



Applicant Guide to the Eastern Ontario Development Fund (EODF) Regional Stream

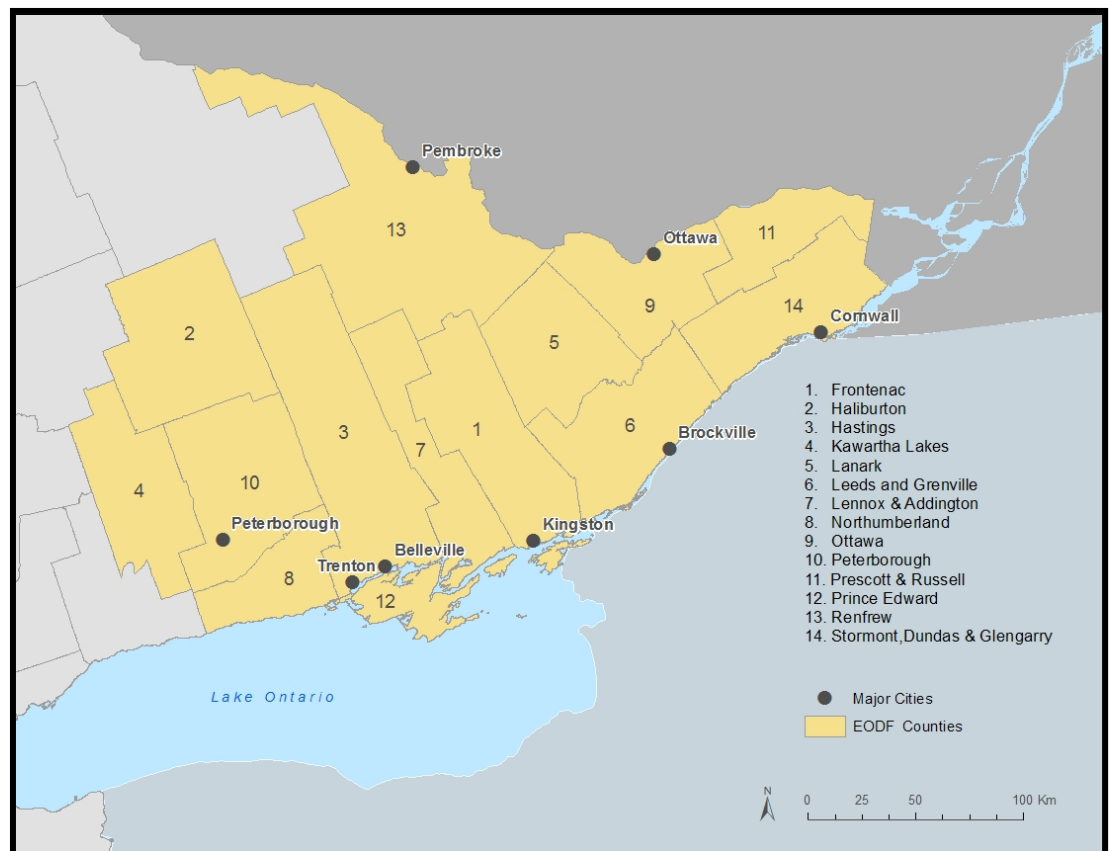
Purpose of the EODF

The purpose of Eastern Ontario Development Fund is to provide financial assistance and incentives to promote regional economic development in Eastern Ontario and thereby enhance Ontario's overall economic competitiveness and opportunities for the Ontario labour force. The promotion of regional economic development includes: (1) attracting and retaining investment, (2) creating and retaining jobs, and (3) promoting innovation, collaboration and cluster development. Specifically, the Fund will provide financial assistance to promote the expansion and attraction of investment/business in Eastern Ontario through support for capital spending, skills development, productivity enhancements, infrastructure needs and other similar economic development initiatives.

Through the Regional Stream of Eastern Ontario Development Fund, Ontario will provide up to 50% of eligible costs to qualifying organisations, such as municipalities or regional development bodies, for investment in economic development initiatives in the region. Eastern Ontario communities will benefit from innovative and collaborative initiatives to support key sectors.

