

CANADA & ONTARIO CONSTRUCTION

2026 Grants & Funding Handbook

A program-by-program analysis of capital grants, refundable clean-tech tax credits, housing-enabling infrastructure funding, and the stacking rules shaping Canadian construction capital in 2026.

\$51B

BUILD COMMUNITIES
STRONG FUND (10 YEARS)

30%

CLEAN TECH ITC
(REFUNDABLE)

\$4.0B

ONTARIO MHIP

\$200K

SDF SEED MAXIMUM (70%)

Fact-checked September 23, 2026. See 'What changed in v2' on page 3.

What's Inside

This handbook gives Canadian contractors, developers, trade sub-contractors, and project owners the data, statutory requirements, and strategic frameworks needed to navigate, stack, and secure government capital grants, infrastructure allocations, and clean-economy tax credits in 2026.

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PROGRAM STATUS TAGS

- OPEN** Accepting applications
- UPCOMING** Intake date announced
- CHECK STATUS** Confirm with the administrator
- CLOSED** Not taking applications

About this handbook: Data compiled from Housing, Infrastructure and Communities Canada, the Ontario Ministry of Infrastructure, CRA, CMHC, and BuildForce Canada. Fact-checked September 23, 2026 against the sources on page 22. For informational purposes only.

What Changed Since the August Edition

Funding programs move fast. We re-checked every figure against the administering body in September 2026. Here's what changed.

10 ITEMS	7 ITEMS
Corrected	New
ITC labour-rule consequences: the credit doesn't simply drop to 20% S04 · S10	Build Communities Strong Fund S08
SDF GROW cost share: 49%, not 50% S06	\$8.8B Canada–Ontario Partnership to Build and the new \$1B MHIP stream (intake Oct 29, 2026) S03 · S08
HEWSF cap (73%) and status (closed) S03	National AI Strategy S14
Deep Retrofit Accelerator: not an owner funding source S11	SR&ED limit raised to \$6M S14
MLI Select tiers S13	Tariffs and material costs S01
Mileage rate: 73¢/km S12	Your benefits plan and the ITC wage test p. 13
SR&ED pre-claim timing S14	A full sources page p. 22
Utility incentive rates S11	
BuildForce labour figures S07	
CPI S01	

REMOVED

The \$15.4B “national grant pool”, regional dollar splits and municipal averages. We couldn't find a public source for them.

Macroeconomic & Fiscal Foundations of 2026 Construction Funding

2.25%

BANK OF CANADA OVERNIGHT RATE

4.45%

PRIME RATE

3.0%

HEADLINE CPI (AUG 2026)

RATES, PRICES & COSTS

Where the Numbers Sit in September 2026

Bank of Canada overnight rate	2.25%
Prime rate	4.45%
Headline CPI (Aug 2026)	3.0%
CPI excluding gasoline (Aug 2026)	2.4%
Non-residential building construction costs, year over year (Q2 2026)	+3.5%

Overnight rate held Sept 2, 2026, the seventh straight hold. The Bank flagged higher upside inflation risk. Next decision: Oct 28. Cost index: Statistics Canada.

THE NON-DILUTIVE PIVOT

Where 2026 Capital Actually Comes From

Shift away from direct debt

Debt-servicing costs have turned non-dilutive grants and refundable ITCs into core components of the capital stack on major developments.

Target-driven federal budgets

Programs have moved from general stimulus to targeted capital grants for core water infrastructure, housing enablement, and clean-energy assets.

BANK OF CANADA & FISCAL POLICY OUTLOOK

Rates are on hold, but markets now expect the next move to be up, not down. Tariffs on both sides of the border are adding to material costs. That makes non-repayable grants and refundable credits **more valuable in the capital stack, not less.**

WHAT THIS MEANS FOR YOUR CAPITAL PLAN

Model the grant first

Build the capital stack around confirmed non-dilutive sources, then size the debt tranche to what remains.

Protect the equity gap

Grants and refundable credits can close part of the equity gap lenders won't cover. How much depends on the program.

Watch the intake calendar

Target-driven programs open and close on ministry schedules, not on your construction start date.

Where the 2026 Money Is Flowing

The major programs moving construction dollars in Ontario this year, sized by the bodies that run them.

