



# Fairtax

FUNDING & TAXATION EXPERTS

# Unlocking Provincial & Federal Funding

PRESENTED BY: MIKE JANKE, VP FAIRTAX GRANTS & INCENTIVES

# Mike Janke

VICE PRESIDENT, FAIRTAX GRANTS & INCENTIVES



In 2010, Mike founded Onager Solutions, a firm focused on securing government incentives for clients. Mike grew the firm for 5 years, until it was acquired by Fairtax in 2015.

Over the course of his career, Mike gained a Grant Reviewer's Perspective from his position on the **Grant Review Team Board** for the Minister of Tourism, Culture and Sport. This Funding Program was responsible for distributing \$100 Million in annual grant funding in Canada.

Mike was named **Young Entrepreneur of the Year** in 2013 and received Innovation Awards for the creation of the business. Currently, Mike leads the Fairtax Grants & Incentive Technical Team.

# Unlocking Provincial & Federal Funding

## AGENDA

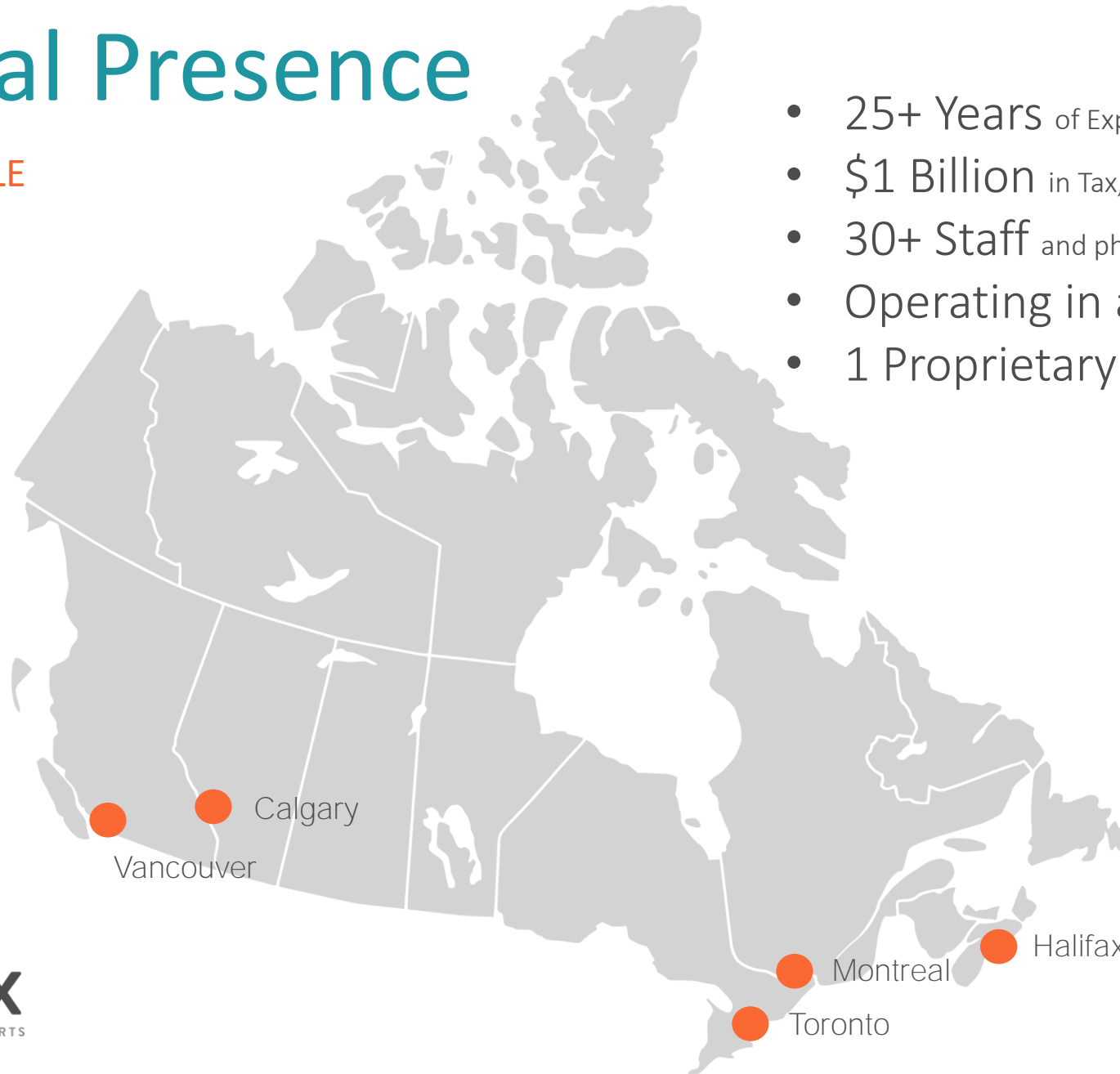
1. ABOUT FAIRTAX
2. THE CHANGING LANDSCAPE OF GOVERNMENT FUNDING
3. UPCOMING FUNDING PROGRAMS
4. DEMONSTRATION OF **GRANTMATCH™**
5. RECENT APPROVALS
6. FUNDING STRATEGY
7. INCREASING APPROVAL RATE



