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**IDAPA 28  
TITLE 02  
CHAPTER 06**

**28.02.06 - IDAHO SMALL BUSINESS FEDERAL FUNDING ASSISTANCE ACT RULES**

**000. LEGAL AUTHORITY.**

These rules are promulgated under the legal authority of Sections 67-4702(2) and 67-4723A, Idaho Code. (4-4-13)

**001. TITLE AND SCOPE.**

**01. Title.** These rules shall be cited as IDAPA 28.02.06, "Idaho Small Business Federal Funding Assistance Act Rules." (4-4-13)

**02. Scope.** These rules establish the process and procedures for application of the Idaho Small Business Federal Funding Assistance Grant. They also define the terms and conditions for the awarding of these grants to qualified small businesses. The program is state-funded and operated by the Idaho Department of Commerce. (4-4-13)

**03. Purpose.** The purpose of the program is to have a self-sustaining, on-going state grant program to assist and encourage small businesses to apply for and win federal grant awards. Federal grant awards will be used to create new innovative products or services to expand and grow their companies. Each state grant provided to businesses will be used to reimburse companies for qualified expenses incurred in completing a federal grant proposal. To create a self-sustaining, on-going state grant program, small businesses accepting a state grant resulting in winning a federal grant award will agree to repay the state grant. This will help replenish the state grant fund and create a consistent, sustainable state fund that will provide a continuous source of funding for small businesses in the future. (4-4-13)

**002. WRITTEN INTERPRETATIONS.**

These rules may have written statements that pertain to the interpretation of these rules or to the documentation of compliance with these rules. These documents are available for public inspection in the Department of Commerce office. (4-4-13)

**003. ADMINISTRATIVE APPEALS.**

IDAPA 11.04.01, "Idaho Rules of Administrative Procedure of the Attorney General," Section 100, et. seq., shall apply. (4-4-13)

**004. INCORPORATION BY REFERENCE.**

No documents or additional materials have been incorporated by reference into this rule. (4-4-13)

**005. OFFICE HOURS -- MAILING ADDRESS AND STREET ADDRESS.**

The street address of the Idaho Department of Commerce is 700 W. State Street, Boise, Idaho 83720-0093. The office is open from 8 a.m. to 5 p.m., except Saturday, Sunday, and legal holidays. The telephone number of the Department is (208) 334-2470. The Department's facsimile number is (208) 334-2631. (4-4-13)

**006. PUBLIC RECORDS ACT COMPLIANCE.**

Department records are subject to the provisions of the Idaho Public Records Act, Title 74, Chapter 1, Idaho Code. (4-4-13)

**007. -- 010. (RESERVED)**

**011. DEFINITIONS.**

For the purposes of these rules, the following words are defined. (4-4-13)

**01. Department.** The Idaho State Department of Commerce. (4-4-13)

**02. Federal Funding.** Grants available to for-profit businesses as awarded by federal agencies through small business innovative research grants, small business technology transfer research grants, broad area

announcements or other grant programs. (4-4-13)

**03. Self-Sustaining Program.** Qualified small businesses accepting a state grant resulting in a federal grant award will agree to repay the grant and replenish the state grant fund. These funds shall be used for future grants to small businesses. (4-4-13)

**04. Small Business.** An Idaho for-profit business with five hundred (500) or fewer employees. (4-4-13)

**05. State Grants, Grant Funds, or State Funds.** A grant award of up to four thousand dollars (\$4,000) limited exclusively to the reimbursement of claimable expenses incurred by an Idaho small business pursuant to the process of competing for federal funding awards. (4-4-13)

**06. State Coordinator.** Awards grant and incentive funds to eligible small businesses if small business proposals meet program requirements. Eligibility of grant and incentive funds is determined through an extensive review and evaluation of proposals by the State Coordinator and other qualified professionals, who together form an evaluation team. (4-4-13)

## **012. STATE OBJECTIVES.**

**01. Incentive Funding.** The state intends to provide incentive funding for Idaho companies that commit private resources toward the process of attracting federal grants. The Department shall administer this program of state grants to assist and incentivize new, emerging, and expanding Idaho small, for-profit businesses in the development of federal funding proposals that lead to the development of commercial products or services. The Department shall administer this program in such a way as to avoid favoritism of any particular enterprise and to maximize the public purposes of increasing the number of submitted proposals from Idaho small businesses and increasing the number of grant awards to these businesses. Particular attention will be given to companies that have not previously competed for federal funding awards who will be encouraged to apply. (4-4-13)