PROGRAM	SIZE	WHO APPLIES	STATUS
Build Communities Strong Fund (federal) Replaces the Canada Community-Building Fund	\$51B over 10 years; Ontario's 2026–27 share \$932M	Municipalities, provinces	OPEN
Canada-Ontario Partnership to Build Includes the Development Charge Reduction Program (since June 2026), the \$1B Non-DC MHIP stream, and HST relief on new homes	\$8.8B	Municipalities / homebuyers	OPEN
Ontario MHIP Streams vary. See Section 03	\$4.0B	Municipalities	CHECK STATUS
Canada Housing Infrastructure Fund Direct intake closed	\$6.0B	Municipalities (direct) / provinces	CLOSED
CMHC Apartment Construction Loan Program	\$55B envelope	Rental builders	OPEN
Clean Technology ITC Open through 2033	30% refundable, no cap	Taxable Canadian corporations	OPEN

Toronto, Aug 5, 2026: a \$2.7B federal deal for 5,600+ rental homes, including about \$1.8B in ACLP financing.

KEY DRIVERS BY REGION

Greater Toronto Area Transit expansion, high-density housing-enabling water systems, data centre power infrastructure, ICI deep retrofits.	Southwestern Ontario EV supply-chain manufacturing, industrial clean-tech retrofits, agricultural water infrastructure.
Eastern Ontario Federal building conversions, municipal water treatment, healthcare facility expansions.	Central Ontario Growth-related municipal servicing, highway interchanges, residential utility expansions.
Northern Ontario Critical minerals access roads, municipal water and wastewater upgrades, clean energy grid connections.	

Municipal Housing-Enabling Infrastructure (MHIP & CHIF)

ONTARIO MUNICIPAL HOUSING INFRASTRUCTURE PROGRAM

MHIP \$4.0B, now five streams

\$4.0B

HEWSF Water & Wastewater ~\$1.7B CLOSED	HSWS Health & Safety \$875M CHECK STATUS	HECS Core Servicing Amount not published CHECK STATUS	AG / IRRIGATION Rural Systems Amount not published CHECK STATUS	NEW · NON-DC Non-DC Municipalities \$1B UPCOMING Oct 29, 2026
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PROGRAM BREAKDOWN

Housing-Enabling Water Systems Fund

Program value ~\$1.7B

Cost share Up to 73%

Max per applicant \$35M

Municipality pays at least 27%. Joint applications can combine caps. Last intake closed Nov 1, 2024.

Health & Safety Water Stream

Program value \$875M

Includes top-up \$700M

Top-up announced Jan 2026

Capital repairs and safety upgrades for critical municipal water infrastructure.

Non-Development Charge Municipalities

Stream value \$1B

Ontario + federal \$500M + \$500M

First intake Oct 29, 2026

New stream for municipalities that don't levy development charges.

Canada Housing Infrastructure Fund (CHIF)

DIRECT INTAKE CLOSED

\$6.0B

\$1.0B direct municipal stream plus \$5.0B in provincial and territorial agreements. Direct-delivery projects run \$1M–\$100M. Provinces pay at least 33% on municipal projects. Eligible infrastructure covers drinking water, wastewater, stormwater, and solid waste assets that increase residential capacity.

HOW MUNICIPALITIES AND CONTRACTORS PARTNER

The municipality applies

MHIP and CHIF are municipal programs. Contractors participate through servicing agreements and joint project submissions.

Design readiness matters

Engineering that's further along makes a stronger file.

Housing supply is the point

These programs fund infrastructure that enables new homes.

Clean Technology Investment Tax Credit OPEN

30%

REFUNDABLE

No cap

ON ELIGIBLE EXPENDITURE

2033

30% THROUGH 2033, 15% IN 2034, THEN ENDS

Filed on T2 Schedule 75

Claims yield a direct cash refund from CRA where the credit exceeds tax payable. Real liquidity, not a loss carry-forward.

Open to taxable Canadian corporations

Including certain REITs. Any corporation installing qualifying clean technology can claim, regardless of sector.

ILLUSTRATIVE EXAMPLE: \$5,000,000 ELIGIBLE COST

ELECT AND MEET THE LABOUR RULES

30% rate

\$1,500,000

DON'T ELECT

20% rate

\$1,000,000

ELECT, THEN FALL SHORT

30% rate kept

Plus corrective payments and penalties

If you elect and fall short, you owe wage top-ups to underpaid workers (with a 120% penalty if they aren't paid), about **\$20 per worker per day** of underpayment (indexed; \$22 in 2025), and **\$50 per hour** of apprentice-hour shortfall (indexed; \$54 in 2025). Knowing or grossly negligent failure brings a reduced rate and a 50% penalty.