The Eastern Ontario Region

For the purposes of the EODF program, "Eastern Ontario" is defined as the area comprising the following 14 geographic areas under the *Territorial Division Act, 2002*: Frontenac; Haliburton; Hastings; Kawartha Lakes; Lanark; Leeds and Grenville; Lennox and Addington; Northumberland; Ottawa; Peterborough; Prescott and Russell; Prince Edward; Renfrew and Stormont, Dundas and Glengarry.



Objectives of the EODF - Regional Stream

The objectives of Eastern Ontario Development Fund (EODF) – Regional Stream are to:

- Create jobs in Eastern Ontario
- Stimulate private sector investment in business enterprises in Eastern Ontario
- Assist communities, the region and economic sectors in improving their competitive position, enhancing productivity and pursuing growth
- Contribute to the diversification of the economy of Eastern Ontario

Assessment Criteria – Regional Stream

All applications made to the EODF – Regional Stream will be assessed on the following criteria:

- Prospects for the proposed project to help the region or target sector be more investment-ready, and move forward/transition to an immediate economic opportunity
 - Number of jobs created and/or retained
 - Indirect impacts on area/region/sector
 - Demonstrated support within the region or sector – strength of partnerships
 - If appropriate, plan for sustainability after project funding ends
- Quality of business case – understanding/assessment of regional economic climate and plan to address it; prospects for ongoing economic success; focus on the implementation of local/regional economic development plans or the outcomes of previous strategic planning processes
 - Feasibility/viability of project – technical, market/sector-related, degree of innovation
 - Must be a new project that is designed to improve competitiveness of the local/regional economy, attract and enable business growth, and lead to job creation
- Project budget
 - Costs reasonable, incremental, required to carry out the project, within accepted norms, within EODF limits
 - Proportions of support consistent with EODF criteria – EODF support will not exceed 50% of eligible costs
 - Financial feasibility/viability of project
 - Evidence of cost-sharing and/or leveraging private or other public sector funding
- Prospects for the proposed project to meet performance standards related to
 - New investment in the local economy
- Risk Assessment
 - Technical, managerial, financial expertise to carry out the project
 - Solvency/stability of applicant organisation
 - Attestation from corporate officer of correctness and completeness of the application materials
 - Disclosure of legal or other impediments to successful project implementation

EODF Application Process

The EODF provides project-based financial support to both the private sector and to public sector organisations undertaking economic development initiatives in the region where those projects and the sponsoring organisations meet specific eligibility criteria.

The EODF program is a discretionary, non-entitlement program. Even if an application meets all of the EODF program's objectives and eligibility criteria, the Government of Ontario is under no obligation to approve funding.

The steps in the application process are:

1. Complete the eligibility checklist found at Ontario.ca/easternfund
2. Discuss your project with one of the program contacts found at Ontario.ca/easternfund
3. Complete the full application form found at Ontario.ca/easternfund

Are You Eligible to Apply?

Check the following conditions to determine if your organisation is eligible to apply to the EODF Regional Stream:

- Your non-profit organisation must be either:
 1. An incorporated non-governmental organisation or industry/sector association (e.g. a formally constituted body bringing together multiple organisations with a common interest – examples: manufacturing, technology or other similar association) located in Eastern Ontario
 2. A municipality in Eastern Ontario
 3. An aboriginal community located in Eastern Ontario, or
 4. An incorporated organisation that has an economic development mandate in Eastern Ontario and is located in Eastern Ontario.
- Your organisation must have a minimum of three years of operating experience supported by three years of financial statements (audited financial statements are preferred).
- If your organisation has previously been approved for a project under the EODF, it must have successfully completed this project before a subsequent project will be considered. In addition, you must not have more than two approved projects within a four-year period.
- Your organization is not an academic/research institution or a federal or provincial government agency.

Applicants are strongly advised to check with EODF staff to ensure potential eligibility before submitting an application to the Fund.

Note: Projects are funded under EODF to achieve job creation and investment objectives. As a result, you should assess and describe the prospects for achieving these objectives through your project. Although there are no minimum requirements for jobs created directly by the proposed project, the project will be assessed on its ability to create and retain jobs in the region.

