or organizations and provide greater efficiency and efficacy within those agencies. The program even covers sales to Canadian universities, schools and registered non-profits, depending on the product uses and applications.

Contracts are \$250K - \$1M depending on the government agency.



CO-INVESTMENT

Supercluster

- *Stage: All*
- *Amount: Varies*
- *Provinces: All Atlantic Canada*

As part of Budget 2022, the office of [Innovation, Science and Economic Development Canada](#) earmarked \$750 million over five years for Canada's Global Innovation Clusters. The goal of this program is to link up innovators in key growth markets to share in learnings and collaborate on cutting-edge program that, without funding and support, might not succeed.

The program targets specific industries with province-specific clusters of success, designating Atlantic Canada as the hub for the OCEAN funding program, which supports innovation in marine renewable energy, fisheries, aquaculture, oil and gas, defense, shipbuilding, transportation and ocean technology broadly.

It's a great fit for early-stage founders, while the program accepts members from industry, academia, Indigenous groups and non-profit organizations.



CONCLUSION

With so many diverse kinds of businesses and founders in Canada today, the opportunities for creative, non-dilutive funding are hardly one-size-fits-all.

For founders looking to create a capital strategy that fits their unique product roadmap, it's best to start planning early with a partner that both understands the nuances of launching a business, has deep technical expertise, and years of experience navigating funding markets.

[At Boast AI](#), we partner with thousands of startups—from seed to growth and beyond—across North America to not only tap into programs like SR&ED, but optimize their R&D operations from the ground up.

Volta, Atlantic Canada's leading startup hub, offers residents tailored support such as access to seasoned advisors, a comprehensive performance framework, and essential resources to foster business growth, including robust funding strategies.



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This ebook was made possible through a close collaboration between Volta and Boast, combining expertise and effort to create a comprehensive and insightful resource for Atlantic Canadian startups. When Boast became a Volta Power Crew member, both our teams came together to dream up how we could make this partnership as impactful as possible. This ebook is one of our many joint efforts to empower the startups we service; it is our hope that this resource will give insight and guidance to those who are working on the path of tech entrepreneurship.

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[Boast AI](#) accelerates the success of innovative businesses globally with software that integrates financial, payroll, and engineering data into a single platform of R&D intelligence. In tandem, Boast AI's in-house tax pros offer unmatched expertise in navigating R&D tax credit and SR&ED eligibility requirements to ensure organizations have access to all eligible sources of non-dilutive funding, even defending any claim against audit to ensure customers have the capital they need to further fuel innovation. With operations across the U.S. and Canada, more than 1,000 innovative companies have leveraged Boast AI to get more money, faster, for less time and risk.

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