
PROGRAM GUIDE: THE MICRO VOUCHER PROGRAM

PROGRAM OVERVIEW

Background

We recognize Alberta's SMEs as an integral component to diversify and build the Alberta economy. Derisking novel technological solutions is a critical success factor on the pathway to commercialization and scale-up.

Alberta Innovates supports de-risking technology solutions by providing non-dilutive funding and access to senior business advisors with real-world commercialization expertise to actively guide SMEs through the commercialization pathway. The Micro Voucher program supports SMEs in identifying early problem/solution fit and moving towards product/market fit. It may act as a "trigger" for follow-on investment to accelerate growth and scale-up. The Micro Voucher Program is part of a suite of SME funding programs we offer that are focused on the commercialization of technological solutions. Alberta Innovates aligns its funding programs and portfolio management to our investment focus areas. Information about our focus areas can be found by following this [link](#).

Program Details

The objective of the Micro Voucher Program (the "**Program**") is to support high potential, high growth technology Alberta-based Small to Medium Sized Enterprises ("the "**Applicant**" or "**SME**") to accelerate the pathway to commercialization and achieve an optimal market position to increase revenue and potentially expand into global markets

Alberta SME's may be eligible for a Micro Voucher grant up to \$10,000, which is paid directly to one Service Provider named in the Application. The Program is a good fit for SMEs that:

- have reached the [Concepting stage of development](#)
- have a [Technology Readiness Level](#) of 3-7
- have completed initial market and industry assessment work to demonstrate market size
- have a founding team and/or advisors; and
- have validated their first potential customers through customer discovery work.

The Program is intended to fund the Applicant to hire a Service Provider to advance the technology-based business opportunity closer to commercialization and revenue. [Activities](#) may include:

- Design, engineering and prototype development;
- Product testing and refinement;
- Patent development; (excluding patent maintenance fees)
- Advanced market assessment or segmentation analysis;
- Advanced business and/or marketing strategies; and/or
- Other technology development activities that will be considered on a case-by-case basis.

Micro Vouchers are intended for technology and knowledge-based firms that have a reasonable expectation of growth and exports to generate increased revenue and follow-on investment.

HOW THE PROGRAM WORKS

Eligibility

(a) Applicant Eligibility Criteria - To qualify as an Applicant, an SME is required to satisfy the following criteria:

- be a for-profit SME;
- demonstrate the relationship between the Applicant and Service Provider does not create a conflict of interest;
- be an Alberta-based company with an Albertan footprint, which is determined by the following: significant physical and corporate operational presence in Alberta, appropriate Alberta ownership, and discernible intent that operational benefits will flow primarily within the province of Alberta;
- meet the following definition of an SME: a company with fewer than 500 Full Time employees, and less than \$50,000,000 annual gross revenue;
- be a legal entity with up to date corporate filings*:
 - incorporated in Alberta; or
 - incorporated federally or in another jurisdiction AND extra-provincially registered in Alberta; or
 - a General Partnership, Limited Partnership or Limited Liability Partnership AND registered in Alberta; and
 - be in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-Fer Technologies.

**Please note, Alberta Innovates will perform a corporate search and may also seek bankruptcy and litigation searches.*

(b) Service Provider Eligibility Criteria - To qualify for funding all Service Providers must:

- be Arm's Length from the Applicant (cannot have any legal relationship with the Applicant);
- provide the service(s) and/or product(s) at reasonable market rates;
- be willing to enter into the terms of the agreement, (link)
- be legally permitted to enter, remain in, and perform the services in Canada during the Project Term; and
- be in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-Fer Technologies.

(c) Project Eligibility Criteria

Projects are eligible to receive only one Micro Voucher grant per innovation. To qualify for funding all Projects must:

- start after Investment agreement is signed
- be completed within the 6-month term; and
- submit to other criteria that Alberta Innovates may develop from time to time.

