



# **Ontario Tourism and Travel Small Business Support Grant**

User Application Guide

May 2021

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# Program Overview

In January 2021, the **Ontario Small Business Support Grant** was introduced to help small businesses that were required to close or significantly restrict services under Ontario's provincewide shutdown that took effect December 26, 2020.

Businesses that filed an application for the grant on or before April 7, 2021 and meet the eligibility criteria receive a grant of between \$10,000 and \$20,000.

The *2021 Ontario Budget* announced relief to help small businesses in the tourism and travel sector that were heavily impacted by COVID-19 and were not eligible for the Ontario Small Business Support Grant.

Businesses in the tourism and travel sector that were not eligible for the Ontario Small Business Support Grant may be eligible for a one-time **Ontario Tourism and Travel Small Business Support Grant** if they satisfy all eligibility requirements and submit an application on or before June 25, 2021.

There is no requirement that the grant be used for a specific purpose. Businesses can use the support in whatever way makes the most sense for their business.

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

**The remainder of this guide is for businesses in the tourism and travel sector that are applying for the Ontario Tourism and Travel Small Business Support Grant.**

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

The Ontario Tourism and Travel Small Business Support 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.

# 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](#))
- Business activity (e.g., hotel)
- Description of the operation
- Revenue figures
- 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 the tourism or travel 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 Friday, June 25, 2021.

## Funding Available

Eligible businesses can receive a one-time grant starting at \$10,000 to a maximum of \$20,000 to help with revenue losses due to COVID-19.

## Eligibility Overview

To be eligible for the grant, the business:

- Did not receive the Ontario Small Business Support Grant;
- Must operate a tourism or travel business in Ontario which it began operating or acquired before 2021 and was in operation on April 30, 2021 (see "Eligible Tourism and Travel Business Activities");
- Must have 99 or fewer employees on April 30, 2021 (see "Employee Count"); and
- Must have a revenue decline of at least 20 per cent if the business began operating or was acquired before July 2, 2019 (see "Calculating Revenue Loss").

If the business is affiliated with one or more other businesses on April 30, 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 Small Business Support Grant; and
- The employee count on April 30, 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.

### **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 (for example, it is not a tourism or travel business).

### 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 bed and breakfast and a mobile food truck. The bed and breakfast and food truck 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 Tourism and Travel Business Activities

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

- Amusement parks and waterparks
- Bed and breakfasts that report their revenue as business income for income tax purposes.

A bed and breakfast is a small lodging establishment, usually a house, that rents rooms for short-term overnight accommodation primarily to tourists and includes a full breakfast in the room rate. Typically, the owner lives in the house and acts as host for guests.

- Cottages or cabins that report their revenue as business income for income tax purposes, and not as rental income.

A cottage or cabin is a facility that provides overnight, weekly or longer-term accommodation in a self-contained freestanding cottage or cabin unit.

- Fireworks display services
- Hotels and motels
- Hunting and fishing camps

- Indoor attractions intended primarily for tourists (e.g., haunted houses, funhouses and mazes)
- Mobile food services

Mobile food services include, but are not limited to, chip and French fry wagons, food trucks, ice cream trucks, snack trucks, lunch wagons and mobile canteens except for those that service primarily construction sites.

- Observation towers
- Operators of rides, games and other activities that are operated on a concession basis at waterparks, amusement parks, carnivals, fairs and festivals
- Outdoor adventure operations without accommodation

Outdoor adventure operations include, but are not limited to, cliff diving/BASE jumping, cross country skiing, dogsledding, hang gliding, hot air ballooning, mountain biking, paragliding, parasailing, rock climbing, scuba diving and snorkeling, skydiving, snowmobiling, snowshoeing, surfing, white-water rafting/kayaking, treetop trekking and ziplining.

- Recreational and vacation camps (e.g., overnight summer camps)
- Recreational rental services

Recreational rental services include, but are not limited to, bicycle rental, boat rental, canoe/kayak rental, houseboat rental, moped rental, personal watercraft rental, pleasure boat rental, rowboat rental, sailboat rental, horse rental, snow ski equipment rental, surfboard rental and water ski rental.

- Resorts
- Travel agents and wholesalers registered with the Travel Industry Council of Ontario (TICO)

# Ineligible Business Activities

Where a business operates both an eligible and ineligible business activity the business may be eligible for this grant, unless it or any affiliated business has received the Ontario Small Business Support Grant, in which case it is ineligible for the Ontario Tourism and Travel Small Business Support Grant.