Projects Supporting the Following Sectors are Eligible for Funding:

- Advanced Manufacturing (automotive, aerospace, plastics, clean technologies, etc.)
- Life Sciences
- Processing (primary and secondary)
- Tourism
- Information and Communication Technology
- Cultural Industries

Projects Supporting the Following Sectors are Ineligible for Funding:

- Primary Production (agriculture, forestry, and mining)
- Retail Services
- Construction
- Personal Services, e.g. personal grooming or care centres
- Professional Services, e.g. accounting, legal
- Free-standing Restaurants and Golf Courses
- Electricity Generation
- Recycling
- Residential Development, including condominiums and fractional ownership units
- Consulting

Key Funding Conditions

1. Level of Support. The Eastern Ontario Development Fund – Regional Stream will fund **up to 50 per cent of eligible project costs** for approved projects. Successful **applicants are expected to contribute at least 35 per cent of eligible** project costs from their own resources. The balance can come from other funding sources; however combining EODF assistance with funding from other provincial programs/agencies will not be permitted.
2. Type of support. EODF funding will be offered as a conditional grant. Maximum funding is \$1.5 million per approved project.
3. Minimum Project Investment.
 - (a) Only projects with **total eligible project costs of \$100,000 or more** are eligible for funding consideration by EODF's Regional stream.
 - (b) Projects can be up to four years in length.
4. Approved projects may be eligible to receive up to 20 per cent of the total approved EODF funding at the start of the project (e.g. a project advance), with annual payments on the basis of milestones and deliverables being met and expenses incurred and paid. After any initial advance, the remaining payments are subject to a 20 per cent performance payment holdback, which will be released after the project is complete and all required documentation is submitted to the EODF. Note that funds must be repaid if investment commitments and other terms and conditions of the funding agreement are not met. Applicants will be required to enter into a funding agreement on terms and conditions satisfactory to the Ministry.

What Types of Projects are Eligible for Funding?

The following types of projects are eligible for funding under the EODF Regional Funding Stream:

- Business attraction projects through which a community or region responds to a specific and immediate opportunity to attract investment and/or job creation and retention
- Implementation of priorities identified in planning processes that impact the region (e.g. local/regional strategic plans, previously completed business cases)
- Implementation of provincial priorities within the region (e.g. introducing new forms of innovation, participating in provincially-led economic development initiatives)

What Types of Projects are Ineligible for Funding?

The following types of projects are not eligible for EODF funding:

- Ongoing operations including maintenance and capital replacement
- Refinancing of existing organisation or other organisation's operations
- Restructurings

What Project Costs Are Eligible for Funding?

Eligible costs relate to one-time expenditures (e.g. non-recurring, one-time project initiation costs) to implement a specific project that will advance your community/region by driving innovation, enhancing productivity and creating jobs. Eligible costs are actual costs directly attributable to and necessary for the completion of the project. These costs are incurred for this project only, and are not associated – in whole or in part – with any other purpose.

The following costs are eligible for funding consideration:

- Infrastructure for immediate investment such as public infrastructure (e.g. site servicing, power service upgrades) required for securing an immediate private sector investment
- Business attraction costs (e.g. costs to support invited-presentations to investment prospects or to engage prospects in communities shortlisted for a specific investment)
- Project facility modifications/upgrades required for the project (e.g. construction costs/retrofits associated with an expansion to a facility on land already owned by the organisation, site servicing, power service upgrades, HVAC, new requirements for fire-detection and suppression, embedded energy generation systems, ICT used internally for business/operations integration or to meet specialized customer/client needs)
- Equipment and machinery required for the project (e.g. new technology, new high performance equipment and machinery, maintenance equipment associated with new technologies or systems)
- One time internal labour (project specific)
- One-time materials (project specific)
- Specialized expertise required for the project (third-party engineering services, software development, project management, etc.).
- Skills training, including employer-provided, related to the project
- Project-related permits, fees and other similar charges

What Project Costs Are Ineligible For Funding?

In general, costs that are associated with regular operations of your organisation, partner organisations or those that cannot be directly linked to the project are ineligible for EODF funding. Only costs incurred after a conditional grant agreement is fully executed (signed by Applicant and Province) are considered eligible. Costs incurred before that date or after the project is complete (a maximum of four years) are ineligible for EODF funding.

