

Ministry of Economic Development, Job Creation and Trade

O-AMP: Ontario Automotive Modernization Program

Eligible Project Cost Guidelines

Eligible Project Costs:

Eligible Project Costs mean those costs, net of applicable HST, which are directly attributable to, and necessary for, the completion of the project and are not wholly or partially for another purpose. Eligible Project Costs are incurred and paid for by the company after the date that the Ministry has approved the company's application (Approval Date) up to and including the date that the project is completed (Project Completion Date). Any costs for which the company is eligible to receive a rebate, credit or refund are not Eligible Project Costs. The categories of Eligible Project Costs are:

- (1) Capital Costs;
- (2) Training Costs;
- (3) Salaries and Benefits; and
- (4) Travel and Living Costs.

The Ministry will acknowledge only Eligible Project Costs incurred and paid after the Approval Date. In cases where an application is not approved and/or there is no funding agreement in place, any project costs incurred are at the risk of the applicant.

Note: O-AMP will review all expenses and will approve only those expenses directly related to the project and deemed reasonable and necessary for execution.

(1) CAPITAL COSTS:

Capital costs are those costs incurred for capital items (i.e. fixed assets) and include equipment, testing tools, software costs and instruments that have residual values as determined by Generally Accepted Accounting Principles (GAAP) at the end of the funding period.

Note: GAAP is a collection of commonly-followed accounting rules and standards for financial reporting. The purpose of GAAP is to ensure that financial reporting is transparent and consistent from one organization to another.

Eligible Costs	Ineligible Costs
<ul style="list-style-type: none"> ✓ Purchase, implementation, installation, and setup costs of hardware and software that support manufacturing, engineering, design, prototyping and/or logistics processes ✓ Software licencing costs are eligible only for the duration of the project up to the project completion date ✓ Cost of direct materials necessary for specifically identified activities and measured as having been used for the completion of the project ✓ Materials used for configuring and testing production processes, systems, and training employees <p>Additional limits and conditions:</p> <ul style="list-style-type: none"> ✓ Invoice amounts in foreign currencies must be converted to CAD (Canadian Dollars) at the exchange rate prevailing at the time of the transaction. ✓ Exchange rates used must be shown either on the invoices or be drawn from the financial institution used. Proof of exchange rates used should be submitted along with the signed invoices 	<ul style="list-style-type: none"> ⊗ Tax expenses (including, but not limited to, HST, sales taxes, tax filing, income taxes, etc.) ⊗ Allowance for interest on invested capital, bonds, debentures, bank or other loans together with related bond discounts and finance charges ⊗ Ongoing operations including maintenance ⊗ Refinancing of existing business operations ⊗ Acquisitions and buyouts of another business (in whole or in part) ⊗ Insurance ⊗ Costs related to the development of O-AMP application ⊗ Restructurings or relocations to other jurisdictions within Ontario ⊗ Routine upgrades to production and other equipment ⊗ Costs of a personal nature ⊗ Costs related to staff awards and recognition ⊗ Monthly parking fees ⊗ Cost for research and development ⊗ Costs of relocation of factory/facilities ⊗ Meals and entertainment costs, gifts and alcoholic beverages ⊗ Costs associated with lobbying or government relations activities ⊗ Costs not directly associated with meeting the deliverables and milestones as specified in the funding agreement with the Ministry ⊗ Cost of basic utility services

	<ul style="list-style-type: none"> ⊗ Tangible capital costs such as, but not limited to, land, buildings, vehicles, equipment such as storage cabinets, tool cribs, forklifts, shelving, tooling, telephones, carts and any other equipment that is not related to technology adoption ⊗ Infrastructure costs (e.g. building and facilities) ⊗ Costs related to research and development activities
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(2) TRAINING COSTS:

Eligible Costs	Ineligible Costs
<ul style="list-style-type: none"> ✓ Costs involved in providing personnel with training and/or development in novel techniques required for the project for their role(s) ✓ Staff hours charged by non-management employees ✓ Sub-contractor and consultant fees (must be associated with LEAN Mentorship/specialized expertise related to LEAN) 	<ul style="list-style-type: none"> ⊗ Meals and entertainment costs, gifts and alcoholic beverages ⊗ Payments made to management (Directors, business heads, CXOs, etc.) for any time or activity toward training

(3) SALARIES AND BENEFITS:

Eligible Costs	Ineligible Costs
<ul style="list-style-type: none"> ✓ Incremental salary and benefits for employees of the company working on the project activities, to a maximum specified in the funding agreement with the Ministry (position and employment status must be specified) ✓ Hourly wages for training for employees who are not part of company management team ✓ External third-party training provider costs 	<ul style="list-style-type: none"> ⊗ Costs related to proposal development (including staff and consultants) ⊗ Management salaries, including any activity related to managing the project

<p>Additional limits and conditions:</p> <ul style="list-style-type: none"> ✓ Salaries and benefits must only be claimed in proportion to the amount of time spent working directly on project activities. ✓ The company shall be required to maintain signed timesheets or appropriate records for all employees working directly on the project ✓ Hourly wages used for the staff hours being expensed must be stated in the supporting documentation 	
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(4) TRAVEL AND LIVING COSTS:

Eligible Costs	Ineligible Costs
<ul style="list-style-type: none"> ✓ Transportation and accommodation costs that are exclusively project-related and use the most economical option (economy fare and standard hotel rooms). Any costs that are not the most-economical option will be rejected. <p>Additional limits and conditions:</p> <ul style="list-style-type: none"> ✓ Travel outside of Ontario will require prior documented approval from the Ministry unless travel to such location is for employee training purposes and is referred to specifically in the company's agreement 	<ul style="list-style-type: none"> ⊗ Meals and incidentals costs ⊗ Reimbursement for airfare purchased with personal frequent flyer points or programs ⊗ Commuting costs between residence and place of employment ⊗ Passport and immigration fees