The types of business activities that are not eligible for the grant include, but are not limited to, the following:

- Campgrounds
- Caterers
- Children's day camps
- Conference centres and convention centres
- Event planning services
- Food and grocery delivery services, including online food ordering and delivery platforms
- Indoor recreational facilities and activities intended primarily for use by members of the local community (e.g., instructional courses, hobbies, exercise classes, children's activities and play areas)
- Museums, galleries, aquariums, zoos, science centres, landmarks, historic sites, botanical gardens and similar attractions
- Operators of farmer's markets and vendors, and roadside stands selling farm products (e.g., corn, eggs, berries), and activities at a farm, such as pick-your-own produce or fruit, mazes and rides, that are secondary to the farm operation
- Outdoor sports and recreation facilities
- Racing venues, casinos, bingo halls and gaming establishments
- Restaurants and bars (including breweries and wineries that operate a restaurant or a bar)
- Short-term and long-term rental properties, including those listed through online platforms for vacation rentals, except for bed and breakfasts, cottages and cabins that report their revenue as business income.

Ineligible rentals include, for example, multi-tenant (rooming) houses and lodgings owned or leased by businesses to house employees.



- Ski hills
- Tour and guide services

Businesses or attractions owned, operated or maintained by the federal, provincial or a municipal government or any of their agencies, or owned by a person holding federal or provincial office or by a provincial employee are ineligible for the Ontario Tourism and Travel Small Business Support Grant.

## 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 April 30, 2021.

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

## Calculating Revenue Loss

Eligible businesses must demonstrate they experienced a revenue decline of at least 20 per cent when comparing monthly 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.

## Which months do I use to compare revenues?

The calculation of the monthly revenue decline applies only to businesses that began operating or were acquired before July 2, 2019.

Businesses that began operating or were acquired after July 1, 2019 and before 2021 receive the \$10,000 minimum grant. Businesses that began operating or were acquired in 2021 are not eligible for the grant.

Revenue Comparator Periods		
If the business began operating or was acquired:	Column A	Column B
	Earlier Period	Later Period
Before July 2, 2019	Any 3 consecutive month block that ends in 2019	Same 3-month block in 2020
After July 1, 2019 and before 2021	Receives the \$10,000 minimum grant	
In 2021	Not eligible for the grant	

If the business began operating or was acquired before July 2, 2019, it must first select its Earlier Period for determining revenue (see Column A in the table above). The same three-month period selected in Column A is used for the Later Period in Column B. The revenues in the Earlier and Later periods determine whether the business had a revenue decline of at least 20 per cent and the dollar amount of the revenue decline.

The three-month block that is selected must comprise three consecutive months. For example, a three-month period could be January, February and March, but cannot be January, February and April.

The start and end dates of the three-month period do not have to correspond to the first and last day of the month. For example, a business might choose a start date of June 16 and an end date of September 15.

# How do I determine if my revenue loss is at least 20 per cent?

Eligible businesses must demonstrate they experienced a revenue decline of at least 20 per cent when comparing revenues in the Earlier and Later periods. From the revenue entered in the application for the Earlier and Later periods the application portal will calculate the revenue loss using the revenues reported by the applicant.

### Example of the 20 Per Cent Revenue Loss Calculation

Jane owns a cottage rental business that began operating before 2019 and has 99 or fewer employees on April 30, 2021. She selects June to August 2019 as the Earlier Period. The Later Period Jane must use is June to August 2020.

From June to August 2019 revenue from the business was \$100,000. Revenue from June to August 2020 was \$60,000.

On the application form, Jane enters the revenues for June to August 2019 and June to August 2020:

Earlier Period	Later Period
Revenue for June, July and August 2019	Revenue for June, July and August 2020
\$100,000	\$60,000

The percentage revenue loss for the business is  $(\$60,000 - \$100,000) / \$100,000 = - 40\%$

Because the percentage revenue loss is greater than 20%, the business is eligible for the grant.

If a business applying for funding was affiliated with one or more other businesses on April 30, 2021:

- (a) The decline in the combined revenue of the applicant business and of all businesses with which it was affiliated on April 30, 2021 is calculated by comparing:
  - i. the revenue of the applicant business for the Later Period, plus the revenue for the Later Period of all businesses with which it was affiliated on April 30, 2021, with
  - ii. the revenue of the applicant business for the Earlier Period, plus the revenue for the Earlier Period of all businesses with which it was affiliated on April 30, 2021.
- (b) If the decline in revenue as calculated in paragraph (a) is less than 20 per cent, then neither the applicant business nor any of its affiliated businesses are eligible for a grant under this program.
- (c) If the decline in revenue as calculated in paragraph (a) is 20 per cent or more,
  - i. the grant available under this program is based on the aggregated revenue reduction as calculated in paragraph (a) above for the affiliated group (subject to a maximum of \$20,000 in funding); and
  - ii. only the applicant, and no other business with which it is affiliated, may apply for funding under this program.

One or more of the businesses in your group of affiliated businesses can enter on the application form a different Earlier and Later period than entered by the applicant business in (a). If a new business was started or was acquired after July 1, 2019, that business is omitted from the calculation of the affiliated group's percentage revenue decline and the dollar amount of the revenue decline.

