
PROGRAM GUIDE: THE MICRO VOUCHER PROGRAM

PROGRAM OVERVIEW

Background

The commercialization of innovative technology and knowledge-based products is critical to Alberta's global competitiveness. Reducing time to market and taking a product to commercialization is an explicit priority for technology and knowledge-based research and development. Access to non-dilutive funding that de-risks technology or knowledge-based product development has been identified as a critical success factor.

Alberta Innovates developed the Micro Voucher Program (the “**Program**”) to encourage high potential, high growth Small-Medium Enterprises (“**SMEs**”) with novel, promising technologies, strong management and a reasonably identified product/market fit to accelerate new product commercialization. The purpose is quick access to funds to de-risk technological solutions, support emerging technologies and serve as a catalyst for the development and implementation of innovative technology products that can generate economic, social, and environmental benefit for Albertans.

The program is part of a suite of SME funding programs focused on the commercialization of technological solutions and is funded by the Government of Alberta, Ministry of Jobs, Economy, and Innovation and administered by Alberta Innovates. 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

Alberta SME's (the “**Applicant**”) may be eligible for a Micro Voucher up to \$10,000, which is paid directly to one Service Provider named in the Application. The Micro Voucher Program is designed to support SMEs to advance

their new technology or knowledge-based product development. The Program is not designed for entrepreneurs who are in the ideation or conceptualizing stage of company or technology development. It is expected that the SME will have done some market and industry assessment work to validate the market size and need before applying for a Micro Voucher.

The Micro Voucher is intended to fund the Applicant to hire a Service Provider to advance the technology closer to commercialization. Activities may include:

- a) New product research and development;
- b) Early design, engineering and prototype development;
- c) Early product testing and refinement;
- d) Patent development; (excluding patent maintenance fees)
- e) Advanced market assessment or segmentation analysis;
- f) Advanced business and/or marketing strategies; or
- g) Other technology development or business activities may 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 Collaborator 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 discernable 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) Collaborator Eligibility Criteria - To qualify for funding all Collaborators 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 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

To qualify for funding all Projects must:

- be stepped with critical "go/no go" milestones;
- be completed within the 1-year term; and
- submit to other criteria that Alberta Innovates may develop from time to time.

Program Objectives and Performance Measurement

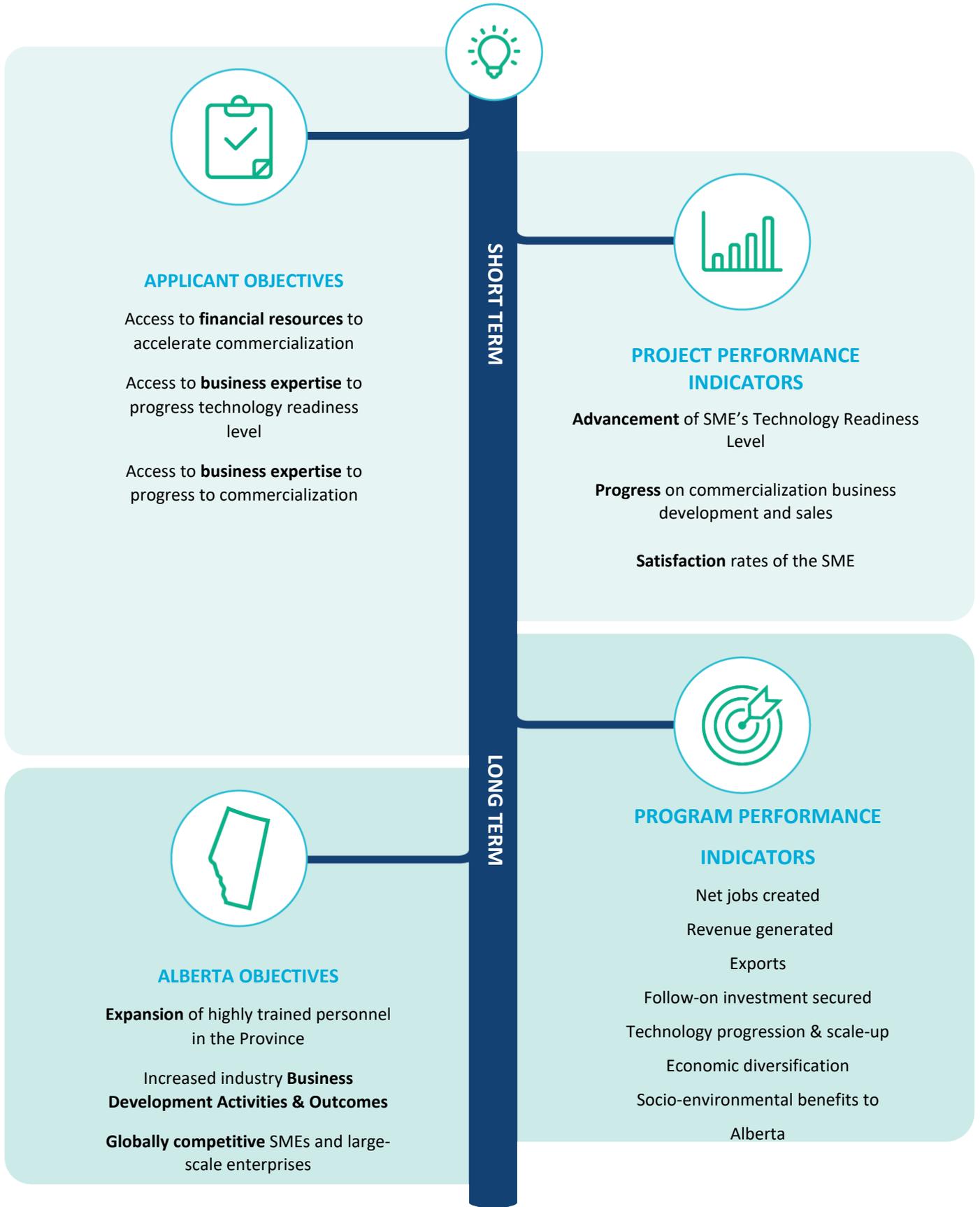
The Micro Voucher Program is designed to deliver meaningful return on investment to the Province, primarily by serving as a catalyst for the commercialization of innovative technology products that generate increased revenue for Alberta SMEs.

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



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 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

Alberta Innovates only funds reasonable costs incurred after we have signed an Investment Agreement with you. Any costs incurred prior to the Effective Date in the Investment Agreement, or costs greater than market prices are deemed ineligible. Costs must be incurred between arm's length entities. 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 Applicant and Opportunity

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

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



STEP 2 Associate and Project

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, and the Project finances.

Alberta Innovates' merit review focuses on the technology, the opportunity, and the overall success and 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 and product/market fit, go to market plan, financials, technical feasibility and 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.

CONTACT INFORMATION

Should you have any questions about this guide or the Micro Voucher Program in general, please contact Alberta Innovates at inbox_grants@albertainnovates.ca

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

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