# National Presence

## COMPANY PROFILE

- 25+ Years of Experience
- \$1 Billion in Tax, Grants & Incentives for Clients
- 30+ Staff and physical offices across Canada
- Operating in all provinces
- 1 Proprietary Tool – Live interactive database



# Government Funding

## AREAS OF FOCUS

### 1. Direct Funding

- Government Grants
- Government loans

### 2. Indirect Funding

- Tax Incentives
- Tax Credits
  - SR&ED
  - Sales Tax Recovery

# About Fairtax

## GOVERNMENT GRANTS, INCENTIVES & TAX CREDITS

Fairtax has extensive experience with selecting and securing government incentive programs for organizations of varying sizes, across most industry sectors. This includes non-repayable grants and interest-free loan programs administered by both the Provincial and Federal Governments, as well as government agencies.

Fairtax's success rate in securing at least 1 funding program for clients that execute our funding strategy exceeds **90%**. Successful grant applications have ranged from **\$10,000** to **\$13 Million**.

# About Fairtax

## SALES TAX RECOVERY

Fairtax works to identify areas where a client is entitled to a recovery, either by way of internal adjustment or by refund claims. Our comprehensive approach builds on the experience gained from thousands of reviews across public and private bodies.

We quantify all refund opportunities and provide full documentary support for amounts identified. In addition to the potential financial benefits, Fairtax also provides you with improved systems and processes for your day-to-day operations.



# Municipalities

OVER 250 MUNICIPAL CLIENTS



ST. JOHN'S



# The Changing Landscape of Government Funding

# Government Funding Landscape

## FEDERAL & PROVINCIAL BUDGET HIGHLIGHTS & TRENDS

- Water & Green Infrastructure: **\$81.2 billion** over 11 years, starting in 2017–18 , in support of public transit, green infrastructure, social infrastructure, transportation that supports trade, Canada’s rural and northern communities, and smart cities.
- Innovation Networks & Clusters: **\$950 million** over five years.
- Low Carbon Economy Fund: **\$2 Billion** – More details to be announced Fall 2017

# Government Funding

## FEDERAL & PROVINCIAL THEMES FOR MUNICIPALITIES



### Innovation

- Advanced Manufacturing
- New Processes, Efficiencies
- New Products



### Environment

- Clean Technology
- Waste Water
- Carbon Footprint



### Human Capital

- Skills Development
- Training
- Job Creation



### Expansion

- Canadian Investment
- Regional Markets
- Export Markets

# Survey Question

**Over the past year, how much government funding has your Municipality secured?**

- a) We have not received any funding
- b) Less than \$100,000
- c) \$100,000 - \$250,000
- d) \$250,000 - \$1 Million
- e) Over \$1 Million

