Funding for 3D printing projects

Elliot Schiller

Are you developing a 3D product or part for a customer, or are you the customer specifying the part in order to develop a prototype for your innovative idea? Either way, you may be eligible for funding support from the federal government as well as from the province in which you are conducting your experiment.

Most large scale innovation projects begin with a proof of concept prototype. With the introduction of 3D printing, prototypes can now be built quicker and at a lower cost. That means that ideas that were once too costly to be proofed and perfected by smaller enterprises are now within the realm of possibility, especially with the cost of experimentation being further reduced by government assistance.

With over $3 billion being distributed annually, the largest federal funding support program is the Scientific Research and Experimental Development program (SR&ED), managed by Canada Revenue Agency (CRA). SR&ED, which was first introduced by the Mulroney government in 1985, has been the cornerstone of Canadian innovation funding since that time.

While there have been modifications to the program since its inception, the basic principles of eligibility remain the same. As confirmed by the Tax Court of Canada, and re-stated by CRA in its latest policy revision, those are:

Was there a scientific or a technological uncertainty?

Did the effort involve formulating hypotheses specifically aimed at reducing or eliminating that uncertainty?

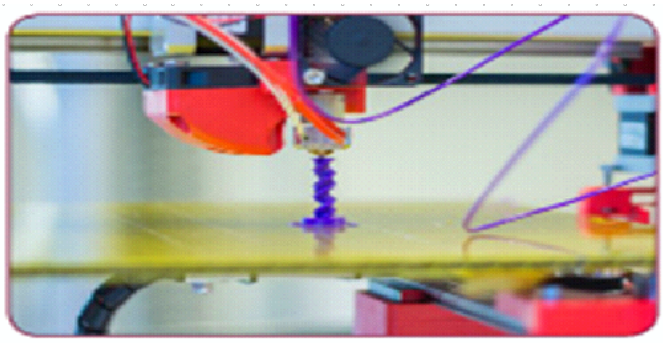
Was the overall approach adopted consistent with a systematic investigation or search, including formulating and testing the hypotheses by means of experiment or analysis?"

Was the overall approach undertaken for the purpose of achieving a scientific or a technological advancement?

Was a record of the hypotheses tested and the results kept as the work progressed?

In laymen terms, if at the beginning, or during an existing project, whether for the specific objective of innovating(e.g. new product or improved process) or to fulfill a customer requirement, you discover a problem that requires an innovative solution, and you follow basic principles of systematic investigation, as described above, CRA provides financial assistance upwards of 60% of all costs, including staff salaries, regardless of success or failure.

A recent project undertaken by one of our clients and supported by CRA was the attempted development of a new means to collapse two tubes into each other (note: we are being specifically abstract to respect our clients' innovation). To begin the project, our client developed the joins between the tubes utilizing 3D printer created joins.



Once the hypothesis was tested in a simulated environment, and modifications and enhancements made to the 3D parts, an actual product was developed using production materials.

In the above case, not only was the manufacturer able to receive SR&ED funding support, but the printer contracted to produce the 3D parts was also eligible for funding. The contractor, while being paid an agreed upon price by its customer to develop the 3D parts, ran into serious development problems. These problems which were eventually resolved utilizing innovative solutions, resulted in a cost overrun to the printer. As the project met the five criteria of SR&ED, the 3D printer was eligible to receive funding from CRA. Of course, the project costs first needed to be reduced by the amount paid by the customer, but the rest of the costs were funding eligible.

SR&ED is willing to reimburse an innovator for salary costs, materials transformed costs, and if a contractor (in this case, 3D printer) is required, for those costs also. While the formula for what percentage of costs differs province by province, once provincial funds are included in the overall funding, it is fair to assume that somewhere between 40%-60% of all costs are reimbursable. Further, for most companies, not foreign owned or classified as "large" companies, CRA sends you a cheque for their contribution, regardless of your business financials.

Don't miss out on this opportunity. With a percentage of your costs being reimbursed by government, your 3D printing services or your internal 3D innovation costs become more affordable to both your customer or your business expansion objectives. There are deadlines associated with this funding, so, don't delay in confirming your eligibility. As always, Teeger Schiller is available to help.

Elliot Schiller is a Director at Toronto's Teeger Schiller Inc., a company that specializes in obtaining government funding. His clients receive over $5 Million annually to support their ongoing business Innovation. E-mail eschiller@teegerschiller.com, visit www.FundingHelp.ca or phone 1-888-816-0222 Ext. 102.

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David Teeger

Director

David Teeger C.A., C.A. (S.A.) graduated as a Chartered Accountant in South Africa, and upon arrival in Canada he obtained his Canadian C.A. designation and joined Richter & Associates, a management consulting firm, where he concentrated his practice on various business sectors including household goods, fashion, automotive parts, public associations, and retail chains. He performed many roles in his 15 years at Richter, including managing the professional services organization in North America and all business operations throughout Europe.

David's professional capabilities include computer audits, feasibility studies, system analyses and assistance in the selection, negotiation and implementation of computerized solutions.

As a founding partner of Teeger Schiller Inc., he has focused his practice on consulting to management. His team of professionals has helped businesses select and successfully install a variety of ERP business solutions and add-on systems including business intelligence solutions to give new life to existing computer systems. David's clients not only rely on him to successfully manage the implementation of their new systems, but to manage the change that occurs in their organizations as a result of the use of these new tools.

Elliot Schiller

Director

Elliot Schiller, Ph.D., C.M.C. began his career as a Chemical Engineer working for Grumman Aircraft, in Long Island, New York.
He obtained his Ph.D. at the University of Pittsburgh with funding from the U.S. Atomic Energy Commission, and, after being awarded a Presidential Fellowship, he went on to perform research and development activities at Brookhaven National Laboratory.

Since coming to Canada, he has primarily assisted consumer products and retail organizations in a variety of strategic management initiatives, traveling around the globe on behalf of his clients. In 1987, Elliot joined Richter & Associates, and it is here that he first met David Teeger.

As a founding partner of Teeger Schiller Inc., he has focused the SR&ED / Grant Division on obtaining grants and tax incentives for over 100 companies in the small to medium sized business sector. His team has provided services to the discrete / processing manufacturing, material development, textiles, apparel, automotive and computer sciences sectors. Annually,Teeger Schiller Inc. secures more than $5 million in government funding to assist its clients in having their business initiatives supported by government funding.

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