The following costs are ineligible for EODF support:

- Ongoing operational labour costs, e.g. salaries, wages, including those that are not directly related to the project or are incurred either before the project begins or after the project is complete (a maximum of four years after the project starts)
- Costs for in-kind contributions
- Overhead costs
- Lease costs
- Any marketing, sales or distribution/shipping costs (e.g. website development, creative development, etc.)
- Debt service costs, federal or provincial income taxes, surtaxes and special expenses (e.g. legal fees)
- Working capital costs for regular production or operations (e.g. inventory or materials)
- Costs associated with the preparation and submission of an application to EODF, such as success fees, third party government relations services, legal, accounting and consulting services
- Vehicles and off-site equipment, including costs associated with the purchase/lease or operation of vehicles or off-site equipment
- Costs not incurred in Ontario, except when the only supplier(s) of services or equipment are outside of Ontario
- Replacement capital equipment, including office technology used for regular administration
- Purchase of land or buildings, or construction costs of a building, except where the construction is an extension of or expansion to a facility on land already owned by the organisation
- Travel, conferences, meals, hospitality, memberships

Public Availability of the Agreements

Please note that each agreement under the EODF must be available for inspection by the public. However, commercially-sensitive information contained in the agreement will be redacted.

Completing the Application Form – Regional Stream

Applications may be made to EODF at any time; the intake process is continuous. Ontario has committed to assessing and making a decision on any EODF application within 60 days of confirming receipt of a fully completed application package. To expedite the processing of your application, please make sure you have completed ALL sections of the application form and attached all requested materials.

Additional Guidance for Section A – Applicant Information

- A.1 Legal name of applicant.**
- A.2 Form of entity.** Check the appropriate box for either an incorporated not-for profit entity, aboriginal community or a municipality. If other, please describe.
- A.3 Place and date of incorporation.** Please attach copy of articles of incorporation/letters patent to application.
- A.4 General description of applicant.** In 100 words or less, describe your organisation – its mandate, economic sector(s) represented, major services and/or products offered, types of client(s) served, geographic service area.
- A.5 Website URL.**
- A.6 Applicant business address.**
- A.7 Contact information.** Provide the name and contact information for our primary contact regarding this application.
- A.8 Provincial government staff contact.** If you are working with someone from the provincial government to develop this application, provide their name here.
- A.9 Officers/Partners/Directors.**
- A.10 Partnership organisations supporting this application.**
- A.11 Additional contact Information.** Provide the name and contact information of your bank, accountant and solicitor for your organisation.
- A.12 Previous provincial funding.**

Additional Guidance for Section B - Project Description

- B.1 Project title.**
- B.2 Project location.**
- B.3 Current employment at project location.** (if applicable)
- B.4 Project purpose and outcomes.** In 200 words or less, explain how this project moves the applicant organisation and the community/region forward, creates and retains jobs, makes it investment-ready, or improves competitiveness and economic sustainability. Describe how the project supports the transition to new or expanded local businesses, expanded economic opportunity in target sectors, contributes to cluster development and productivity enhancement, or changes the innovation profile of community/region. Specific linkages between this project and the implementation of previous planning activity in your community/region should be noted.
- B.5 Project timeline, total eligible costs, and amount requested from EODF.** Note that project milestones and investment targets must be achieved by the project end date. EODF projects must be between 2-4 years in length.
- B.6 Project classification.** Check off the box that, in your view, best describes the type of project your organisation wants to undertake. It is possible that your project involves more than one of the following categories so you may check multiple boxes.
- **Business attraction.** This is a project that will bring new business(es) into your community or region. EODF will support business attraction projects where there is an identified prospect that has given

some indication of locating in your community. Projects which are speculative – there is no identified prospect – will not be supported by EODF.

- Implementation of strategic approaches to business/economic development and/or job creation. You should be able to cite studies, best practices reports or other documentation which supports the application of your proposed approaches to business/economic development.

B.7 Project description. Explain in 100 words or less, what the most important project activities will be. Be specific, and describe explicitly the key items/activities on which you will be investing money.

B.8 Project milestones. Fill in the Excel spreadsheet tab labelled B.8 Project Milestones which shows how, over time, you will implement your project, the key deliverables, and the eligible expenses associated with each milestone. For the purposes of EODF, the milestones are based on the fiscal year end for your organisation and on the anticipated project start and end dates. These milestones will be used as the basis for submitting annual claims for EODF reimbursement of expenses.