QUALIFYING CLEAN ENERGY PROPERTY

Solar PV & wind

Arrays, mounting, inverters, grid-interconnect assets.

Stationary storage

Commercial electricity storage, non-fossil driven.

Heat pumps & geothermal

Ground- and air-source, space and process heating.

Non-road ZEVs & charging

Electric or hydrogen heavy equipment and chargers.

CLAIM MECHANICS

Claim when in service

Claimed for the year the property becomes available for use.

Keep the evidence set

Invoices, commissioning records, payroll, and apprentice hour logs.

Net of other assistance

Other government assistance on the same property (including utility incentives) reduces the cost the credit is calculated on.

2026 Capital & Infrastructure Grants Matrix

Seven programs, mapped with their current status. Cost shares are maximums. Actual awards depend on readiness, eligibility, and co-funding.

7

PROGRAMS MAPPED

\$35M

HEWSF MAX PER APPLICANT

80%

CIB RETROFIT COVERAGE (LOAN)

PROGRAM	BODY	FUNDING	COST SHARE	STATUS
SDF Capital: SEED	Ontario MLITSD	Up to \$200,000	70%	OPEN Continuous since Nov 29, 2024
SDF Capital: GROW	Ontario MLITSD	No dollar maximum	Up to 49%; total government funding ≤70%	OPEN Requires 40% design at application
HEWSF	Ontario MOI	Up to \$35M per applicant	Up to 73%	CLOSED
MHIP Non-DC stream	Ontario + Canada	\$1B stream	Varies	UPCOMING · OCT 29, 2026
Clean Tech ITC	CRA	No cap	30% refundable	OPEN
CIB Building Retrofits	Canada Infrastructure Bank, via partner lenders	Project-dependent	Up to 80% of capital cost (loan)	CHECK STATUS With partner lender. Minimum 30% GHG reduction
Strategic Innovation Fund	ISED	Minimum \$10M contribution on projects ≥ \$20M	Varies. Repayable by default	CHECK STATUS

HOW TO READ THIS MATRIX

Programs can combine. The ITC is a tax measure, calculated on eligible cost net of other government assistance. CIB financing is repayable debt. Section 09 shows an illustrative combination on a \$5M retrofit.

Skilled Trades Capital Grants: SDF SEED & GROW

The Skills Development Fund Capital Stream runs two sequential pathways. SEED buys the drawings; GROW builds the building. GROW requires 40% design at application, so SEED comes first.

\$200K

SEED MAXIMUM GRANT

70%

SEED COST SHARE

49%

GROW MAXIMUM COST SHARE

PATHWAY ONE

SEED

Technical & architectural planning

Maximum grant

\$200,000

Cost share

Up to 70%

Funds design to

40%

Intake

Continuous

Eligible costs: engineering plans, architectural drawings, mechanical and electrical schematics, and site cost estimates needed to reach 40% design.

PATHWAY TWO

GROW

Capital construction & build

Cost share

Up to 49%

Dollar maximum

None

Total government funding

Capped at 70%

At application

40% design required

Payments: up to 65% during construction, with the remainder as KPI-based payments over five years.

THE SEQUENCE THAT WINS FUNDING

STEP 01

Scope the facility

Define the trades mix and training capacity the build will serve.

STEP 02

Apply for SEED

Fund 70% of the design work up to the \$200,000 cap.

STEP 03

Reach 40% design

The threshold GROW requires at application.

STEP 04

Submit GROW

Apply through Transfer Payment Ontario with 40% design in hand. It's mandatory.

WHY SEED MATTERS MORE THAN ITS SIZE SUGGESTS

\$200,000 is small against a multi-million-dollar build, but design readiness carries weight across most capital programs in this handbook. SEED converts an idea into a fundable file. For GROW, it's the entry ticket.

Apprenticeship Training & Skilled Trades Grants

BuildForce Canada's July 2026 outlook has Ontario recruiting about **126,100** construction workers by **2035**. Nationally, the hiring requirement is **306,200**.

126,100

ONTARIO WORKERS NEEDED BY 2035

306,200

CANADA HIRING REQUIREMENT

10%

RED SEAL HOURS BY APPRENTICES
(REASONABLE-EFFORTS TEST)

STREAM ONE

ACG

Facility upgrades & capital equipment

Modernizes training shops and buys current trade equipment.

