

## Capital Acquisition Program

The Capital Acquisition Support Program provides financial assistance to Prince Edward Island businesses in acquiring the infrastructure needed to develop from start-up through to international exporting. Through this program, business and government work together, with government providing financial assistance at those times when the business is most exposed to financial risk during the start-up period and during expansion of product lines or production of new products.

Applicants engaged in retailing and services (to business or consumers) are ineligible for assistance.

Services to primary industries will be eligible for assistance for expansions only, provided the activity clearly contributes to import replacement.

### ELIGIBLE APPLICANTS

Eligible applicants to this program are manufacturers, processors and providers of exportable services. Applicants must be sole proprietorships, partnerships, cooperatives or limited liability companies with well developed business and marketing plans. Applicants engaged in retailing and services (to businesses or consumers) are ineligible for assistance.

### ELIGIBLE SECTORS

Manufacturers, processors and providers of exportable services in the following sectors:

- food development
- advanced manufacturing
- information technology
- bioscience
- first-of-its-kind exportable services may be considered in other sectors

In order for a project to be eligible for assistance, it must provide economic benefit to the province and similar businesses cannot be jeopardized as a result of the proposed project.

### ELIGIBLE ACTIVITIES

Capital acquisition: Machinery, renovations, leasehold improvements

## **LEVELS OF ASSISTANCE**

- up to 25 per cent of the cost of equipment and renovations, or lease improvements directly related to the establishment of a new business
- up to 25 per cent of the cost of facility expansions or modernizations and equipment directly related to the expansion of an existing business

Eligible projects for capital contributions must not exceed \$40,000 in eligible capital costs.

## **OTHER CONDITIONS**

Other conditions when evaluating an applicant's request for assistance will include:

- potential for long-term viability
- export sales
- qualifications and track records of managers
- import substitution
- cost benefit to the province
- environmental impact
- availability of program funds
- employment creation
- level of assistance from other government programs offered or available

## **PERFORMANCE MONITORING**

The Capital Acquisition Support Program requires monitoring for a two-year period. In addition to yearly financial statements, applicants must be prepared to provide information, as requested, on the ongoing activities of the business. For each project approved, a letter of offer will be forwarded to the applicant(s) which, when accepted, shall constitute a contract between Innovation PEI and the applicant(s).

Should the project fail to comply with the terms of the contract or be discontinued, Innovation PEI may, at its sole discretion:

- declare the applicant to be in non performance (default) of the contract
- request the applicant to repay in full the incentive received take necessary legal action to collect the incentive amount in full with interest

***Application must be submitted before any financial or legal commitment is made on the project.***

## **For More Information**

Innovation PEI specializes in providing one-on-one business advisory services. Our qualified staff can also provide information regarding most business development programs offered by government agencies across Prince Edward Island. Application forms and additional program information can be obtained from Innovation PEI.