**02. State Grants.** (4-4-13)

**a.** Incentive funding shall be provided through state grants that reimburse a small business up to four thousand dollars (\$4,000). A small business that wins a small federal grant and has been reimbursed for expenses for submission of the grant proposal will agree to reimburse the state grant fund. (4-4-13)

**b.** Companies that win federal awards in excess of two hundred fifty thousand dollars (\$250,000) will agree to reimburse the fund for up to five times the amount of their state grant or twenty thousand dollars (\$20,000). These reimbursements will replenish the incentive fund. (4-4-13)

**03. Selection of Recipients.** Small business grant recipients will be selected by a review board to determine their compliance with program requirements. The application process is based on merit and the competitiveness of eligible businesses. Close attention to these requirements is necessary to prepare a successful project. Department staff is available for technical assistance as needed and contacting Department staff is encouraged to assist in determining eligibility for a proposed project. (4-4-13)

## **013. ELIGIBLE APPLICANTS.**

In order to be eligible for an Idaho Small Business Federal Funding Assistance Act grant an applicant must be an Idaho-owned, for-profit and independently operated business with five hundred (500) employees or less. The principle researcher must be employed by the business. (4-4-13)

## **014. ELIGIBLE COSTS.**

**01. Costs.** Eligible business proposal development costs shall be offset through individual awards not to exceed four thousand dollars (\$4,000). Eligible development costs include, but are not limited to, travel to visit technical experts, technical assistance visits with staff or coaches, technical reviews by qualified subject matter experts, commercialization plan coaching, company staff time to write the proposal, and use of a technical writer, graphic artist or federal grant coach. (4-4-13)

**a.** Of the four thousand dollar (\$4,000) grant, five hundred dollars (\$500) will be awarded for submitting the proposal to the State Coordinator of these funds at least three (3) weeks prior to the federal agency's submission deadline. This is to assist the small business with one last review before it goes to the federal funding agency. If the proposal is sent to the appropriate federal agency on or before the federal agency's submission deadline, the small business applicant qualifies for an additional five hundred dollars (\$500) in incentive funding. (4-4-13)

**b.** Documentation must be provided by the federal funding agency prior to receiving these funds. Representatives of the Idaho state grant funds reserve the right to refuse early submittal funding if, in their sole judgment, a federal funding proposal is incomplete or lacking in sufficient detail. (4-4-13)

**02. Number of Awards.** Applicants shall not receive more than one (1) award for each innovative project idea during any state of Idaho fiscal year (July 1 - June 30). Applicants may receive additional funds by submitting a different and distinct innovative project idea, though particular attention shall be paid to encourage companies that have not competed for federal funding awards in the past to apply for state grant funds. (4-4-13)

**03. Reimbursement.** State grant funds will be made on a reimbursement basis. Disbursement of the state grant will be made to grantees once a Grant Contract Agreement has been duly executed between the grantee and the Department. Payment of the award will be made after the grantee has submitted invoices or receipts for eligible costs to the Department grant fund manager. The Grant Contract Agreement shall also include a pay-back clause. (4-4-13)

**04. Technical Assistance.** When applicable, a Department grant fund manager will provide development support and proposal review services to selected applicants. Written responses will be used to assist applicants with proposal writing assessment of technical and commercial feasibility. (4-4-13)

#### **015. GRANT APPLICATION PROCESS.**

**01. Application Review.** An Idaho fund review board will evaluate all grant applications and ultimately award or deny assistance. The review board may include public and private sector participants as the Department grant fund manager deems appropriate. The review board will evaluate and rank Idaho small business grant applications based on award criteria set in these rules. The review board shall have the sole discretion in determining which applications meet these criteria. The review board may require that grant applicants fulfill additional requirements as a condition of receiving an award, if it is determined these requirements are vital to the success of the federal grant proposal. (4-4-13)

**02. Application Format.** All sections of the application must follow the content and format instructions outlined in these rules. The application will be used to evaluate the applicants' eligibility for a grant. The application serves as an important first step in the development of a competitive project proposal to a federal agency. The application assists the review board and the applicant in identifying shortcomings or problem areas that need to be addressed. Proposals that do not follow the content and format instructions outlined in these rules will be deemed non-responsive. (4-4-13)

**a.** All pages of the application must be in Times New Roman font, twelve-point size (12). All margins shall be one (1) inch in width. (4-4-13)

**b.** Applicants must not disclose proprietary or confidential information in the application. Applications marking information as "Confidential," "Trade Secret," or "Proprietary" will be considered to be non-responsive. (4-4-13)

**c.** All applications must be submitted electronically. Adobe PDF or Microsoft Word document format is required. (4-4-13)

