

I. GENERAL POLICY

A. OBJECTIVE

The objective of this policy is to set out the eligibility requirements for receiving financial assistance from the Accelerate Digital Adoption Projects for Tomorrow (ADAPT) Fund which is within the Contribution Program.

B. ENABLING LEGISLATION

Subparagraph 14(h)(ii) of the *Northwest Territories Business Development and Investment Corporation Act* (BDIC Act).

C. POLICY & PURPOSE

The Northwest Territories Business Development and Investment Corporation (BDIC) may provide contributions to eligible businesses for the purposes of helping NWT businesses get online or increase their online presence, boost their e-commerce, or digitalize their operations.

D. DEFINITIONS

Sanctioning Authority: The Sanctioning Authority for the ADAPT Fund is a Manager or Comptroller of the BDIC.

Appeal Process: Appeals for denial of funding can be submitted by email to info@bdic.ca or hand delivered to the BDIC within 10 business days of receiving written notification from the BDIC of the denial. All appeals will be reviewed on a case-by-case basis, and a final decision will be made by the Director, Finance and Programs and/or the Chief Executive Officer.

Ineligible Reimbursement for Funding: GST: As the BDIC is a public agency under the Government of the Northwest Territories, it does not pay GST on purchases. Therefore, under the Contribution Program, any receipts that are submitted for reimbursement, the GST portion will be the responsibility of the applicant.

E. EXCEPTIONS

An exception to one or more items under this policy may be approved by the Chief Executive Officer and/or the Director, Finance and Programs. The reason for such an exception must be documented in the file.

II. ADAPT FUND COMPONENTS

A. ELIGIBILITY

Eligibility criteria will not include financial analysis of the business, and will not require personal net worth information, nor credit report information, except where identified below.

To be eligible for the ADAPT Fund, the applicant must:

- a. Be a business enterprise as defined in the BDIC Act;
- b. Be a registered business and/or incorporated business within the Northwest Territories;
- c. Have been in operations for three months or more;
- d. Be a consumer-facing business (has direct interactions with consumers) or conduct any direct-to-consumer business;
- e. Be accessible by consumers and/or provide in-person goods/services directly to consumers;
- f. Employ at least one employee (other than the owner) or have had a minimum of \$10,000 in annual gross revenue in the most recent tax year; businesses that have been in operations for less than one year, but greater than three months, will have the revenue threshold prorated;
- g. Commit to maintaining a digital adoption strategy for six months after receiving funding through the Fund; and
- h. Consent to participate in follow-up surveys, provide and share business information collected under the Fund with the BDIC, the Government of Canada which may include Innovation, Science and Economic Development Canada (ISED), the Canadian Northern Economic Development Agency (CanNor), and Statistics Canada, and the Government of Northwest Territories (GNWT), and have the business name published as a recipient of funding.

The following types of businesses are ineligible:

- a. Corporate chains, franchises, or registered charities;
- b. Representatives of multi-level marketing companies;
- c. Real estate brokerages and agents;
- d. Businesses that engage in online reselling or drop-shipping businesses reliant on third-party suppliers (for example, Amazon, Alibaba, etc.); or
- e. Wholesale or distribution businesses and manufacturers (unless their business model includes direct sales to the end consumer).

B. USE OF FUNDS

Costs for businesses related to the ADAPT Fund that may be considered include but are not limited to the following:

- a. Developing a new e-commerce website and/or adding functionality to an existing site (e.g., online reservation/booking tools, online ordering systems, electronic payments, etc.). The redesign of an existing site is not eligible. For example, costs incurred to perform graphic or content updates only, without a significant e-commerce component being added/updated, would not qualify for the ADAPT Fund.
- b. Installing an e-commerce platform (including subscription fees and costs).
- c. Developing and/or executing digital marketing for the business's e-commerce store (e.g. search engine marketing, digital/social media advertising, etc.) which may include evaluating and/or securing website search optimization and social media advertising services. However, the contribution funding cannot be used solely for website search optimization and/or digital/social media advertising; such uses must be tied to an overall e-commerce implementation plan and not a standalone item.
- d. Tracking and managing inventory and sales systems including marketing to customers, offering discounts, creating/maintaining a loyalty program, and/or enhancing cyber security using e-commerce software.
- e. Paying up to 50% or \$2,600, whichever is less of the total cost of hardware and software directly related to supporting projects as outlined in Section II.B.

- f. Professional fees or other costs to assist clients with items as outlined in Section II.B.
- g. Costs not listed above may be considered as an exception.

C. MAXIMUM SUPPORT

- a. The maximum amount a business may qualify for is \$2,600 within a 12-month period.
- b. There is no limit to the number of applications that can be made by an applicant under this Fund, but the total amount disbursed cannot exceed the established maximum for a 12-month period.

III. PROCEDURE

A. TIMELINE

- a. The assessment and communication of the decision to the applicant should be completed within 10 business days of receiving a complete application.

B. ASSESSMENT OF APPLICATIONS

- a. Where an applicant is eligible for related/similar federal funding for digital activities/technologies, the applicant is expected to apply to the federal/similar program and if approved for the federal/similar program, then the application will be automatically submitted to the ADAPT Fund for consideration if the funding request by the applicant exceeds the maximum amount offered through the federal program. Two separate applications are not required.
- b. Priority will be given to applicants if they are ineligible for related/similar federal funding for digital activities/technologies and then for those who are eligible and have applied to related/similar federal program funding for digital activities/technologies.

- c. The BDIC program representative reviews the application to determine basic eligibility. If the applicant does not meet basic eligibility requirements, the BDIC program representative will change the file status to ineligible and notify the applicant that they are not eligible and the reasoning for the ineligibility.
- d. The BDIC program representative will review the application to ensure that it is complete. If the application is incomplete, the BDIC program representative will email or mail a letter to the applicant indicating:
 - i. The application is incomplete;
 - ii. The information that is required to make the application complete;
 - iii. The application will not be processed until the required information is provided; and
 - iv. That the requested information must be provided within 30 days.
- e. If the requested information is not received within 30 days, the BDIC program representative will advise the applicant in writing that the application is considered “withdrawn” but that the applicant may initiate a new application at any time. The BDIC program representative will retain a copy of the application materials for the BDIC client file and will return the original application to the applicant.
- f. The BDIC program representative will complete the evaluation and make a recommendation for approval or decline and provide to the Sanctioning Authority for decision.

C. COMMUNICATION OF DECISION

- a. The BDIC program representative will notify the applicant of the decision in writing and if approved, will forward the contribution agreement.
- b. If the application is declined, the applicant will be informed of the reason for the decision, the appeal process that is available to them, and that a new application may be submitted at any time while the ADAPT Fund is accepting applications.

D. DISBURSEMENTS

- a. Minor variations in approved budget allocations may be allowed if:
 - i. all items in the contribution agreement budget have been purchased; and/or
 - ii. there are remaining monies available up to the approved funding amount to purchase the remaining budgeted items.

Chief Executive Officer, BDIC