CLOSED

STREAM TWO

Pre-Apprenticeship

Targeted entry pathways

Funds programs for underrepresented groups entering the trades.

CLOSED

STREAM THREE

SDF Training

Employer-led skills scale-up

Backs employer and union training delivery at project scale.

CHECK STATUS

PROGRAM DETAIL

1. Ontario Apprenticeship Capital Grant (ACG)

Funds joint apprenticeship committees, union training centres, and colleges to modernize shops, upgrade mechanical and electrical labs, and purchase modern trade equipment. Target trades include elevator mechanics, operating engineers, industrial electricians, and plumbers.

2. Pre-Apprenticeship Training Program

Funds organizations delivering pre-apprenticeship programs for women, youth, and Indigenous communities, covering textbook, safety gear, software, and hands-on instruction costs to produce site-ready entry-level apprentices.

Status: 2025–26 calls closed (ACG July 2, 2025; pre-apprenticeship Nov 24, 2025). Watch for the next call.

3. THE FEDERAL 10% RED SEAL RULE

10%

APPRENTICE HOURS TARGET

To claim the full 30% clean-tech credit, the claimant must make **reasonable efforts** to have registered apprentices work at least 10% of Red Seal trade hours. Falling short after electing in means per-hour penalties (about \$50/hour, indexed), not an automatic rate cut. See Section 10.

New in 2026: Federal & Provincial Money for Municipalities

\$51B

BUILD COMMUNITIES STRONG FUND,
10 YEARS

\$932M

ONTARIO'S 2026-27 SHARE

\$8.8B

CANADA-ONTARIO PARTNERSHIP
TO BUILD

FEDERAL

OPEN

Build Communities Strong Fund

Size

\$51B over 10 years

Launched

April 2026

Ontario 2026-27 share

\$932M

Replaces the Canada Community-Building Fund. Ontario's share was announced Aug 18, 2026.

FEDERAL + ONTARIO · \$8.8B

OPEN

Partnership to Build

Development Charge Reduction Program

OPEN · SINCE JUNE

\$1B Non-DC MHIP stream

UPCOMING · OCT 29

HST relief on new homes

CHECK STATUS

Three components, one agreement. The Non-DC stream is detailed in Section 03.

WHAT IT MEANS FOR CONTRACTORS

Municipalities with fresh capital money tender more servicing, road and facility work. Watch your region's council agendas and tender portals from Q4 2026.

WATCH THIS FALL

Federal Budget 2026 is due this fall. Pre-budget consultations closed in September, so program changes are possible.

The Math of Grant Stacking & Non-Dilutive Capital

MHIP is municipal-only and SDF only funds training facilities, so neither fits a private ICI build. Here's a stack a private owner can actually assemble.

ILLUSTRATIVE EXAMPLE: \$5M COMMERCIAL RETROFIT (PRIVATE OWNER)

SOURCE	AMOUNT	NOTES
Utility incentives (Save on Energy + Enbridge)	\$400,000	Program caps apply (Section 11)
Clean Tech ITC (30% on eligible equipment, net of other assistance)	\$540,000	On \$2.2M of eligible heat pumps and storage, less \$400K incentives = \$1.8M × 30%
CIB-backed retrofit loan via partner lender	Up to 80% of capital	Repayable. Terms set by the lender
Owner equity	Balance	

Illustrative only. Actual amounts depend on eligible costs, program caps and lender terms.

STACKING LIMIT

Every program sets its own ceiling

Examples: SDF GROW caps total government funding at 70%; IRAP typically looks at total government assistance on the project. Check each agreement before you model.

NET CAPITAL COST FORMULA

$$C_{net} = C_{total} - \sum G_i - T_{itc}$$

C_{net} net out-of-pocket capital · C_{total} gross eligible expenditure ·
 G_i individual non-repayable grants · T_{itc} refundable ITC,
calculated on eligible cost net of other government assistance

TAX TREATMENT IMPACT

Grants and ITCs can both reduce an asset's capital cost for CCA purposes. Refundable ITCs still arrive as cash. Confirm the treatment with your accountant.

YOUR BENEFITS PLAN AND THE ITC WAGE TEST

Your Benefits Plan Is Now Part of Your Funding File

CRA's prevailing-wage test compares what you pay against the closest-aligned collective agreement, and it counts **wages (excluding overtime) plus benefits**. It applies to union and non-union crews alike.

