

ONTARIO SMALL BUSINESS RELIEF GRANT

User Application Guide

January 2022

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Program Overview

In January 2022, the **Ontario Small Business Relief Grant** was introduced to help eligible small businesses that were required to close indoor operations as a result of the province’s modified Step Two restrictions that came into effect on January 5, 2022.

Eligible businesses that are subject to closures under the modified Step Two of the Roadmap to Reopen can receive a one-time grant of \$10,000.

Businesses will be able to use the support in whatever way makes the most sense for them. For example, some businesses will use the support to pay employee wages, while others will need support maintaining their inventory.

The new relief program is available to eligible Ontario businesses which were ordered to close indoor operations as a result of the latest public health restrictions in January 2022.

Businesses that received the Ontario Tourism and Travel Small Business Support Grant or are affiliated with any business that received the Ontario Tourism and Travel Small Business Support Grant are not eligible for the Ontario Small Business Relief Grant.

The remainder of this guide is for businesses that were closed as a result of the January 5, 2022 restrictions.

The Ontario Small Business Relief Grant is a discretionary and non-entitlement program. As such, notwithstanding that an applicant has submitted a complete application and met all program criteria, there is no guarantee that the applicant will be approved for funding.

The Government of Ontario reserves the right to impose whatever terms and conditions it deems reasonable in connection with disbursing funding under this program.

Application Requirements

Businesses must provide and attest to the following information:

- Legal business name
- Operating business name
- Canada Revenue Agency (CRA) Business Number (If you do not have a CRA Business Number, you may apply for one at: [Register for a business number or Canada Revenue Agency program accounts - Canada.ca](https://www.cra.ca/individuals/apply-for-a-business-number))
- Business activity (e.g., restaurant)
- Description of the operation
- Revenue figures (if applicable)
- Number of employees
- List of affiliated businesses (if applicable)
- Business's bank account statement and void cheque with the following information:
 - account holder – matching legal or operating business name
 - account number
 - account type (business)
 - name of financial institution with a location in Ontario
 - address of financial institution
 - financial institution number branch/transit number

Businesses will also be required to provide their certificate of incorporation, if applicable, and federal, provincial, and municipal licences and permits required to operate their business.

Applicants must agree to binding terms and conditions in connection with the grant, including an obligation to repay up to the full amount received if any terms are not complied with.

Note: Applications may be selected for audit. Additional information and supporting documentation may be required to prove eligibility.

Application Deadline

Applications close on March 11, 2022 at 11:59 p.m. EST.

Eligibility Overview

To be eligible for the grant, the business:

- Did not previously receive the Ontario Tourism and Travel Small Business Support Grant;
- Must operate an eligible business in Ontario that closed as a result of the of the province's modified Step Two restrictions, began operating before 2022 and was in operation on December 31, 2021 (see "Eligible Business Activities"); and
- Must have 99 or fewer employees on December 31, 2021 (see "Employee Count").

Eligibility Requirements are dependent upon whether the business was previously approved for Ontario Small Business Support Grant (OSBSG). There are two streams for the application.

1) Previously Approved Businesses by OSBSG would need to:

- Confirm your business was fully closed to indoor operations between January 5, 2022 – January 26, 2022
- Confirm your business was not permanently closed as of January 14, 2022
- Confirm your business has 99 or fewer employees as of December 31, 2021
 - If affiliated with one or more businesses, the affiliated group has 99 or fewer employees.
 - A business is affiliated with another business if: One of the businesses controls the other business directly or indirectly in any manner whatsoever, or each business is controlled directly or indirectly in any manner whatsoever by the same business, individual, or group of individuals or businesses.
- Provide Business's bank account information if requested
- Provide other supporting information about the business if requested, including sector, location, affiliations, business licence, and business description

2) Newly Formed Businesses or Businesses that Previously Did Not Apply or were Previously Ineligible for Ontario Small Business Support Grant would need to confirm and provide the following:

- Confirm that your business was fully closed to indoor operations between January 5, 2022 – January 26, 2022
- Confirm that your business was not permanently closed as of January 14, 2022
- Certificate of incorporation, if applicable
- Federal, provincial, and municipal licenses and permits required to operate business
- Provide information about the business including sector, location, affiliations, number of employees
- Provide Business's bank account statement and void cheque with the following information:
 - account holder – matching legal or operating business name (personal bank accounts are not permitted)
 - account number ○ account type (business)
 - name of financial institution with a location in Ontario ○ address of financial institution
 - financial institution number branch/transit number
- Supporting documentation to demonstrate a 20% or greater revenue decline as measured from December 2021 to January 2022
- Revenue for December 2021
- Revenue for January 2022

If the business is affiliated with one or more other businesses on December 31, 2021, the following additional rules apply:

- The business is not eligible for the grant if it or any of its affiliated businesses received an Ontario Tourism and Travel Small Business Support Grant; and
- The employee count on December 31, 2021 and the calculation of the revenue loss are determined using the total number of employees and revenues of the business and all affiliated businesses.