Program Objectives and Performance Measurement

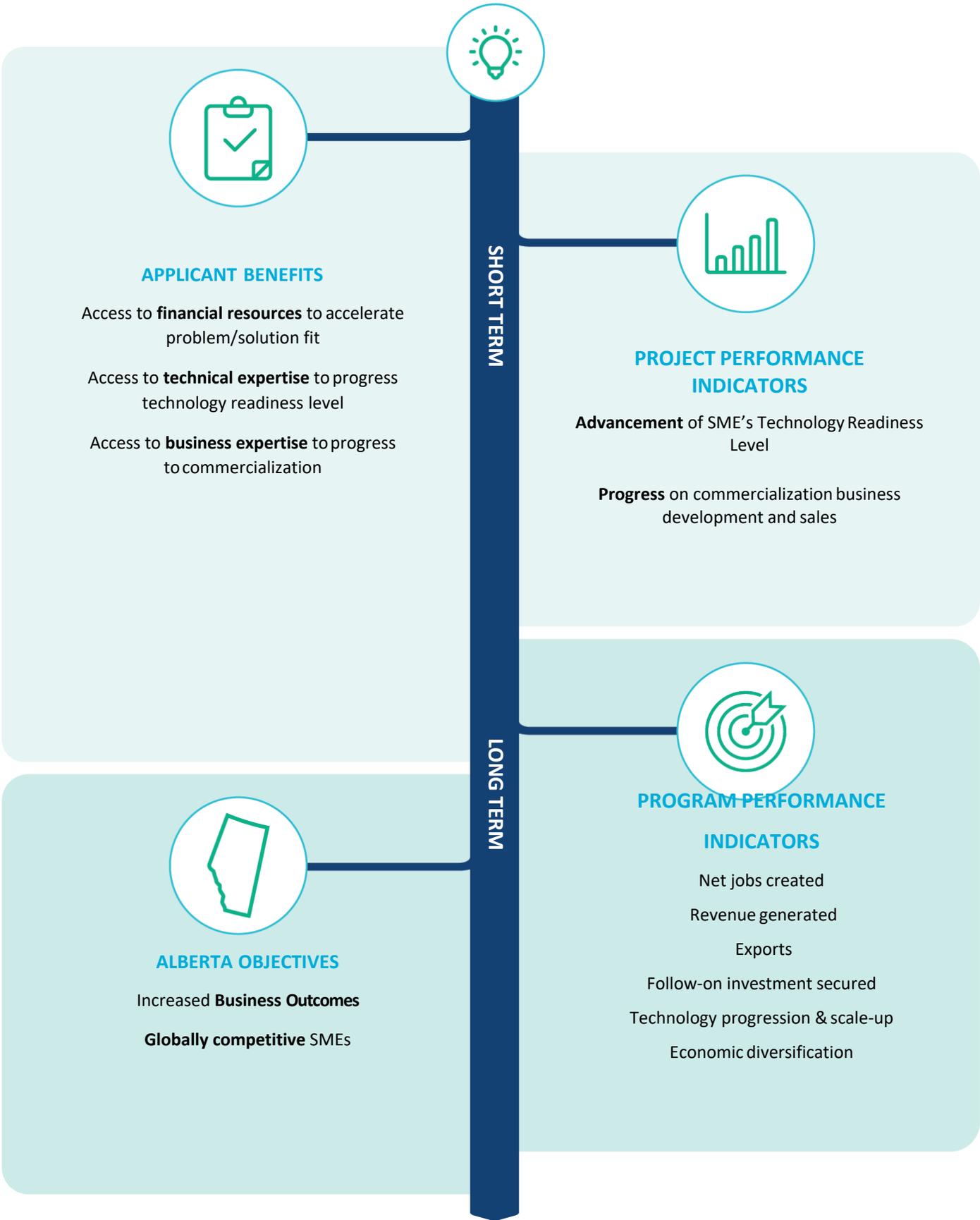
The Micro Voucher Program is designed to deliver meaningful return on investment to the Province, primarily by serving as a catalyst for the commercialization of innovative technology products that generate increased revenue for Alberta SMEs.

Over the life of a Project, Alberta Innovates employs an active project management philosophy, regularly monitoring performance and supporting the Applicant to reach their objectives. Funding is tied to outcomes and achievement of results. For this reason, Alberta Innovates funds on a milestone completion basis. This means the Applicant is expected to submit a Final Report before Alberta Innovates advances the funds.

Once Projects are completed, Alberta Innovates continues to monitor performance to accurately evaluate the economic, social and environmental benefits realized for the Province.

All Investment Agreements outline performance indicators tracked over the course of the Project and the responsibilities of the Applicant and Associate to report on outcomes after the completion of the Project. Alberta Innovates has a common set of performance metrics it monitors, both at the individual Project level and for the aggregated overall Program. These are highlighted on the next page.