# Previous Survey Results

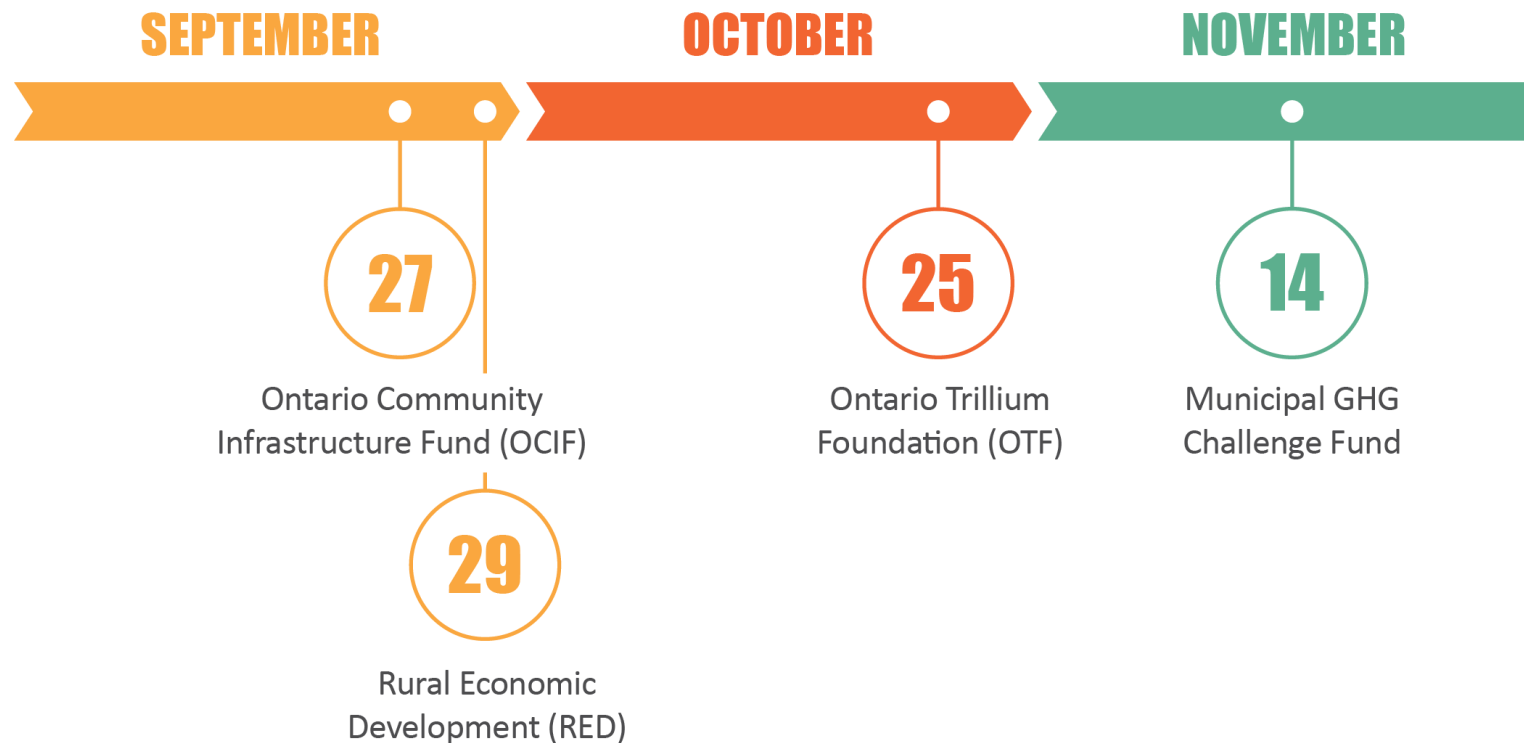
MFOA ONLINE WEBINAR

71% of municipalities said they missed out on \$100,000 or more in government funding

# Current Funding Programs

FOR MUNICIPALITIES

# Upcoming Program Deadlines





# Ontario Community Infrastructure Fund

## FUNDING:

- Up to 75% of eligible costs to a maximum of \$2,000,000

## DEADLINE:

- September 29, 2017

## ELIGIBLE ACTIVITIES:

- capital construction of new core infrastructure that addresses an existing health or safety issue
- capital maintenance for the renewal, rehabilitation and replacement of core infrastructure owned by the recipient
- major infrastructure such as bridge replacement, water and wastewater investments
- asset management software
- training for asset management planning
- third-party condition assessments
- third-party consultants whose responsibilities are limited to asset management planning
- third-party comprehensive performance evaluations
- third-party comprehensive technical assistance
- composite Correction Program implementation while receiving third-party comprehensive technical assistance

