City of Toronto Business Incubation and Commercialization Grant Program (BIC) Guidelines

(As of March 2022)

TORONTO

Program Purpose

The purpose of the City of Toronto's Business Incubation and Commercialization Grant Program (BIC) is to support the ability of incubators and accelerators in Toronto to nurture entrepreneurship, innovation, business development, and inclusive economic growth.

The BIC Grant Program provides financial support to not-for-profit incubators and entrepreneurship organizations which support business formation, innovation, and job creation in Toronto through programming to nascent entrepreneurs, businesses and startups.

The BIC Grant Program does not provide grants to individuals or to for-profit organizations or businesses.

The BIC Grant Program and all grant funding activities will comply with the City of Toronto Community Grants Policy (May 29, 2019) as may be amended from time to time.

Definitions

For the purpose of the BIC Grant Program, the following definitions apply: [1]

A **startup** is considered a company that is in the initial stages of its business development and is interested in disrupting the market with a repeatable and scalable business model. Until the business gets off the ground, a startup is often financed by its founders and may attempt to attract outside investment. The many funding sources for startups include family and friends, venture capitalists, crowdfunding, and loans.

An **incubator** helps entrepreneurs flesh out business ideas while **accelerators** expedite growth of existing companies with a minimum viable product (MVP). Incubators operate on a more flexible time frame ending when a business has an idea or product to pitch to investors or consumers whereas accelerators operate within a short and more specified fixed term and may offer seed money in exchange for equity in the company.

Entrepreneurship Development is defined as activities that help develop entrepreneurial abilities. These skills are required to run a business successfully. Access to mentorship and networking opportunities is a large part of entrepreneurship development.

Campus Entrepreneurship Programs are defined as training for students, faculty, researchers and business leaders to drive positive, disruptive change to society by building scalable enterprises. These programs teach entrepreneurial leadership, strategy, venture financing and startup skills.

Social Purpose Organizations (SPO) play a key role in tackling socio-economic and environmental challenges including food insecurity, affordable housing, and climate change. SPOs can be charities, non-profits, or social enterprises with a social mission.

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[1] Adapted from *Operational Definitions: Entrepreneurship Centers (Incubators, Accelerators, Coworking Spaces and Other Entrepreneurial Support Organizations)*, INBIA, Version 2.0, September 2017.

Program Structure

There are two streams within the BIC program: Multi-Year Operating; and Programs and Events. Spending caps are specified in each category.

Multi-Year Operating

Requirements	Eligible for
Applicant has been incorporated for three years or more and has paid staff. Programming must be tailored specifically to company formation and job creation.	Multi-Year Operating funding (3-year cycle): **Maximum grant: Up to 20 percent of eligible expenses, to a maximum of $100,000** Type: Contribution Agreement (75 percent with 25 percent hold back)
Applicant must demonstrate a history of successful entrepreneurship and robust incubation or accelerator programming for three years or more.	
Applicant must provide its most recent audited financial statements demonstrating revenues **between $100,000 to $1 million.**	

Programs and Events

Requirements	Eligible for
Applicant has been incorporated for at least two years. Programming can cover a range of entrepreneurship and innovation development including pre-incubation, incubation and accelerator activities, as well as one-time or a series of networking events with targeted sectoral or demographic reach and impact.	**Programs:** **Maximum grant: Up to 50 percent of eligible expenses to a maximum of $20,000** Type: Contribution Agreement (75 percent with 25 percent hold back)
Applicant must demonstrate a history of successful entrepreneurship, campus entrepreneurship, or social enterprise programming.	**Events:** **Maximum grant: Up to 50 percent of eligible expenses to a maximum of $10,000**
Applicant must be able to provide a comprehensive budget for review with its application, demonstrating revenue of less than **$100,000 for Programs or $50,000 for Events.**	Type: Grant, One-time payment

New Incubator Development

Funding for the development of new incubators may be provided outside the two streams identified above. Requests for City funding or other support to assist the development of new not-for-profit-incubators will be considered separately and reported to Council for approval as required. Any such requests will require a strong business case, a comprehensive budget, and demonstration of financial sustainability. In addition to funding, potential supports could include below market rent leases, access to municipal space, and property tax exemptions (if eligible).