Milestone	Date	Deliverables	Eligible Costs by Period
Project Start	2012/11/01		
Year 1 Organisation Fiscal Year End	2013/03/31	Design complete, signed off Permit applications submitted, permits secured RFP(s) for equipment/ materials/services issued Vendors selected	\$30,000
Year 2 Organisation Fiscal Year End	2014/03/31	Sector-specific specialist hired to support business attraction implementation Associated materials for sector profile	\$100,000
Year 3 Organisation Fiscal Year End	2015/03/31	Specialized software X,Y,Z procured and on-site X qualified leads engaged in community	\$50,000
Year 4 Organisation Fiscal Year End	2016/03/31	X staff trained	\$20,000
Project End	2016/06/01	Supply chain development event All documentation submitted to EODF	\$15,000
			Net Investment
			\$215,000

Additional Guidance for Section C – Project Business Plan

This section of the application asks for the key elements of the Business Case you would likely have developed for the proposed project:

C.1 Brief history of the organisation. In 100 words or less, tell us when your organisation started, how it may have changed over the years, including any changes in mandate – what your organisation does and for whom – any changes in services/programs offered or in physical space/facilities.

C.2 Rationale for your organisation to lead the project. In 50 words or less, please explain why the applicant organisation is the best choice to lead this project (e.g. natural fit with your scope of current

activity, current or proposed new product/service offerings, overall strategic direction of organisation, request from community, staff with particularly appropriate expertise).

- C.3 Location(s) which are the focus of this application.** Please indicate the locations, by municipality, where the project will take place.
- C.4 Economic drivers which led to this project.** In 150 words or less, please describe the forces affecting your community/region's economy or particular sectors/businesses within it and the impacts of those forces on your community/region. If your community/region/sector has completed any relevant strategies or planning activities, please note.
- C.5 Major suppliers/service providers.** In 100 words or less, identify any major suppliers/ services providers within Ontario that would be affected by this project and the impact of the project on those organisations. Keep in mind that the impacts could be positive – tying suppliers more tightly into a more-efficient supply chain, generating additional business for other companies in your region, providing them with opportunities to access services currently not available in the region, or upgrading their operations to remain/enhance their own competitiveness.
- C.6 Ontario ministries supporting this project** (if applicable). Do other ministries support this project? If so, which ones, and what is the nature of the support? Provide contact information for ministry staff who can elaborate on the ministry's interest in the project.
- C.7 Marketing/outreach strategy proposed for this project** (if appropriate/applicable). In 100 words or less, provide us with a general description of how you are going to engage your community/region, clients or other potential users of/participants to ensure your success.
- C.8 Management team/individuals** responsible for successful execution of proposed project and **applicant organisation's previous experience.** You will be asked to complete a chart similar to the one below. Tell us about any previous experience within your organisation with similar projects. Describe the outcome that gives you confidence that your organisation can implement this project successfully.

Name, Position and Role in Project	Relevant Experience	Year	Most Important Outcome
Joe Smith Community Development Officer Community outreach/communications	Community training facility	2010	Met training targets: 62 persons upgraded skills in first 6 months of operation, 6 new teaching staff identified in community
Mary Jones Secretary/Treasurer Financial Oversight	Profile of sector opportunities created	2009	Identified sufficient latent demand to justify development of business case/funding application
Nancy White Executive Director Overall project management	Local economic development strategy development	2011	Identified four previously unrecognized opportunities for helping existing businesses in our region grow; have acted on two

- C.9 Risk management strategy for project.** In 100 words or less, tell us what you consider to be the **two or three most serious risks** associated with your project and how you will address them (e.g.: project management/execution, changes in the economy, challenges with suppliers/collaborators, changes in financing, cash flow pressures, or human resource and intellectual capital risk). Also describe the key aspects of your plan that will ensure that your community/region can sustain the benefits accruing to the local/regional economy as a result of this project.

Additional Guidance for Section D – Project Budget and Funding Request

Please use the blank Excel spreadsheet file to work up the detail of your project budget and the resulting funding request. Summary information built up in this file will be transferred to various parts of the application form. Spreadsheets can be downloaded from Ontario.ca/easternfund.

D. 1 Eligible project costs, by type and year. Begin with the spreadsheet labelled D.1Monthly Expenses. For each cost category, break out your anticipated costs by type and the month in which the expense is expected to be incurred. Depending on the nature of the project, you may not use all available line items shown.