# Rural Economic Development

## FUNDING:

- Up to 50% of eligible costs to a maximum of \$100,000

## DEADLINE:

- September 29, 2017

## ELIGIBLE ACTIVITIES:

- Plans and strategies
- Applied research and analysis to support planning and priority setting
- Sector Development and Economic Diversification
- Marketing, Promotional or Branding Activities
- Workforce Attraction, Retention and Development

# Ontario Trillium Foundation

## FUNDING:

- Minimum funding amount \$5,000
- Maximum funding amount \$150,000

## DEADLINE:

- October 25, 2017

## ELIGIBLE COSTS:

- Renovation/repairs to community spaces, construction of new buildings, outdoor installations, purchase of land or building, developmental costs, equipment costs

## ELIGIBLE ACTIVITIES:

- Enhance access to community space, activities and programs, and facilitate community members' full participation in the life of the community
- Promote energy efficiency and contribute to environmental outcomes by "greening" community spaces
- Enhance the efficiency and effectiveness of programs and make better use of technological resources

# Municipal GHG Challenge Fund

## FUNDING:

- Up to 100% of eligible costs to a maximum of \$10,000,000

## DEADLINE:

- November 14, 2017

## ELIGIBLE ACTIVITIES:

- Municipal projects that reduce GHG emissions, including in the buildings, energy supply, transportation, water, waste, and organics sectors

## ELIGIBLE COSTS:

- Eligible costs are those directly related to the reduction of GHG emissions associated with the project. For example, a community centre retrofit project is eligible only for construction costs that are directly related to the measure(s) that reduce energy and GHG emissions, such as renewable energy technology, adaptive thermostats, and lighting retrofits.

# Green Municipal Fund

## DEADLINE:

- March 1, 2018

## ELIGIBLE ACTIVITIES:

- Plans, including sustainable neighbourhood action plans and community brownfield action plans
- Feasibility studies and pilot projects in the brownfields, energy, waste and water sectors
- Capital projects in the brownfields, energy, transportation, waste and water sectors

# South Western/Eastern Ontario Development Fund

## FUNDING:

- Up to 50% of eligible costs to a maximum of \$1,500,000

## DEADLINE:

- Continuous intake

## ELIGIBLE ACTIVITIES:

- Project facility modifications/upgrades required for the project
- Equipment and Machinery required for the project
- One-time internal labour, including costs to set

up/commission new equipment, technology or systems for the project

- One-time materials, including materials used for configuring and testing production processes for the project and systems, and materials used for training employees for the project
- Specialized Expertise required for the project
- Skills training, including employer-provided training, related to the project
- Project-related permits, fees and other similar charges

# FCM - Municipalities for Climate Innovation

## FUNDING:

- Up to 80% of eligible costs to a maximum of \$175,000

## DEADLINE:

- Phase 1: June 2017
- Phase 2: January 2020

## ELIGIBLE ACTIVITIES:

- The assessment of the vulnerability to flooding of buildings in a neighbourhood
- Ways to reduce GHG emissions from waste collection

trucks by optimizing routes and reducing the frequency of garbage and recycling pick-up

- Plans to encourage residents to use less polluting forms of transportation by encouraging cycling, walking and transit
- The impact of a municipal policy change, such as a no-idling policy

# FCM - Asset Management Plan

## FUNDING:

- Up to 80% of eligible costs to a maximum of \$50,000

## DEADLINE:

- Continuous Intake

## ELIGIBLE ACTIVITIES:

- Asset management assessments
- Asset management plans, policies and strategies
- Data collection and reporting
- Training and organizational development
- Knowledge transfer

## ELIGIBLE COSTS:

- Pre-project approval costs
- Administrative and overhead costs
- Staff salaries
- Capital costs



# Recent Approvals

HOW TO USE AND LEVERAGE APPROVAL DATA



# Survey Question

**Estimate your Municipality's success rate when applying for government funding?**

- a) 25% (Applied for 4 grants and 1 was approved)
- b) 50% (Applied for 4 grants and 2 were approved)
- c) 75% (Applied for 4 grants and 3 were approved)
- d) 100% (Applied for 4 grants and 4 were approved)

# Previous Survey Results

MFOA ONLINE WEBINAR

65% of municipalities said their average grant success rate is less than 50%

# Survey Question

From the option below, which statement best describes your Municipality's approach to securing government funding?