WHAT YOU PAY, PER HOUR

Base wage (excl. OT) + Benefits

VS

CLOSEST-ALIGNED COLLECTIVE AGREEMENT

Agreement wage + Benefits

Schematic only. Bar lengths don't represent real rates.

A group benefits plan with clear, documented employer contributions makes that comparison easier to show. A plan that's hard to put a number on makes it harder.

- 1

Know your hourly number

Convert your monthly group benefits cost into an hourly cost per employee, by class.
- 2

Keep it on file

Plan summaries, premium statements and contribution splits belong in the same evidence set as payroll and apprentice logs.
- 3

Check the gap early

If base pay plus benefits sits below the comparable agreement, you'll want to know before the job starts, not at claim time.



AEC Benefits builds group plans for Ontario construction and trades employers, and can show employer benefit cost per hour by class. This page is general information, not tax or legal advice.

Mandatory Labour & Prevailing Wage Compliance

To claim the full 30% Clean Tech ITC rate, the claimant elects to meet two labour conditions on site throughout construction. Both are checked on documentation, not intent.

30%

FULL RATE (IF ELECTED AND MET)

10%

RED SEAL APPRENTICE HOURS
(REASONABLE EFFORTS)

20%

RATE IF YOU DON'T ELECT

REQUIREMENT ONE

Prevailing Wage

Pay wages and benefits at least equal to the prevailing collective agreement rate for that trade in the relevant region.

Applies to all workers engaged in eligible property installation, union or not.

Wages (excluding overtime) **plus benefits** under the closest-aligned collective agreement.

REQUIREMENT TWO

Apprenticeship

Reasonable efforts to have registered apprentices work at least **10% of Red Seal hours**.

Document recruitment efforts.

Keep hour logs per sub-contractor for the audit period.

WHAT HAPPENS IF YOU FALL SHORT

DON'T ELECT

20%

Lower rate. No labour obligations.

ELECT, FALL SHORT

30%

Rate kept, plus wage top-ups and penalties (about \$20/worker/day; \$50/apprentice hour, indexed).

KNOWING OR GROSSLY NEGLIGENT

Reduced

Reduced rate plus a 50% penalty.

PROTECTING THE FULL RATE IN PRACTICE

Write it into sub-contracts

Mandate monthly prevailing wage attestations as a condition of payment.

Track Red Seal hours weekly

A 10% ratio measured only at closeout is nearly impossible to correct.

Retain the evidence

Payroll records, benefits statements, apprentice registrations, and site logs for the full audit window.

ICI Energy Retrofits & Deep Decarbonization Funding

4

LEVELS IN THE RETROFIT STACK

30%

MINIMUM GHG CUT (CIB)

\$0.20/kWh

SAVE ON ENERGY CUSTOM

THE FOUR-LEVEL BUILDING DECARBONIZATION FUNDING STACK

LEVEL 4 Financing	CIB Building Retrofits, through partner lenders CHECK STATUS Partner lenders (e.g., Scotiabank, BMO, Efficiency Capital) finance up to 80% of capital cost for projects cutting GHGs by at least 30%.
LEVEL 3 Clean energy assets	30% Clean Tech ITC OPEN On eligible equipment, net of Level 2 incentives.
LEVEL 2 Utility incentives	Save on Energy & Enbridge custom programs CHECK STATUS Performance-based incentives on electricity and gas savings. Pre-approval required. Terms below.
LEVEL 1 Study & model	Engineering study & energy model Usually owner-funded. It supports the lender’s underwriting and the ITC claim.

KEY PROGRAM TERMS

80%

CIB capital coverage

Loans via partner lenders for retrofits achieving at least a 30% GHG reduction.

\$0.20/kWh

Save on Energy Retrofit (custom)

The greater of \$0.20/kWh or \$1,800/kW saved, up to 50% of project cost. Changes effective June 30, 2026.

\$0.40/m³

Enbridge Commercial Custom

Up to \$0.40/m³ of gas saved, up to 75% of cost to \$100K (\$500K institutional).

SEQUENCE THE STACK, DON'T SHOP IT

The engineering study feeds the incentive applications, the lender’s underwriting and the ITC claim. Do it first.

Residential Acceleration & Allowance Standards

50 yr

MAX MLI SELECT AMORTIZATION

95%

LOAN-TO-COST, NEW CONSTRUCTION

\$121.25

FEDERAL NJC DAILY MEAL RATE

RESIDENTIAL HOUSING FUNDING TRIPLE-PLAY

1. CMHC MLI Select

CHECK STATUS

Mortgage insurance scored on affordability, energy efficiency, and accessibility. Tiers in Section 13.