**03. Application.** The application shall include the following sections: (4-4-13)

**a.** Summary Page. The summary shall be limited to one (1) page. Information shall include:

- (4-4-13)
- i. Name of applicant business or for-profit entity; (4-4-13)
  - ii. Postal and physical business address; (4-4-13)
  - iii. Number of years in business; (4-4-13)
  - iv. Telephone number and facsimile number; (4-4-13)
  - v. Project manager's name; (4-4-13)
  - vi. Principle researcher's name; (4-4-13)
  - vii. Targeted federal agency; (4-4-13)
  - viii. Agency topic and subtopic title; (4-4-13)
  - ix. URL for agency solicitation; (4-4-13)
  - x. Statement describing the project; (4-4-13)
  - xi. Submission due date to the federal agency; (4-4-13)
  - xii. Preliminary project title; (4-4-13)
  - xiii. Estimated project length; (4-4-13)
  - xiv. Estimated project cost; (4-4-13)
  - xv. Date of application submission; and (4-4-13)
  - xvi. Signature of authorized person submitting the application. (4-4-13)
- b.** Main Body. Three (3) pages are recommended for the main body with a maximum of five (5) pages. The main body of the application shall contain the following headings and information: (4-4-13)
- i. Project description. The project description is limited to two hundred and fifty (250) words. It must include the problem or opportunity, project objectives, description of the effort, anticipated results, and potential commercial applications. (4-4-13)
  - ii. Business history. The business history shall provide background information on the applicant's existing or potential business, mission, primary customers, and any other pertinent information. (4-4-13)
  - iii. Technical point of contact (TPOC). The applicant must show there has been contact with the federal agency by providing a brief synopsis of the TPOC's comments and recommendations. (4-4-13)
  - iv. Market research and literature reviews. This section must show what other work is currently being conducted in the area being addressed. Who are the competitors? Why is the solution better or more innovative? Are there existing patents related to the technology being proposed? (4-4-13)
  - v. Prior research experience. The applicant must describe relevant research partners or collaborators used in the development of the proposal. Experience in conducting research in other non-related areas must be included to demonstrate knowledge and experience to design and manage a successful research project. (4-4-13)
  - vi. Commercialization approach. The applicant must describe the commercialization approach that will be pursued. This includes identifying the primary customer, the size of the market, who will manufacture the

product and where it will be manufactured. The applicant must also address how long it will take for the product to be ready for the market. (4-4-13)

vii. Prior federal grant awards. The applicant shall list prior federal grant awards received or applied for in the past five (5) years. This includes the year of submission or award, amount of award, agency, topic area, title and whether it was a Small Business Innovation Research or Small Business Technical Transfer grant, Phase I or Phase II award, broad area announcement or other grants. (4-4-13)

c. Cost justification. This section is limited to one (1) page. It outlines designated expenditures of up to four thousand dollars (\$4,000) from the state fund. When proposals are being developed, one thousand dollars (\$1,000) of this funding may be automatically set aside as incentive funding to encourage timely proposal development. Of the one thousand dollars (\$1,000) incentive funds, five hundred dollars (\$500) is designated and reserved as early incentive funding by submitting the proposal to the State Coordinator of these funds at least three (3) weeks prior to the federal agency's submission deadline. The remaining five hundred dollars (\$500) is provided upon proof that the final proposal has been submitted to the appropriate federal agency's solicitation on or before the federal agency deadline. (4-4-13)

i. Total reimbursement cannot exceed four thousand dollars (\$4,000), including the one thousand dollars in incentive funding. (4-4-13)

ii. The following format shall be used to list each budget item noting the expenses the small business applicant expects to incur. Eligible expenses are shown in Section 014 of these rules.

**Discretionary Spending**

Proposal development/preparations expenses	\$
Private-sector support or consulting	\$
Other (add as many rows as necessary)	\$
<b>TOTAL - Not to exceed</b>	<b>\$ 3,000</b>

**Incentive Funding**

Early submittal incentive funding (three weeks prior to federal agency deadline)	\$ 500
Proof of successful proposal submission to federal funding agency	\$ 500
<b>TOTAL</b>	<b>\$ 1,000</b>

Applicants must provide a brief narrative that itemizes the costs and states the importance of receiving this funding as part of the project proposal development effort. (4-4-13)

d. Resumes/Biographies. Resumes and biographies shall be limited to five (5) pages. Individual team member, consultant, or subcontractor resumes must be no longer than one (1) page. Full or part-time status must be noted. If the applicant is applying for a research and development grant, a resume or biography for the principal investigator is mandatory and must be clearly marked. Resumes must include education, skills, professional organizations/affiliations, awards, employment history, and published research papers, and other relevant information or areas of research/specialization. (4-4-13)

**016. -- 999. (RESERVED)**

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