Affiliated Businesses

What is the definition of a “business” and an “affiliated business”?

A business is a corporation, an individual operating an unincorporated business (i.e., a sole proprietor), a partnership, a charity, a non-profit organization or any other type of legal entity operating in Ontario.

A business is affiliated with another business if:

- One of the businesses controls the other business directly or indirectly, or
- Each business is controlled directly or indirectly by the same business, individual, or group of individuals or businesses.
- Note that a business is considered affiliated with the applicant even if the business does not satisfy the eligibility criteria for this grant.

Examples of Affiliated Businesses

- Natasha owns more than 50% of the shares of both ACo and BCo. ACo and BCo are affiliated businesses.
- John is a sole proprietor who owns two separate businesses, a restaurant and a gym. The restaurant and gym are considered affiliated businesses for this grant.
- Corporation CCo owns more than 50% of the shares of DCo. CCo and DCo are affiliated businesses.
- Corporation XCo owns more than 50% of the shares of both YCo and ZCo. XCo, YCo and ZCo are affiliated businesses.

Eligible Business Activities

Only businesses from the following list are eligible to apply for funding under this program:

- Before- and after- school programs
- Conference centres and convention centres
- Driving schools for individuals
- Facilities for indoor sports and recreational fitness activities (including fitness centres and gyms)
- Indoor meeting or event space
- Indoor museums, galleries, aquariums, zoos, science centres, landmarks, historic sites, botanical gardens, and similar attractions
- Indoor performing arts venues and cinemas
- Indoor racing venues, casinos, bingo halls and gaming establishments
- Indoor tour and guide services
- Restaurants and bars with indoor dining

Employee Count

The employee count is based on the total number of employees of the business or, if applicable, the total number of employees of the business and all affiliated businesses on December 31, 2021.

The employee count includes full-time, part-time and seasonal workers from payroll data.

Calculating Revenue Loss

Eligible businesses that were not previously approved under the OSBSG must demonstrate that they experienced a revenue decline of at least 20 per cent when comparing December 2021 and January 2022 revenues. Additional rules apply to businesses affiliated with other businesses. The application portal will calculate the revenue loss using revenue reported by applicants.

What is considered revenue?

All revenues from Ontario operations. For the purposes of this grant, the revenue of a business is its revenue from its ordinary activities in Ontario earned from arm's-length sources, determined using its normal accounting practices. Revenues from extraordinary items and amounts on account of capital are excluded.

Do not include in revenue amounts received under federal and provincial programs that provide temporary financial relief due to Covid-19. These programs include, for example, the Canada Emergency Wage Subsidy, the Canada Emergency Rent Subsidy and Ontario rebates for personal protective equipment, property taxes and energy costs.

Amount of the Grant

Eligible businesses that are subject to closures under the modified Step Two of the Roadmap to Reopen can receive a one-time grant of \$10,000.

Application Processing

What to expect after applying?

After you have submitted a complete application, it can take up to 20 business days to review, determine eligibility and completeness, and if approved, process and issue payment.

Applications with incomplete or incorrect information, or that are selected for additional review, may be delayed and the processing time might be longer.

Please note there is no appeals process for this grant. The Ontario Small Business Relief Grant is a discretionary and non-entitlement program. This means that even if an applicant submitted a complete application and met all of the criteria for this program, there is no guarantee they will be approved for funding

Payment

Approved applicants will receive funds via Electronic Fund Transfer directly into their business bank account. Please note that it must be a business account as designated by the bank and not a personal account used for business purposes.

To **avoid payment delays** make sure that you enter the correct business bank account information and attach the relevant documents. The bank account must be registered under the legal or operating business name and must be located in Ontario.

No personal bank accounts will be accepted.

Audit and Compliance

All applications and the corresponding grant are subject to audit or verification by the Government of Ontario, or their authorized representatives, upon reasonable notice to the recipient. Applicants are required to keep all documents required to prove their eligibility for this grant for seven years.

Any audit or review process may encompass taking or requiring copies and extracts of the records and books of account maintained by the business or an affiliated business in accordance with the eligibility criteria outlined in this guide. Income tax information submitted by a business or affiliated business to the Canada Revenue Agency may also be used in an audit or review as agreed to in the consent that was completed as part of the application.

A funding recipient will be required to repay to the Government of Ontario any funding provided under this program if the recipient breaches any term or condition of the program, or if such recipient's records or accounts are deemed inadequate to permit a determination and/or

verification by the Government of Ontario of the recipient's eligibility for funding under this program.

Please note that the Ministry of Economic Development, Job Creation and Trade (the "Ministry") is bound by the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. F.31 (the "Act"), as amended from time to time, and any information provided to the Ministry may be subject to disclosure under the Act.

Contact Us

For questions contact ServiceOntario at:

Toll-free: 1-855-216-3090

TTY: 416-325-3408

Toll-free TTY: 1-800-268-7095

Our call centres are open Monday to Friday: 8:30 a.m. to 5:00 p.m., excluding Government and statutory holidays. Closed Saturday and Sunday.