2. Building Faster Fund

CHECK STATUS

\$1.2B over three years for municipalities that reach **at least 80%** of their housing target. Ontario is redesigning it beyond 2026.

3. MHIP water streams

CHECK STATUS

Provincial funding for water and sewer servicing that enables multi-family sites. HEWSF is closed; see Section 03.

100

POINTS, TOP TIER

MLI Select summary. Up to 50-year amortization at 100 points; new construction up to **95% loan-to-cost at every tier**; premium discounts up to **30%**.

2026 MEAL AND TRAVEL ALLOWANCE BENCHMARKS

Federal NJC meal rates (effective Apr 1, 2026)

Breakfast	\$29.50
Lunch	\$30.05
Dinner	\$61.70
Daily meal total	\$121.25
Incidentals	\$25.00

Long-term assignments

Where corporate housing or apartment hotels are available.

Meals, days 31–120 \$91.00/day

Meals, day 121+ \$60.65/day

Incidentals from day 31 (75%) \$18.75

CRA 2026 vehicle allowance

73¢/km first 5,000 km, 67¢/km after (territories 77¢ / 71¢)

Allowances are tax-free to employees only when they're reasonable under CRA rules. NJC rates are a common benchmark, not an automatic safe harbour. Confirm with your accountant.

CMHC Rental Construction Finance & 50-Year Amortization

CLOSED

CMHC Seed Funding closed to new applications **Feb 2, 2026**. Federal rental support now runs through construction loans and MLI Select.

50 yr

MAXIMUM AMORTIZATION

95%

MAX LOAN-TO-COST, EVERY TIER

\$55B

ACLP ENVELOPE

MLI SELECT TIERS (NEW CONSTRUCTION)

TIER	POINTS	MAX LOAN-TO-COST	MAX AMORTIZATION	PREMIUM DISCOUNT
1	50	95%	40 years	10%
2	70	95%	45 years	20%
3	100+	95%	50 years	30% (plus limited recourse)

Existing buildings have different LTV limits. Longer amortizations carry premium surcharges (e.g., +1.25% at 50 years). Energy points are measured against NECB 2020. **CMHC’s legacy energy baseline expired Sept 30, 2026**, so check which baseline your file uses.

Cash flow, not equity

50-year amortization at the 100-point threshold lowers monthly debt service and improves coverage ratios on the same rent roll.

Limited recourse & fee rollover

Tier 3 adds limited recourse. CMHC insurance premiums can be rolled into the loan rather than paid out of pocket.

APARTMENT CONSTRUCTION LOAN PROGRAM: TWO-STAGE DEPLOYMENT

STAGE 1: CONSTRUCTION

ACLP

OPEN

\$55B envelope · \$1M minimum

Up to 100% loan-to-cost

Includes student and seniors housing

STAGE 2: PERMANENT TAKEOUT

MLI Select

CHECK STATUS

Converts into a long-amortization permanent mortgage

Locks in discounted premiums by tier

Limited recourse at Tier 3

FREQUENT BUILDER FRAMEWORK

Expedited review for repeat borrowers: for-profits need at least \$50M in prior CMHC business plus three of four financial tests; the \$20M threshold applies to governments and to non-profits managing a large portfolio.

AI & Technology Upgrade Funding

Canada's National AI Strategy (June 4, 2026) and Ontario's innovation programs fund contractors adopting estimating AI, automation, and field-to-office systems. Several streams are between intakes, so check status first.

\$500M

REGIONAL AI INITIATIVE (NATIONAL AI STRATEGY)

80%

IRAP SALARY COVERAGE

43%

COMBINED SR&ED + OITC REFUNDABLE RATE

PROGRAM	BODY	FUNDING	COST SHARE	STATUS
Regional AI Initiative	FedDev Ontario	\$500M (new)	SME contributions typically repayable	CHECK STATUS Next intake TBA
OCI DMAP / TDP	Ontario Centre of Innovation	\$15K / \$150K	50%	CHECK STATUS
NRC-IRAP AI Assist	National Research Council	\$100M over 5 years	Up to 80% of internal technical salaries	CHECK STATUS
Scale AI	Scale AI	Collaborative projects	40%	CHECK STATUS
SR&ED + Ontario ITC	CRA / Ontario	35% federal on up to \$6M + 8% OITC	~43% refundable	OPEN

PROGRAM DETAIL

1. Regional AI Initiative

\$500M, new in June 2026. FedDev's previous intake closed (Oct-Dec 2024). SME contributions are typically **repayable**. Next intake TBA.