- a) Our Municipality works with a funding **consulting firm** to manage the application process
- b) Our Municipality has an internal process with a **lead person** that coordinates all grant applications
- c) **Each department** is responsible for staying informed independently and managing their own submissions
- d) Our Municipality **intends to change** our current approach to securing government funding

# GrantMatch™

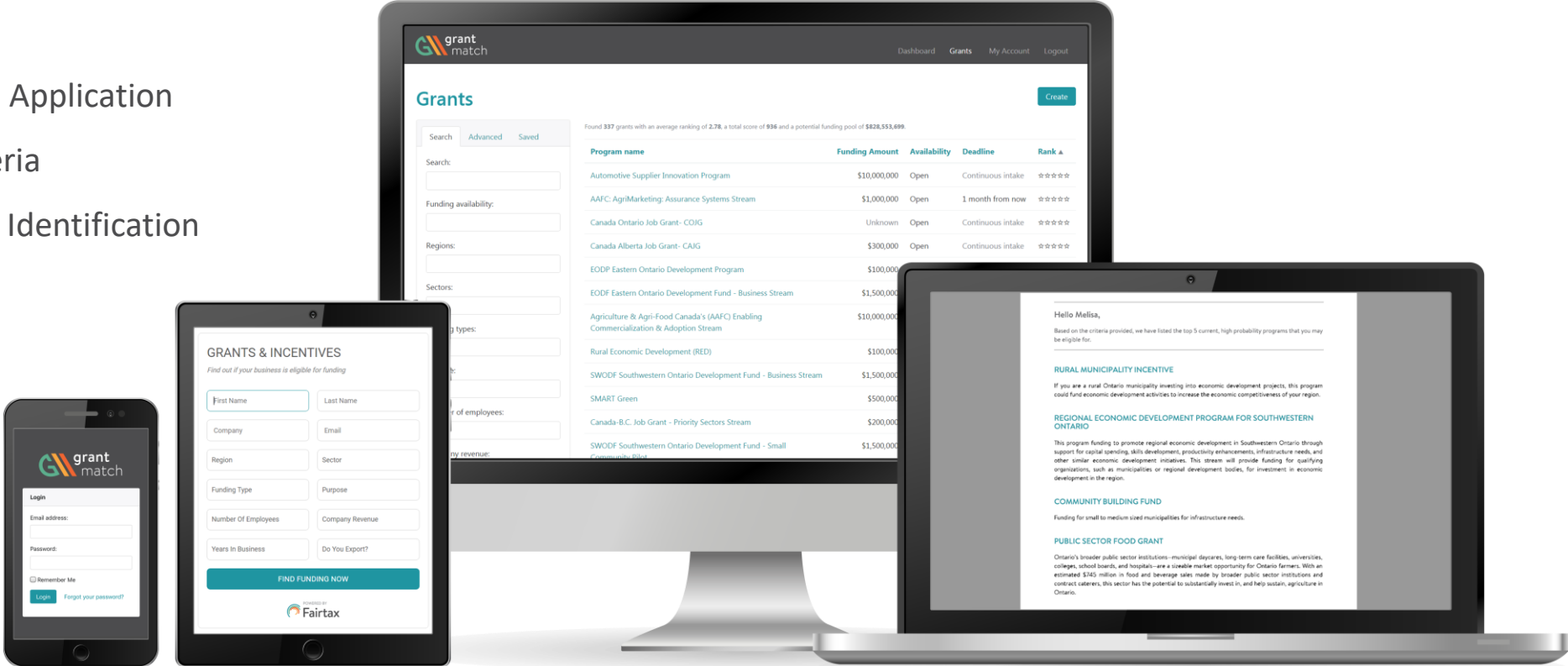
OUR NEW ONLINE SOFTWARE PLATFORM THAT CAN HELP MUNICIPALITIES  
DESIGN AND MANAGE A PROACTIVE FUNDING STRATEGY

# GrantMatch™



## ABOUT THE SOFTWARE PLATFORM

- Responsive, Secure Application
- Simple Search Criteria
- Quick & Easy Grant Identification & Matching



