

CHAPTER 106
SMALL BUSINESS INNOVATION RESEARCH AND TECHNOLOGY
TRANSFER OUTREACH PROGRAM

261—106.1(15) Authority. The authority for adopting rules establishing the small business innovation research and technology transfer outreach program under this chapter is provided in 2012 Iowa Acts, House File 2473, division II.
[ARC 0611C, IAB 2/20/13, effective 3/27/13]

261—106.2(15) Purpose and goals.

106.2(1) The purpose of the small business innovation research and technology transfer outreach program is to assist businesses with applications to the federal Small Business Innovation Research and Small Business Technology Transfer Programs. The program will provide financial and technical assistance to businesses for that purpose.

106.2(2) The goals of providing this assistance are to increase the number of successful grant and contract proposals in the state, increase the amount of funds awarded in the state, stimulate subsequent investment by industry, venture capital, and other sources, and encourage businesses to commercialize promising technologies.

[ARC 0611C, IAB 2/20/13, effective 3/27/13; ARC 3195C, IAB 7/5/17, effective 8/9/17]

261—106.3(15) Definitions. As used in this chapter, unless the context otherwise requires:

“*Applicant*” means a business applying to the authority for assistance under the program.

“*Assistance*” means technical and financial assistance available under the program.

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Award*” means SBIR/STTR grant and contract funds awarded by federal agencies.

“*Board*” means the members of the economic development authority appointed by the governor and in whom the powers of the authority are vested pursuant to Iowa Code section 15.105.

“*Committee*” means the technology commercialization committee established by the board pursuant to 261—Chapter 1.

“*Corporation*” means the Iowa innovation corporation created pursuant to Iowa Code section 15.107.

“*Financial assistance*” means assistance provided only from the funds, rights, and assets legally available to the authority and includes but is not limited to assistance in the form of grants, loans, forgivable loans, and royalty agreements.

“*Innovative business*” means the same as defined in Iowa Code section 15E.52(1) “c.”

“*Program*” means the small business innovation research and technology transfer outreach program established pursuant to Iowa Code section 15.411.

“*SBIR/STTR*” means the federal Small Business Innovation Research and Small Business Technology Transfer Programs.

[ARC 0611C, IAB 2/20/13, effective 3/27/13; ARC 3195C, IAB 7/5/17, effective 8/9/17]

261—106.4(15) Program description, application procedures, and delegation of functions.

106.4(1) General description. The program provides technical assistance and financial assistance to applicants seeking SBIR/STTR funding. All awards of financial assistance must ultimately be approved by the board, after a recommendation by the committee, and an agreement must be entered into with the authority before moneys will be disbursed.

106.4(2) Program components and activities. The program has two primary components, a technical assistance component and a financial assistance component, both of which are intended to increase the number of phase I, phase II, and fast track SBIR/STTR awards for Iowa businesses. The corporation shall be the primary provider of technical assistance to applicants and shall also work with the authority to provide financial assistance.

a. In providing technical assistance, the corporation shall develop a pre-proposal submission component that facilitates expert peer reviews from commercial reviewers with in-depth market

knowledge. The resulting reviews should provide the applicant with a set of recommendations and tips for troubleshooting SBIR/STTR proposals. The corporation shall ensure that the applicants develop and implement recommendations for their proposals based on industry best practices.

b. The corporation shall provide services that include the following:

(1) Detailed outlines and other tools to make the drafting of a proposal and other accompanying documentation less daunting.

(2) Reviews and critiques of iterative drafts to improve the structure and narrative of both the research and the commercialization plans.

(3) Evaluation of budgets and budget justifications to produce stronger applications and avoid “leaving money on the table.”

(4) Assistance with the electronic registrations and the application submission process.

c. In working with the authority to provide financial assistance, the corporation shall perform the functions delegated pursuant to subrule 106.4(4).

