

**261—56.3 (85GA, HF648) Program description.**

**56.3(1)** *Amount, form, and timing of assistance.* The program provides financial assistance to businesses interested in establishing an ESOP. An applicant to the program may be approved for financial assistance in an amount equal to 50 percent of the cost incurred for obtaining a feasibility study conducted by an independent financial professional. The total amount of financial assistance provided to an applicant will not exceed \$25,000. The financial assistance may be provided in two tranches. The first tranche will be provided as a reimbursement of 25 percent of the cost of a feasibility study and will be remitted upon completion of the feasibility study. The second tranche will be provided as a reimbursement of 25 percent of the cost of the feasibility study and will be remitted only upon completion of an ESOP formation. A business that does not successfully complete the formation of an ESOP will not receive the second tranche. A business will be required to provide to the authority documentation establishing the costs incurred and the successful completion of all necessary transactions.

**56.3(2)** *Application.*

*a.* Each fiscal year in which funding is available, the authority will accept applications for assistance under the program and make funding decisions on a rolling basis.

*b.* Information on submitting an application under the program may be obtained by contacting the economic development authority. The contact information is:

Iowa Economic Development Authority  
Office of General Counsel  
200 East Grand Avenue  
Des Moines, Iowa 50309  
(515)725-3000  
[businessfinance@iowa.gov](mailto:businessfinance@iowa.gov)  
<http://iowaeconomicdevelopment.com/>

**56.3(3)** *Approval of assistance.* The authority, with the assistance of an ESOP advisory panel, will consider, evaluate, and recommend applications for financial assistance under the program. The ESOP advisory panel will consist of individuals selected by the director who have demonstrated expertise in the formation and operation of ESOPs. Authority staff and the members of the advisory panel will review applications for financial assistance and score the applications according to the criteria described in rule 261—56.4(85GA, HF648). Applications deemed to meet the minimum scoring criteria will be submitted to the director for a final funding decision.

**56.3(4)** *Contract required.* If the director approves an applicant for financial assistance under the program, the authority will prepare an agreement stating the terms on which the financial assistance is to be provided, and the applicant shall execute the agreement before funds are disbursed under the program.

**56.3(5)** *Use of funds.* An applicant shall use funds provided only for the purpose of reducing the cost of forming an ESOP. The authority may require documentation or other information establishing the actual costs incurred for such formation. The financial assistance shall be provided to the applicant after the costs are incurred and on a reimbursement basis.