Program name	Funding Amount	Availability	Deadline	Rank ▲
Automotive Supplier Innovation Program	\$10,000,000	Open	Continuous intake	★★★★★
AAFC: AgriMarketing: Assurance Systems Stream	\$1,000,000	Open	1 month from now	★★★★★
Canada Ontario Job Grant- COJG	Unknown	Open	Continuous intake	★★★★★
Canada Alberta Job Grant- CAJG	\$300,000	Open	Continuous intake	★★★★★
EODP Eastern Ontario Development Program	\$100,000			
EODP Eastern Ontario Development Fund - Business Stream	\$1,500,000			
Agriculture & Agri-Food Canada's (AAFQ) Enabling Commercialization & Adoption Stream	\$10,000,000			
Rural Economic Development (RED)	\$100,000			
SWODF Southwestern Ontario Development Fund - Business Stream	\$1,500,000			
SMART Green	\$500,000			
Canada-B.C. Job Grant - Priority Sectors Stream	\$200,000			
SWODF Southwestern Ontario Development Fund - Small Community Pilot	\$1,500,000			

Hello Melissa,

Based on the criteria provided, we have listed the top 5 current, high probability programs that you may be eligible for.

**RURAL MUNICIPALITY INCENTIVE**

If you are a rural Ontario municipality investing into economic development projects, this program could fund economic development activities to increase the economic competitiveness of your region.

**REGIONAL ECONOMIC DEVELOPMENT PROGRAM FOR SOUTHWESTERN ONTARIO**

This program funding to promote regional economic development in Southwestern Ontario through support for capital spending, skills development, productivity enhancements, infrastructure needs, and other similar economic development initiatives. This stream will provide funding for qualifying organizations, such as municipalities or regional development bodies, for investment in economic development in the region.

**COMMUNITY BUILDING FUND**

Funding for small to medium sized municipalities for infrastructure needs.

**PUBLIC SECTOR FOOD GRANT**

Ontario's broader public sector institutions—municipal departments, long-term care facilities, universities, colleges, school boards, and hospitals—are a sizeable market opportunity for Ontario farmers. With an estimated \$142 million in food and beverage sales made by broader public sector institutions and contract caterers, this sector has the potential to substantially invest in, and help sustain, agriculture in Ontario.

# GrantMatch™

## VOLUME OF DATA

- GrantMatch™ is a secure software platform that tracks available and upcoming government funding programs
- Contained within the software platform, there are in excess of **430 programs** with detailed, high-quality rich data
- Fairtax tracks funding program precedent cases by filing requests, using the following legislation, **Access To Information (ATI)** or **Freedom of Information Privacy & Protection (FIPPA)** with government bodies to obtain grant approval data
- Our data set contains in excess of **94,672** grant approvals for **33,378** companies and Canadian allocations of Billions in government funding annually
- Our Funding Team utilizes this benchmarking data to reduce information asymmetries and ensure our clients are reviewing all opportunities in funds that their competitors are utilizing



The logo features a stylized green letter 'G' on the left. To its right are three parallel diagonal bars in orange and red. Further right, the words 'grant' and 'match' are stacked vertically in a dark grey, lowercase sans-serif font.