106.4(3) *Application and award procedures.* Eligible applicants may submit applications to the authority for financial assistance. To be eligible, an applicant must meet the requirements in rule 261—106.6(15). The applications will receive an initial review to confirm program eligibility before being sent to the committee for a recommendation on funding. The committee will provide its recommendation to the board for a final determination on the provision of financial assistance. The board may approve, deny, or defer each application for financial assistance under the program. The board will consider applications for financial assistance on a first-come, first-served basis. If the board approves funding for an applicant, the authority will prepare a required agreement specifying the terms and conditions under which the financial assistance is to be provided to the applicant.

106.4(4) *Delegation of certain administrative functions to the corporation.* The authority will delegate certain administrative functions of the program to the corporation. The functions that will be delegated are:

a. The initial application review process, including an analysis of whether the applicant meets all requirements of eligibility under the program and a recommendation on the amount of financial assistance to be provided and under what terms and conditions.

b. The tracking and monitoring of the applicant’s SBIR/STTR application progress as well as the eventual outcome. The corporation shall report annually to the authority on the results of the program.

c. The tracking and monitoring of agreement terms and conditions for applicants receiving financial assistance under the program.

d. The provision of technical assistance as described in subrule 106.4(2).

106.4(5) *Administrative functions not delegated.* The authority will retain, and not delegate, the performance of the following functions: (1) the final determination as to whether to approve, deny, or defer an award of financial assistance; (2) the disbursement of moneys provided for in an award of financial assistance; (3) the final determination as to whether there is a default in the terms of an agreement entered into under the program, including all decisions regarding appropriate remedies for such a default; and (4) any other function not clearly delegated to the corporation pursuant to subrule 106.4(4).

[ARC 0611C, IAB 2/20/13, effective 3/27/13; ARC 3195C, IAB 7/5/17, effective 8/9/17]

261—106.5(15) Program funding.

106.5(1) *Program funding limitation.* Each year, the authority allocates moneys for purposes of the programs listed in Iowa Code section 15.411, including this program. The amount allocated each year will depend on the amount appropriated to the authority by the general assembly. The authority may allocate other funds to the program as such funds may from time to time become available.

106.5(2) *Individual applicant limitation.* The authority will not award more than \$100,000 in financial assistance to any applicant for any individual federal SBIR/STTR award.

[ARC 0611C, IAB 2/20/13, effective 3/27/13; ARC 3195C, IAB 7/5/17, effective 8/9/17]

261—106.6(15) Eligibility requirements. In order to be eligible for financial or technical assistance under the program, an applicant must meet the following requirements:

106.6(1) The applicant must be an innovative business.

106.6(2) The applicant must have a reasonable likelihood of receiving SBIR/STTR grant funds, must be likely to stimulate subsequent investment by industry, venture capital, and other sources, and must be likely to commercialize some promising technology.

[ARC 0611C, IAB 2/20/13, effective 3/27/13; ARC 3195C, IAB 7/5/17, effective 8/9/17]

261—106.7(15) Agreement and report information required.

106.7(1) *Agreement required.* An applicant awarded financial assistance under the program shall enter into an agreement with the authority for the receipt of such funds. The authority will include in the agreement all terms and conditions for receipt of the funds, including any terms recommended by the corporation. The tracking and monitoring of the agreement terms will be delegated to the corporation. The corporation shall provide regular reports to the authority on the progress of the applicant and on the results of the tracking and monitoring. The authority will make the final determination as to compliance with the terms of the agreement and as to whether and when to disburse funds to the applicant.

106.7(2) *Reporting information required.* An applicant may be required to submit all information necessary for the authority to compile a report on the results of the program. The authority will include terms in the required agreement effectuating this requirement.

[ARC 0611C, IAB 2/20/13, effective 3/27/13; ARC 3195C, IAB 7/5/17, effective 8/9/17]

These rules are intended to implement Iowa Code section 15.411.

[Filed ARC 0611C (Notice ARC 0408C, IAB 10/17/12), IAB 2/20/13, effective 3/27/13]

[Filed ARC 3195C (Notice ARC 2938C, IAB 2/15/17), IAB 7/5/17, effective 8/9/17]