

Technology-Based Entrepreneurship Grant (TBEG)

Policies and Procedures

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Table of Contents

- 1.0 Technology-Based Entrepreneurship Grant (TBEG) General Overview..... 3
 - 1.1 TBEG Program Description..... 3
 - 1.2 TBEG Vision and Goal..... 3
- 2.0 TBEG Eligibility 3
 - 2.1 – TBEG Program Grant Eligibility..... 3
 - 2.2 – TBEG Project Grant Eligibility 3
 - 2.3 – TBEG Tech-Based Definition..... 4
- 3.0 TBEG Funding & Review 4
 - 3.1 TBEG Program Funding 4
 - 3.2 TBEG Project Funding..... 4
 - 3.3 TBEG Evaluation Criteria 5
 - 3.4 TBEG Use of Funds 5
- 4.0 TBEG Matching Funds 5
 - 4.1 TBEG Program Matching Funds 5
 - 4.2 TBEG Required Documentation 5
- 5.0 TBEG Award Process & Reporting..... 6
 - 5.1 TBEG Grant Agreements 6
 - 5.2 TBEG Final Reporting 6

1.0 Technology-Based Entrepreneurship Grant (TBEG) General Overview

1.1 TBEG Program Description

The Technology-Based Entrepreneurship Grant (TBEG) was initially created by the 61st Legislative Assembly through the appropriation of \$1,000,000 to the Department of Commerce with a directive to develop a technology-based entrepreneurship grant program.

Prior to launching the program, the Department of Commerce worked with partner entrepreneurial centers and gathered input from entrepreneurs to determine the needs that should be addressed by the program.

1.2 TBEG Vision and Goal

The vision and goals of the technology-based entrepreneurship grant program is to grow technology based entrepreneurship in North Dakota through providing grants in four main areas:

1. Access to Capital – provide technical assistance for technology-based entrepreneurs to find sources of capital.
2. Marketing Assistance – develop programs or provide assistance for a specific project.
3. Entrepreneur Infrastructure – increase services, networking, education, access to resources and facilitating those activities.
4. Entrepreneurial Talent – talent search to build an entrepreneurial team as well as tapping into the youth/college entrepreneur pool.

2.0 TBEG Eligibility

TBEG has two categories in which to base funding; programs and projects. In order to be eligible for a TBEG grant, an applicant must be a certified entrepreneurial center or a technology-based business working with a certified entrepreneurial center. A certification application is located on Department of Commerce's website and is certified by the Director of the Division of Economic Development and Finance.

2.1 – TBEG Program Grant Eligibility

A program grant is targeted toward Entrepreneurial Centers to provide assistance to multiple technology-based entrepreneurs.

2.2 – TBEG Project Grant Eligibility

A project grant is targeted toward individual technology-based entrepreneurs to assist in business efforts.

2.3 – TBEG Technology-Based Definition

In order for a program or project to qualify the applicant must meet the following criteria:

- Is the underlying product or service technology-based? (or)
- Does the underlying product or service require the innovative use of technology for manufacturing the product or delivery of the service?
- The sale of a product or service online does not in and of itself constitute a technology-based product or service. (i.e. having a website does not qualify a business or service as technology-based)

3.0 TBEG Funding & Review

TBEG funds for a program or project may be spent over several quarters and the duration of the program or project may span multiple quarters.

3.1 TBEG Program Funding

An application for a program to provide services to multiple technology-based entrepreneurs does not have a dollar limit. The Department of Commerce will utilize a screening committee to assist in making award determinations for applications involving programs with a decision being made within 45 days following submission. The Department of Commerce will be accepting applications for programs every two months as funds remain available. The following deadlines for submission of applications involving programs are as follows:

- January 1st
- March 1st
- May 1st
- July 1st
- September 1st
- November 1st

3.2 TBEG Project Funding

An application for a project with an identified technology-based entrepreneur is limited to \$10,000 for Phase-I and \$14,000 for Phase-II or a total of \$24,000. Phase-II grants are available if the project needs additional funds and must demonstrate success with the first phase of grant funds. Project applications must use an entrepreneurial center to serve as a fiscal agent for the funds.

The Department of Commerce will internally review Phase-I grants and utilize a screening committee to assist in making award determinations involving Phase-II projects with a decision made within 45 days following submission. Phase-I project applications will be reviewed on a rolling basis as funds remain

available, with decisions made within 30 days following submission. Phase-II grant request will follow the same deadlines as stated in the program funding section (3.1).

3.3 TBEG Evaluation Criteria

Applicants are weighed on a 100 point scale based on:

- 30 points for demonstration of a high level of probability of project's/program's success.
- 20 points for description of the technology or how this proposal will be focused on technology-based entrepreneurs.
- 15 points for how the proposal seeks to assist entrepreneurs in one or more of the following areas: accessing capital, marketing assistance, entrepreneur infrastructure, or entrepreneurial talent.
- 15 points for desired results of the project or program including the short and long term results.
- 10 points for method and metrics that will be used to measure the results of the project or program.
- 10 points for applicants leverage/matching funds.

Applicants with scores lower than 60 points will not be considered for funding. Scores greater than 60 will be considered for funding with priority given to higher scoring projects and/or programs.

3.4 TBEG Use of Funds

TBEG funds must be used as stated in the application. Project grants cannot use funds for applicant salaries. Grants funds must follow OMB guidelines.

4.0 TBEG Matching Funds

4.1 TBEG Program Matching Funds

Program and project grant requests do not require matching funds but will be given priority if matching funds are present.

4.2 TBEG Required Documentation

Matching funds must be documented and be directly related to the program and/or project in the application. Funds spent prior to the application date will not count toward matching funds. Funds received from other state or federal programs may not be used as match.

5.0 TBEG Award Process & Reporting

5.1 TBEG Grant Agreements

TBEG grant funds awarded will be distributed to the entrepreneurial center with 50% of the total grant awarded up front and the remaining funds distributed after a final report has been submitted. A grant agreement will be sent to the entrepreneurial center stating the scope of work and timeframe. Significant changes to the original application must be expressed in writing and submitted to Department of Commerce which will be reviewed to determine if the grant is still eligible based upon changes submitted.

5.2 TBEG Final Reporting

Once the program/project is complete a final report outlining the major outcomes of the completed work must be submitted. The final report must include how the funds were used and what was accomplished. A detailed breakdown of receipts/matching funds must be included in the report.