# grant match

LIVE DEMONSTRATION

# Funding Strategy

HOW FAIRTAX DESIGNS FUNDING STRATEGIES TO INCREASE YOUR APPROVAL RATING

# Proactive Grant Strategy

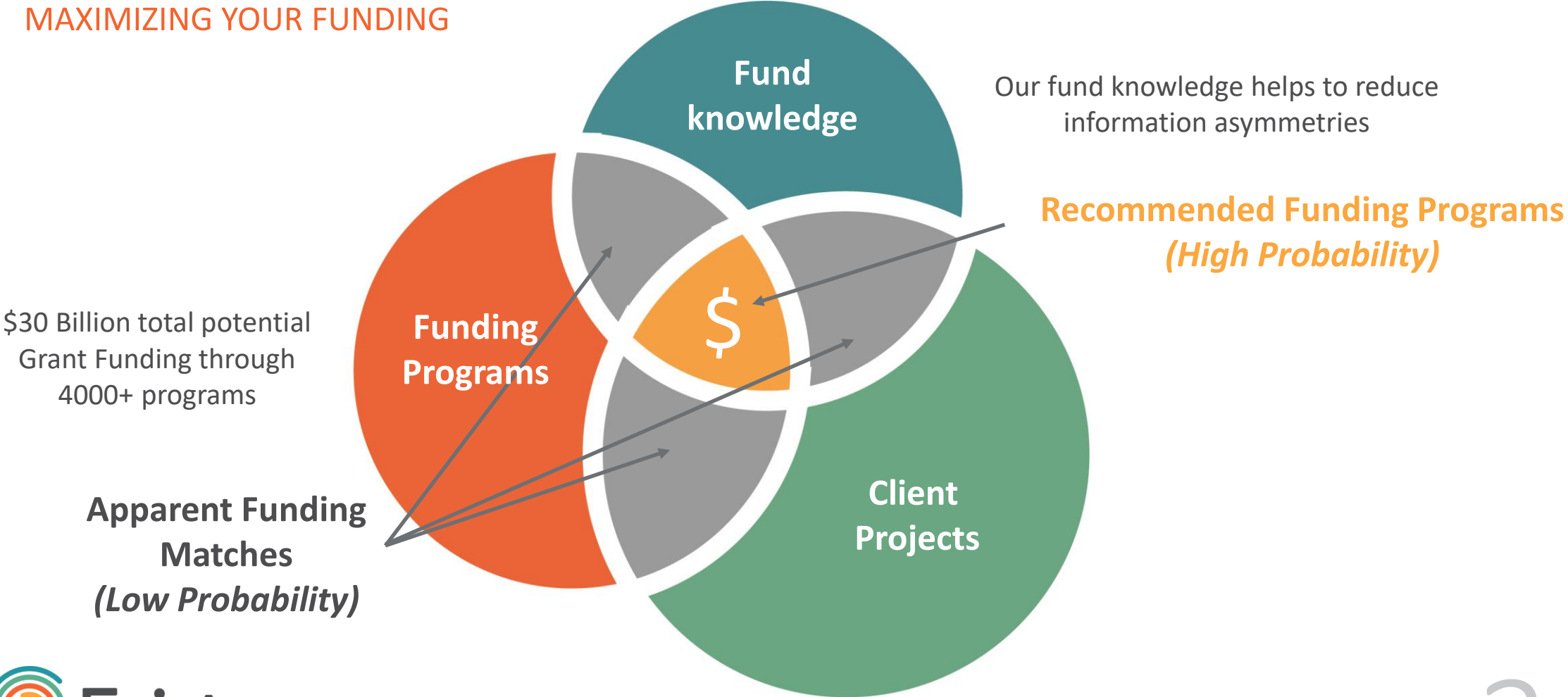
## GRANT MATCHING/RECOMMENDATION DEVELOPMENT

**In order to efficiently match projects to available grants, it is essential to:**

1. Have a large, relevant, quantitative data set that tracks eligibility requirements based on the company profile (geographic regions, company size, and industry sector)
2. Have a process, and a team of research analysts, that continually update the data set with real time, relevant information and news regarding funding programs
  - Fairtax's national team updates GrantMatch™ with non-publicized intelligence regarding anticipated re-funding of existing programs, the launch of new programs, changes in eligibility, etc. This allows all team members to be continuously updated on informal/qualitative information for funding programs available internationally

# Grant Matching

MAXIMIZING YOUR FUNDING



# Stacking & Pairing

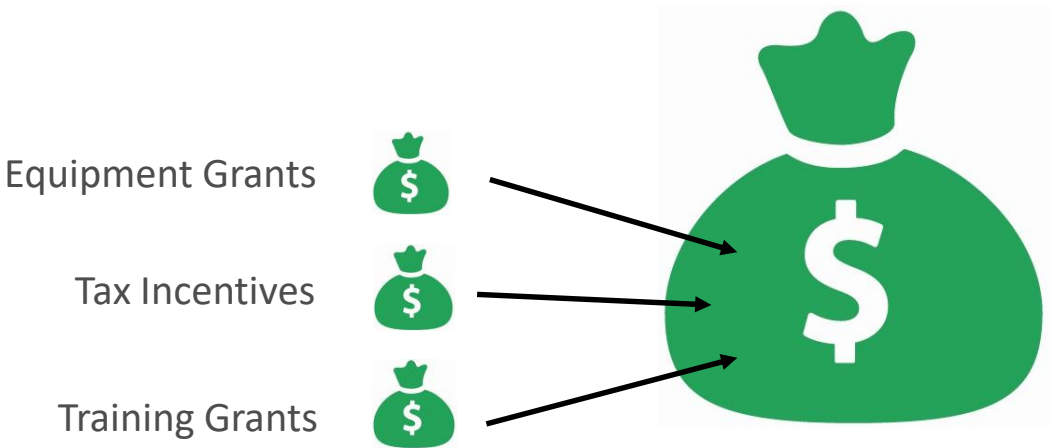
MAXIMIZING YOUR FUNDING

## STACKING



Uses the same project expenses to apply for funding from different programs where allowed

## PAIRING



Separates a projects into multiple components, each with their own funding

# Successful Funding Strategy

## PROGRAM RESEARCH:

Understand the Grant & Incentive programs - \$30 Billion.