2. OCI DMAP / TDP (Technology *Demonstration* Program)

\$15K / \$150K at 50%. DMAP funds a readiness assessment; TDP funds the build and requires \$500K+ annual revenue. The last intake ran to Aug 10, 2026.

3. NRC-IRAP AI Assist

\$100M over 5 years. First-time projects are typically \$75K-\$200K; larger projects run up to about \$10M. Up to 80% of internal technical salaries. Confirm subcontractor coverage with your IRAP advisor.

4. Scale AI & 5. SR&ED

Scale AI: 40% on collaborative projects; its AI training program wasn't accepting applications as of March 2026. SR&ED: expenditure limit raised to \$6M (March 2026). Pre-claim approval: eligibility determination within about 8 weeks; approved claims processed within 90 days. Eligibility limits apply.

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Deploying Technology Funding on Site

Technology grants are awarded against defined operational problems, not against software licences. These are the project types that qualify, and the order in which the money is best assembled.

ELIGIBLE AI & TECHNOLOGY UPGRADE PROJECTS

AI-driven estimating & bidding

Automates takeoff measurement from CAD and PDF drawings using computer vision, then feeds the results into job costing.

Predictive energy & site co-pilots

Real-time IoT sensors and machine learning that optimize HVAC and site power use across the build.

Robotic layout & automated engineering

Site-rover robotics and AI data extraction driving structural alignment and layout accuracy.

Automated safety & drone surveillance

Daily site scans processed to track progress and flag safety issues before they become incidents.

ILLUSTRATIVE EXAMPLE: \$300,000 WORKPLACE AI IMPLEMENTATION

OCI Technology Demonstration Program (TDP)	\$150,000	50.0%
NRC-IRAP salary support	\$75,000	25.0%
Employer net co-investment	\$75,000	25.0%
TOTAL PROJECT	\$300,000	100%

Illustrative. Programs limit total government assistance on one project. Confirm with your IRAP advisor and OCI before you commit.

ACTION STEPS TO SECURE TECHNOLOGY FUNDING

1. Check OCI's current intake, then apply for DMAP

Use the 50% matched \$15,000 assessment grant to map the firm's AI and technology roadmap.

2. Engage an IRAP advisor

Confirm eligibility for AI Assist, covering up to 80% of internal technical salaries.

3. Log technical uncertainty

Keep contemporaneous developer and engineering logs to support the 35% refundable SR&ED claim on custom builds.

How Funding Actually Pays Out

Most programs pay on reimbursement against milestones, not up front. Payment terms are set in each funding agreement.

A REAL EXAMPLE: SDF GROW

Up to 65%

During construction
Paid against milestones as the build progresses.

Remainder

After completion
KPI-based payments over five years.

Proof of eligible expenditure
Funding is distributed on a reimbursement or phased milestone basis. Invoices, cancelled cheques, and verified payroll records are required for every draw request.

Holdbacks & final payments
Holdbacks and final payments are typically released after completion documents and any required audit are accepted. The amount varies by agreement.

READINESS THAT SPEEDS UP PAYMENT

Secure 40% design status early
Use SDF SEED to complete preliminary engineering before applying for capital.

Establish municipal alignment
Formal letters of support, council endorsements, and utility capacity confirmations.

Embed compliance in contracts
Monthly wage attestations and Red Seal apprentice hour logs from every sub.

Four Actions for Q4 2026

1 Check what's open this quarter

MHIP Non-DC stream (Oct 29), ACLP (open), SDF SEED (continuous), SR&ED pre-claim approval.

Oct 29 MHIP Non-DC first intake

2 Decide on the ITC labour election before the job starts

Then build payroll, apprentice-hour and benefits documentation from day one.

30% full rate, if elected and met

3 Use SEED to reach 40% design

It's mandatory for GROW.

40% design required at GROW application

4 Set your allowance policy to 2026 rates

73¢/km, and NJC meal rates as your benchmark.

73¢/km first 5,000 km

Watch Federal Budget 2026 this fall for program changes.

READY TO LOOK AT YOUR PLAN?

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BOOK 30 MINUTES

calendly.com/aecbenefits/30min

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