Objectives and Performance Metrics



APPLICANT BENEFITS

- Access to **financial resources** to accelerate problem/solution fit
- Access to **technical expertise** to progress technology readiness level
- Access to **business expertise** to progress to commercialization

SHORT TERM



PROJECT PERFORMANCE INDICATORS

- Advancement** of SME's Technology Readiness Level
- Progress** on commercialization business development and sales

LONG TERM



ALBERTA OBJECTIVES

- Increased **Business Outcomes**
- Globally competitive** SMEs



PROGRAM PERFORMANCE INDICATORS

- Net jobs created
- Revenue generated
- Exports
- Follow-on investment secured
- Technology progression & scale-up
- Economic diversification

How Funding Works

(a) Project Funding

Alberta Innovates' Investment to a successful Applicant is up to \$10,000, which is paid directly to the Service Provider named in the Application. The Applicant pays a minimum 25% cash contribution (the "**Contribution**") of the total eligible Project Costs at the Project Start Date. If the Service Provider agrees, the **Applicant** Contribution may be divided in half; one at the beginning of the Project and the final half at the end of the Project. The funds are provided to cover Eligible Expenses only.

Alberta Innovates encourages co-funding of Projects with other funding agencies but employs a stacking limit to ensure there is sufficient financial commitment from the Applicant. The stacking limit is employed as follows: the maximum level of total government assistance, whether from federal, provincial/territorial, or municipal sources, cannot exceed 75% of the eligible Project Costs.

(b) Eligible and ineligible expenses

Any costs incurred prior to the Effective Date in the Investment Agreement, or costs greater than market prices are deemed ineligible. Please refer to our standard form Investment Agreement found on our [website](#) to get an in-depth understanding of eligible and ineligible costs.

HOW TO APPLY



STEP 1

Project Scoping

The Applicant should engage a Technology Development Advisor prior to submitting an Application.

An Applicant identifies the Project need and obtains a quote from a Service Provider to complete the Project. TDA's are available to provide coaching, advising, and networking during this phase.



STEP 2

Application & Evaluation

Alberta-based SMEs can submit their Applications online at any time.

Applications outline the Project, the participation of a Service Provider, the benefits, the Applicant's business readiness, Applicant's financials and the Project budget.

Alberta Innovates' merit review focuses on the technology, the business opportunity, Applicant risks and the overall potential size of the return to Alberta against the Performance Indicators.



STEP 3

Project Management

For approved Applications, the Applicant and the Service Provider will execute an Investment Agreement with Alberta Innovates to proceed with the activities of the Project.

Upon approval of a Final Report, the Investment will be forwarded to the Service Provider.

A TDA will be assigned to the Project if one is not already engaged. Alberta Innovates continues to require information from the Applicant for five (5) years following the completion of the Project in order to measure long-term benefits.

EVALUATION PROCESS

During the different phases of the program, Alberta Innovates leverages internal staff and external expert reviewers to evaluate the Applications submitted. Alberta Innovates evaluates promising technologies based on a variety of common business and technical factors such as: the management team, market conditions, competitive advantage, product/market fit, go to market plan, financials, technical feasibility and growth/export potential.

Alberta Innovates retains the sole right to determine the evaluation process and does not disclose the names of its external reviewers to ensure their objectivity and impartiality. All external parties are subject to both confidentiality and conflict of interest policies set by Alberta Innovates.

The assessment criteria and all investment decisions are at the sole discretion of Alberta Innovates.

TERMS AND CONDITIONS

This Program Guide is intended as a high-level overview of the Program. It provides interested Applicants with a roadmap of what to expect over the lifecycle of a Micro Voucher Project, from the announcement of the program, through the Application stage, during the Project and post-completion. Should you have any questions about this guide or what is expected, please contact Alberta Innovates. Please be aware Alberta Innovates may modify this guide from time to time in keeping with any changes to the program.

Alberta Innovates will only correspond in writing and provide copies of the Application to the person named in the Application form as the one authorized to speak for the Applicant.

Once we have evaluated and approved an Application for funding, Alberta Innovates will require the Applicant to sign our standard form Investment Agreement. A copy of the Investment Agreement is available on the Alberta Innovates [website](#). The Investment Agreement sets out in detail the roles, responsibilities and obligations of the various Parties to ensure a successful Project. Alberta Innovates will not provide any funding until the Investment Agreement has been signed by all Parties.

Alberta Innovates will only fund Applicants who have satisfied all eligibility criteria. Meeting the eligibility criteria does not guarantee access to funding, and all funding decisions will be made by Alberta Innovates at its sole discretion.

EQUITY, DIVERSITY AND INCLUSION (EDI)

Alberta Innovates believes the Research and Innovation ecosystem is stronger and more sustainable when it is broadly reflective of the overall diversity of our community and therefore embraces the principles of Equity, Diversity and Inclusivity. Alberta Innovates strives to ensure all interested and qualified parties have an equitable opportunity to participate and contribute.

CONTACT INFORMATION

Please contact us at inbox_grants@albertainnovates.ca if you have any questions about this guide or the Micro Voucher Program in general

To reach the Technology Development Advisor closest to you, please visit our website at <https://connectwithus.albertainnovates.ca>