## PROGRAM SELECTION:

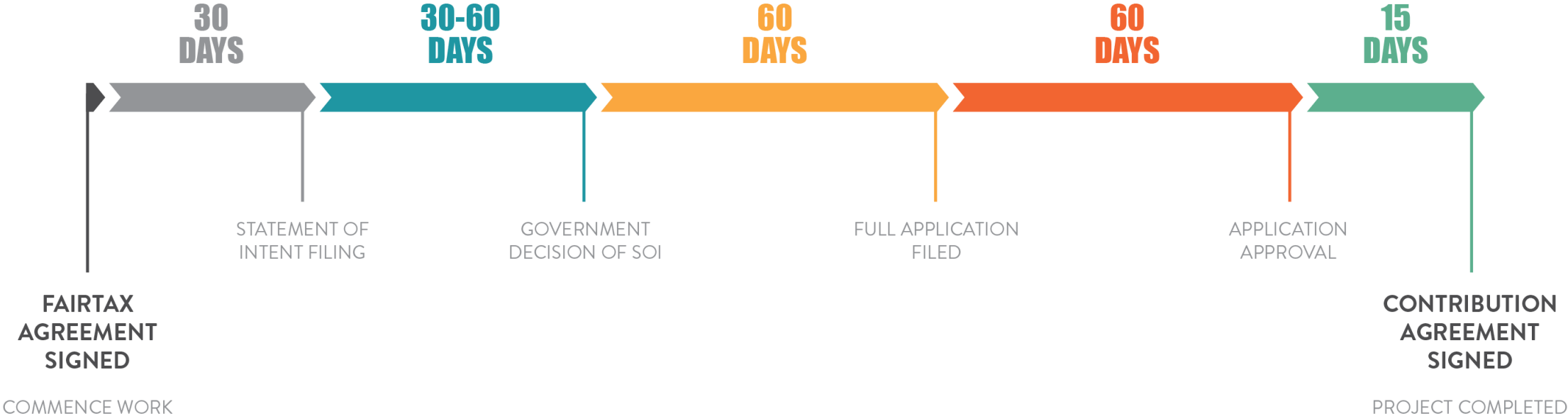
Develop a Grant Strategy that targets all optimal programs that align with your projects.

## FUNDING MANAGEMENT:

Write the application and complete all required documents to secure the funding. File compliance reporting.

# Sample Application Process

## PROJECT TIMELINE



# Fees Based on Results!

## USING FAIRTAX MEANS SUCCESS

- Success rates are increased to **80%-90%** where the government targets a **20%-30%** success in the same fund
- Total funding attained per client increases by **150%**.
- Application failure rates are reduced by **80%**
- Fairtax success fee is covered by high quality results

## SUCCESS FEE MODEL

- If there is no funding achieved there is no fee
- Declining tiered standard rate structure: 30% > \$250K, 20% > \$500K, 10% > \$1MM
- Retainer based hourly fee structure is available



# Key Takeaways

- **The landscape of government funding is constantly changing.** Staying abreast of all relevant funding information is a daunting task; it is difficult to be certain that all significant filing opportunities are being explored
- **Having a proactive funding strategy in place will help your organization target all optimal programs that align with your projects and timing.** Matching projects expenditures with available funding programs, and stacking and pairing funds are some of the ways that we help our clients maximize on government grants and incentives
- **GrantMatch™ provides municipalities with all relevant grant information in one place.** According to our research, 71% of municipalities said they missed out on \$100,000 or more in government funding. GrantMatch™ is a secure software platform that offers quick & easy grant identification and matching, offering real time, relevant information and news regarding funding programs

Questions?



# Fairtax

FUNDING & TAXATION EXPERTS