# Amount of the Grant

The amount of the grant for a business or an affiliated group of businesses, as applicable, is equal to the average monthly revenue loss over the three-month comparator periods, subject to the minimum and maximum amounts of the grant described below.

If the average monthly revenue loss is less than \$10,000, the amount of the grant is the \$10,000 minimum. If the average monthly revenue loss exceeds \$20,000, the amount of the grant is the \$20,000 maximum.

**Example of the Grant Calculation**

Alex owns a travel agency that began operating before 2019 and has 99 or fewer employees on April 30, 2021. Alex selects October to December 2019 as the Earlier Period. The Later Period Alex must use is October to December 2020.

From October to December 2019, revenue from the business was \$50,000. Revenue from October to December 2020 was \$5,000.

On the application form, Alex enters the revenues for October to December 2019 and October to December 2020:

Earlier Period	Later Period
Revenue for October, November and December 2019	Revenue for October, November and December 2020
\$50,000	\$5,000

The percentage revenue loss for the business is  $(\$5,000 - \$50,000) / \$50,000 = - 90\%$

Because the percentage revenue loss is greater than 20%, the business is eligible for the grant.

The revenue loss between the Earlier and Later Periods is \$45,000.

The amount of the grant is equal to the average monthly loss over the three-month period, or \$15,000.

See the Appendix for an example of the grant calculation for an affiliated group of businesses.

Where all the members of an affiliated group began operating or were acquired after July 1, 2019, the grant for the affiliated group cannot exceed the \$10,000 minimum.

## Application Processing

### Who applies for the grant

If the business was not affiliated with any other business on April 30, 2021, it may apply for the grant under this program if it satisfies all the conditions discussed in this guide.

If the business was affiliated with one or more businesses on April 30, 2021, only one business in the affiliated group can apply for the grant. The application must include the combined number of employees and revenues for all the members of the affiliated group. The applicant must be carrying out an eligible tourism or travel business activity in Ontario which it began operating or acquired before 2021.

### What to expect after applying

After businesses have submitted a complete application, it takes approximately 15 business days for us to get back to you regarding your application.

If your application is missing information, we will contact you by email for more details. If your application is approved, you will get an email to let you know about the payment details. It takes about 10 business days to get your payment once approved.

## 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:

Tel: 416-325-6691

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 8:00 p.m. and Saturday and Sunday 8:30 a.m. – 5 p.m. excluding Government and statutory holidays.

## Appendix: Example of the Grant for Affiliated Businesses

Sam owns two separate businesses - a motel and an amusement park. Both businesses began operating before 2019. On April 30, 2021 the motel and amusement park are affiliated businesses and together have 99 or fewer employees.

The motel applies for the grant for the affiliated group. In the application, Sam chooses April to June 2019 as the Earlier Period for the motel. Sam can choose a different Earlier Period for the amusement park and selects June to August 2019.

The Later Periods for the motel and amusement park are set by the Earlier Periods selected. The Later Periods are April to June 2020 for the motel and June to August 2020 for the amusement park.

The revenues for the Earlier and Later periods for each business are as follows:

Revenue from the Motel		Revenue from the Amusement Park	
Earlier Period:	Later Period:	Earlier Period:	Later Period:
April 2019 to June 2019	April 2020 to June 2020	June 2019 to August 2019	June 2020 to August 2020
\$100,000	\$20,000	\$150,000	\$50,000

### Calculating the Percentage Revenue Reduction

The percentage revenue reduction for the affiliated group is calculated by aggregating the revenues for the motel and amusement park:

#### 1. Calculate the revenue reduction

= (Later Period revenue from the motel + Later Period revenue from the amusement park) – (Earlier Period revenue from the motel + Earlier Period revenue from the amusement park)

= (\$20,000 + \$50,000) – (\$100,000 + \$150,000) = - \$180,000



## 2. Calculate the percentage change in revenue

=  $-\$180,000 / (\text{Earlier Period revenue from the motel} + \text{Earlier Period revenue from the amusement park})$

=  $-\$180,000 / (\$100,000 + \$150,000)$

=  $-\$180,000 / \$250,000$

=  $-72\%$

The percentage revenue reduction for the affiliated group is 72%.

### Calculating the Amount of the Grant

Because the revenue reduction for the affiliated group is at least 20%, the motel can claim the grant on behalf of the affiliated group.

The revenue reduction is:  $(\$100,000 + \$150,000) - (\$20,000 + \$50,000) = \$180,000$

The average revenue reduction over a three-month period is  $\$180,000 / 3 = \$60,000$

The \$60,000 average revenue reduction exceeds the \$20,000 maximum grant, therefore the motel will receive a grant of \$20,000.