

CHAPTER 113
COMMUNITY MICROENTERPRISE DEVELOPMENT ORGANIZATION
GRANT PROGRAM

261—113.1(15) Purpose. The purpose of the community microenterprise development organization grant program is to support microenterprise development through community microenterprise development organizations. Financial assistance will be in the form of grants to eligible community microenterprise development organizations not to exceed the maximum amount of \$80,000 per organization. A match of at least 20 percent is required. The community microenterprise development organization shall use the funds to develop the capacity to provide technical assistance and business training to microentrepreneurs.

[ARC 7764B, IAB 5/6/09, effective 4/17/09]

261—113.2(15) Definitions.

“Board” means the Iowa economic development board established in Iowa Code section 15.103.

“Community microenterprise development organization” means a community development, economic development, social service, or nonprofit organization that provides training, access to financing, and technical assistance to microenterprises as established in Iowa Code section 15.102(2).

“Department” means the Iowa department of economic development as established in Iowa Code chapter 15.

“Microenterprise” means any business with five or fewer employees that generally lacks collateral and has difficulty securing financing from conventional business lending sources. “Microenterprise” includes start-up, home-based, and self-employed businesses as established in Iowa Code section 15.102(5).

“Organization,” for the purpose of this program, means the community microenterprise development organization.

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261—113.3(15) Program funding.

113.3(1) The department shall award competitive grants to eligible community microenterprise development organizations. The maximum award shall not exceed \$80,000 for any one community microenterprise development organization.

113.3(2) The department shall award grants to at least three community microenterprise development organizations in rural areas of the state that show an economic growth rate lower than the average economic growth rate of the state.

113.3(3) The department shall award grants to at least two community microenterprise development organizations in neighborhoods in urban areas of the state that show high rates of poverty and signs of economic distress.

113.3(4) The form of financial assistance shall be a grant.

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261—113.4(15) Matching funds requirement. A grant shall not be awarded unless the community microenterprise development organization can match at least 20 percent of the funds to be awarded. The matching funds may be from private foundations, federal or local government funds, financial institutions, or individuals.

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261—113.5(15) Eligible applicants. An eligible applicant must be a community microenterprise development organization serving a rural or an urban community. The organization must provide services to low-income and moderate-income individuals and underserved communities.

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261—113.6(15) Application and review process.

113.6(1) To apply for a grant, a community microenterprise development organization shall submit an application for financial assistance, in the form specified by the department, to the Iowa Department of Economic Development, Innovation and Commercialization Division, 200 East Grand Avenue, Des Moines, Iowa 50309. Required forms and instructions are available at this address or on the department's Web site at www.iowalifechanging.com.

113.6(2) The application for financial assistance will be reviewed by department staff. Department staff will make a recommendation to the board regarding an application. The board has final decision-making authority regarding applications for financial assistance. The board may approve, defer or deny an application.

113.6(3) An application for financial assistance shall contain all information required by the department, including but not limited to the following:

a. Geographic service area. A description clearly defining the geographic area the community microenterprise development organization serves. For rural organizations, the description shall include the service area's economic growth rate in relation to the average growth rate of the state. For organizations located in urban neighborhoods of the state, the description shall include the poverty rate and the unemployment rate of the service area.

b. Ability to provide services. To help the department determine the ability of a community microenterprise development organization to provide services to low-income, moderate-income and underserved communities, all of the following shall be described in the application for financial assistance:

- (1) The ability to identify potential microentrepreneurs within a community.
- (2) The capacity to perform client assessment and screening.
- (3) The ability to provide business training and technical assistance.
- (4) The capacity to provide assistance in securing financing.

c. Scope of services. A description of the scope of services offered and methods used to ensure the efficient delivery of such services, especially to low-income, moderate-income, and minority individuals.

d. Ability to monitor progress. A description of the organization's ability to monitor the progress of clients and to identify those clients in need of additional technical and financial assistance.

e. Ability to coordinate resources. A description of the organization's ability to build relationships and coordinate resources with other entities supporting microentrepreneurs. These entities may include but are not limited to community colleges, cooperative extension services, small business development centers, business accelerators, targeted small business advocate services, chambers of commerce, community economic development organizations, workforce centers, and community nonprofit service providers that serve low-income and moderate-income individuals.

f. Reporting. A plan to report project outcomes, including: results from client assessments and screening; strategies developed to respond to results; new training and technical assistance capacity developed; the amount of financing secured by targeted populations; the amount of funding secured through for-profit entities; and the benefits to the geographic service area.

g. Financial resources. A statement providing information on the amount and sufficiency of operating funds available.

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261—113.7(15) Application selection criteria. Applications for community microenterprise development organization grants shall be selected based upon the following criteria:

113.7(1) *Geographic service area.* The overall geographic diversity of the applicants for grants, including both urban and rural communities.

113.7(2) *Ability to provide services.* The organization's ability to provide services to low-income and moderate-income individuals and underserved communities.

113.7(3) *Services offered.* The scope of services offered and the ability to efficiently deliver such services to low-income, moderate-income, and minority individuals.

113.7(4) *Ability to monitor progress.* The organization's ability to monitor the progress of clients and provide additional technical assistance.

113.7(5) *Ability to coordinate resources.* The organization's ability to build relationships and coordinate resources with other entities supporting microentrepreneurs.

113.7(6) *Reporting.* The organization's plan to report and evaluate outcomes.

113.7(7) *Financial resources.* The amount and sufficiency of operating funds available.
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261—113.8(15) Contract and reporting.

113.8(1) *Notice of award.* Successful applicants will be notified in writing of an award of financial assistance, including any conditions and terms of the approval.

113.8(2) *Contract required.* The department shall prepare a contract, which includes but is not limited to a description of the activities to be completed by the community microenterprise development organization(s); conditions of disbursement; required reports; and the repayment requirements imposed in the event the community microenterprise development organization(s) does not fulfill its obligations described in the contract and other specific repayment provisions ("clawback" provisions) to be established on a project-by-project basis.

113.8(3) *Reporting.* An applicant shall submit any information requested by the department in sufficient detail to permit the department to prepare reports deemed necessary by the department, the board, the general assembly or the governor's office.

These rules are intended to implement Iowa Code section 15.240.
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