



Application Criteria and Process for WCAN Project Funding

WCAN Project Funding:

Project funding is intended to help develop the capacity of newly established and existing Angel Networks throughout Western Canada to grow their membership, increase investment activity and outcomes, improve processes and strengthen their role in the community.

Applicant Qualification Criteria:

Applicants must demonstrate that they have:

- An established legal entity for the Network's operations;
- By-laws that identify: the Angel Network's legal name, investment objectives, and established membership processes and policies (application, termination etc.);
- Qualifications and processes in place for managing an Angel Network;
- An established process for ensuring that members have declared their status as Accredited Investors¹, and a method to record said declaration;
- Defined processes and procedures for making investment decisions, to ensure that only the accredited investors¹ are making investment decisions;
- A minimum of fifteen (15) accredited investor members;
- Been in existence as a network for a minimum of six (6) months.
- A regional focus – based in and primarily operating inside Western Canada, (Manitoba, Saskatchewan, Alberta and British Columbia);
- A clear need – articulated need and target audience and scope for the Angel Network; Agreed to record and report accurate financial and statistical metrics to NACO on a quarterly basis, or as requested;
 - Agree to report on each specific project or initiative 30 days after the completion of the respective project or initiative;
 - Agree to identify, track and report on realistic goals for projects funded under the program; and
 - Agree to record and report accurate investment information about the groups investments to NACO using the tools provided by NACO.

Other Applicant Requirements:

- At the time of funding, the Network must be a NACO member in good standing;
 - Registered and signed NACO member's Code of Conduct;
 - Agree to provide members with access to investor education, resources and best practices;
 - Agree to be an active regional and national community participant;

1 An accredited investor means an individual who is qualified as such pursuant to National Instrument 45-106 "Prospectus and Registration Exemptions".



Project Funding and Qualification Criteria:

The WCAN program will provide \$15,000 to \$50,000 per year in funding, for a minimum of 5-7 to Angel Networks located across Western Canada, to support eligible projects that are selected by the program's Expert Review Committee (ERC).

To be eligible, each application should include at least three projects or initiatives. Each "project" can be a standalone *initiative*, or may include several smaller and related *initiatives* over a longer period of time. Projects will be reviewed on the basis of their alignment with the WCAN program's goals and the following criteria:

- Each project must affect a minimum of 25-60 investors in the target market identified by the applicant, and last no longer than 12 months;
- Matching project funding of at least 25% can reasonably be accessed from other sources (including the network's own existing funds), but no more than 90% of the project funding will be derived from Federal Government sources;
- The applicant has experience executing similar projects or initiatives, or has acquired the expertise to reasonably expect they can successfully execute the project;
- Project plan and budget are reasonable and complete based on information provided;
- Project goals are aligned with one or more of the following key program goals:
 - Increase the number of Angel investors, in Western Canada, who are members of the network;
 - Increase the dollar amount and number of investments made by the applicant network in Western Canada;
 - Connect members to other investors outside the network's membership;
 - Improve investor participation in deal syndication and cross border investment, including the attraction of foreign investment to Western Canada;
 - Improve member adoption of best practices and standards recognized by the broader investor community;
 - Increase the number and quality of educational resources provided to Western Canadian members of the applicant Angel network;
 - Increase the number and quality of educational and networking events held locally or regionally in Western Canada;
 - Improve the connectivity and reputation of the network, within Western Canada as well as outside of Western Canada, and;
 - Improve the collection of verifiable and detailed investment data captured from network members that can be reported to NACO.

Eligible projects may include, but are not limited to: investor focused events, education workshops, membership recruitment and activation initiatives, local or regional marketing initiatives, and the development of tools and resources used to support the specific goals of the program.

Innovative ideas and approaches for achieving the goals of the program are welcomed and encouraged. We welcome direct communication regarding any portion of the criteria that may cause undue hardship or concern for applicants with innovative projects that help achieve the program's objectives.



Ineligible Activities and Costs:

Costs that are deemed unreasonable, not incremental, and/or not directly related to project activities will be ineligible for reimbursement. These include, but may not be limited to:

- Land, buildings and capital costs;
- Existing operating expenses (e.g. overhead costs and salaries);
- Entertainment and hospitality expenses (e.g., alcohol, food and beverage);
- Speaker fees (i.e., honorarium);
- Sole sourced consultant fees (i.e., consultant chosen without a competitive process);
- Allowance for interest on invested capital, bonds, debentures, and other debt;
- Losses on investments, bad debts and associated expenses, other projects and contracts;
- Refinancing of existing debts;
- Amortization or depreciation of assets;
- Federal and provincial income taxes, GST (recoverable portion), taxes or surtaxes on excess profit;
- Provisions for contingencies or commissions paid to consultants to secure funding;
- Lobbying activities;
- Donations, dues and membership fees;
- Fees related to advocacy work.

In the event you are unsure of whether or not your cost may be eligible, please do not hesitate to contact us directly at wcan@nacocanada.com