Accountability Framework

Funded organizations will be required to report on various metrics as well as client demographic and geographic information. Metrics required to be reported on may include:

- Number of program queries
- Number of clients served
- Number of businesses formed
- Number of diverse owned / led businesses formed or supported; other equity related metrics
- Number of jobs created
- Number of events held
- Number of event registrants/participants
- Number of social impact challenges addressed (if applicable)
- Number social entrepreneurs supported (if applicable, social impact measurement)

Application Dates[2]

Application stage	Timing
Grant application online portal open	Month of November (4 weeks)
Information workshops (2) for potential applicants	Early November
Application due date	Early December
Verbal notification of funding	February
Funds released	March

General Eligibility Requirements

To be eligible for funding from the BIC program, an organization must have legal not-for-profit or charitable status and cannot be taking any equity from any of the start-ups it supports.

Available Funding

Funding allocations will be determined by the number of applications received, the merit of applications, and the approved funding envelope for the BIC Grant Program, among other considerations. The City of Toronto cannot guarantee funding to all applicants, nor can the City ensure that the total amount requested by a successful applicant will be granted. Being awarded annual operating, project, event or development funding in one year does not guarantee that funding will be provided in subsequent years. The decision to fund all or part of an applicant's

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[2] To ensure a smooth transition to the new funding model, an online portal will open for applications for a five week period in late April through May 2022, with applications being reviewed and grants awarded by June 2022. The online application process for 2023 will open in November 2022 for four weeks with successful applicants being notified in February 2023 and funds processed in March 2023. Subsequent years will follow the November through March application timeframe.

request will depend on its alignment with City of Toronto strategic priorities, assessment criteria, and overall demand for funds in the program, among other considerations.

Assessment Process

Applications will be reviewed and scored by an assessment panel comprised of community advisors (where possible) and City staff. Funding decisions will be made by the General Manager of Economic Development and Culture or her/his designate, informed by the assessment panel and staff's advice.

Please note that all decisions concerning eligibility and funding amounts are final and not appealable.

Applications will be assessed using the above noted criteria as well as a scoring system built on four key program priorities: 1. Program Alignment; 2. Program Impact and Engagement; 3. Organizational Capacity; and 4. Financial Sustainability.

1. Program Alignment (30 percent)

- The applicant provides a clear, concise and compelling program description with either demonstrated or strong potential to support business formation and job creation or the development of new social enterprises or activities.
- The applicant's governance, staffing, policies and programming reflect Toronto's diversity. The applicant demonstrates a commitment to supporting entrepreneurs from equity-deserving communities.
- The applicant's programming is located in or is otherwise accessible to entrepreneurs from different neighbourhoods across Toronto, including areas outside the core.

2. Program Impact and Engagement (30 percent)

- The applicant demonstrates the ability to outreach to equity-deserving groups and Toronto residents reflecting a diversity of ages, abilities, sexual orientations, gender identities, ethnicities, cultural backgrounds, religion, language, and socio-economic status.
- The applicant has well-defined program reach, goals, and deliverables with high-value impact.
- The applicant has a strong marketing and promotional plan in place.
- The applicant has clear, concise and compelling program delivery plans.

3. Organizational Capacity (20 percent)

- The applicant has strong organizational capacity to plan and deliver their Program.
- The applicant has a demonstrated history of successful innovation, entrepreneurship and incubation programming.
- The applicant demonstrates the ability to secure sponsorships and effectively develop partnerships and collaborations.

![Toronto logo]

- The applicant demonstrates the ability to comply with BIC Program reporting guidelines and related program requirements.

4. Financial Sustainability (20 percent)

- The organization is financially stable and demonstrates the potential for growth and/or sustainability bearing in mind the impact of COVID-19.

- The applicant's proposed budget is appropriate based on the program.

- The organization has a revenue generation strategy and diverse revenue sources.

How to Apply

Applications will be accepted through an online application portal only, and will not be accepted after the application deadline. Eligibility criteria, FAQ's and other important information will be added to the portal to guide applicants through the application process. Applicants are also encouraged to reach out to City staff at any time for more information.

The City strongly recommends potential applicants attend one of the information sessions that will be offered once the online portal opens during the annual application process.

Information sessions, the opening of the application process, and the deadline for applications will be promoted through the City's social media channels to ensure broad circulation.

Acknowledgement of Support

If you receive funding, you must publicly acknowledge the financial support received from the City of Toronto in all communications materials and promotional activities. Additional requirements (e.g. disclosing to the City if City funding is referenced as part of an application for and/or condition of funding from other parties) may be included in your funding agreement and City staff may work with recipients to help promote incubators and highlight the City's support.