Before you develop your project budget, please review the notes on eligible and ineligible costs on pages 5 and 6 of this Guide.

Use the downloadable Excel spreadsheets to work up project financials including the cash flow. Note that spreadsheets are organized in calendar years (January 1 - December 31). Depending on the project start date and project end date, the first year and last year may not be a full 12-month calendar year.

Eligible Cost	Year 1	Year 2	Year 3	Year 4	Multi-Year Total
Infrastructure for immediate investment		\$150,000			\$150,000
Business Attraction Costs				\$5,000	\$5,000
Equipment and Machinery		\$25,000	\$75,000		\$100,000
One-time labour (internal)				\$15,000	\$15,000
One-time materials	\$20,000				\$20,000
Specialized Expertise			\$50,000		\$50,000
Skills Training		\$10,000			\$10,000
Project-related permits, fees and other charges			\$3,000		\$3,000
Total EODF-Eligible Costs (A)	\$30,000	\$240,000	\$128,000	\$20,000	\$418,000

Other Costs not eligible for EODF (B)	\$6,000	\$15,000	\$15,000	\$15,000	\$ 51,000
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Total Project Costs (A) + (B) = (C)	\$36,000	\$255,000	\$143,000	\$35,000	\$469,000
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D.2 Amount of support requested from EODF. Please provide the amount of support being requested from EODF, both as a dollar figure and as a percentage of total eligible costs. Remember that EODF will provide a maximum contribution of up to 50 per cent of eligible project costs.

D.3 Budget justification. In 100 words or less, justify your confidence in the accuracy of the budget you have submitted. For instance, you may have used outside services to prepare/validate cost estimates, or the costs are based on firm quotes.

D.4 Project financing/funding. Complete the Excel spreadsheet tab labelled D.4 Project Financing-Funding.

Please list all sources of project financing/funding – whether they are expected to come from public or private sources.

Keep in mind that your project financing/funding plan must demonstrate your organisation's ability to provide at least 35 per cent of the total eligible project costs from your own organisation's resources. The remaining share of project financing required (as much as 65 per cent) can come from public or private funding programs. Note, however, that combining EODF with other provincial funding sources is not permitted.

Please indicate the status of all project financing/funding at the time of application. You do not have to have all project financing/funding confirmed to be considered for an EODF conditional grant, however all sources of project financing must be in place before any disbursements can be made.

Financing/Funding Source	Amount	Status
Internal financing	\$100,000	Committed
Federal funding (name program)	\$50,000	Application made/no decision at time of application
EODF	\$50,000	Subject of this application
Total Financing/Funding	\$200,000	

D.5 Cash flow forecast. Applicants are required to submit a high level cash flow forecast extending over the duration of the project. Complete the Excel Spreadsheet tab labelled D.5 Cash Flow Forecast. Depending on the nature of the project, applicants may be asked to provide a more detailed cash flow forecast as part of the application process.

Additional Guidance for Section E – Regional Outcomes

E.1 Project outcomes on EODF measures e.g. Investment/leveraged funding, job creation, other impacts on area/region/sector beyond the applicant organisation (max 200 words)

Please provide an estimate of any investments leveraged as a result of this project and/or the job creation prospects for your project by the end of a four-year period.

How will the project contribute to cluster development and/or the economic diversification of Eastern Ontario?

Explain how you will measure your progress relative to EODF's core goals of investment attraction and job creation.

E.2 List of letters of support. List any private sector or public sector organisations that have provided letters of support for this application. (Include copies of the letters of support in your application package)

Additional Guidance for Section F – Checklist of attachments

Additional Guidance for Section G – Authorization and Certification

An officer of the organisation to review and sign.

For More Information

Visit our website at Ontario.ca/easternfund

Call the EODF office at 1 866 909-9951 or 613-542-7266

Contact OPS regional economic development staff. The contact list can be found at Ontario.ca/easternfund.

Submitting Your Application

Submit your application form, attachments and spreadsheets

Electronically via email at: eodf@ontario.ca

OR by mail hard copy to: Eastern Ontario Development Fund
Ministry of Economic Development and Innovation
366 King Street East, Suite 340
Kingston ON K7K 6Y3