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# Ben Franklin Technology Partners Challenge Grant

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Program Guidelines

August 2016

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Commonwealth of Pennsylvania  
Tom Wolf, Governor

Department of Community & Economic Development



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## Section I – Introduction

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### A. Description

The Ben Franklin Technology Partnership was created by the Pennsylvania General Assembly in 1982 and was reauthorized in 1993. In 2001, Ben Franklin Technology Partnership was reauthorized again as part of the Ben Franklin Technology Development Authority (BFTDA). The Ben Franklin Technology Partnership is comprised of a network of four independent organizations, the Ben Franklin Technology Partners (Partners or BFTP) that serve the commonwealth by playing a major role in promoting and supporting business innovation within the state. The Partners provide access to capital, business expertise, technology commercialization services and a network of resources in order to advance the development of new technologies.

### B. Mission

The BFTP mission is to invest in the transformation of the Pennsylvania economy through technology, innovation, and strategic partnerships that foster a favorable business environment for high-growth companies. The Partners are expected to invest funds in a portfolio of individual company activities and broader community development initiatives selected by the Partner's regional Board to have the most impact in a given region.

### C. Focus

The BFTP focus is on the creation and expansion of leading, high-growth companies through innovative application and commercialization of advanced technologies and practices. In particular, the Partners were created to build partnerships and creatively apply techniques and related practices, which:

1. Help companies with high growth potential to form and grow through the development and commercialization of innovative products and services, and to reach a stage in their development that will facilitate the attraction of follow-on funding;
2. Help established companies to develop and innovatively apply new technologies and practices that make them more competitive in the global market economy; and
3. Facilitate and support the availability of services, technical assistance, and collaborative activities with universities and other economic development organizations throughout Pennsylvania to enhance the commonwealth's capacity to support technology businesses.

## **Section II – Roles and Authority**

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### **A. Ben Franklin Technology Development Authority (BFTDA)**

The BFTDA is a state funded technology-based economic development program which provides a vital vehicle for investing in economic, community, and university-based innovation. The BFTDA Board approves overall funding allocations for the Partners at the start of the fiscal year and sets program guidelines for the Partners' activities as needed.

### **B. Executive Director of the BFTDA**

The Executive Director of the BFTDA shall have the responsibility for the day-to-day implementation of the BFTDA Board policies, reporting requirements, and compliance with the program legislation, guidelines, policies and contract as related to the BFTPs.

### **C. Ben Franklin Technology Partners (BFTP)**

The BFTPs (Partners) assume a key role in carrying out the mission of the BFTDA in their respective regions. The BFTPs shall be independent nonprofit institutions, working individually and in partnership with each other, to advance the development of new technologies in this commonwealth. The Partners will be overseen by regional Boards of Directors comprised of economic development, university or nonprofit research institutions, and private industry representatives, with at least 50% representation from private industry. Executive committees of the regional Boards, with project and funding approval authority, must maintain 50% representation from private industry. The regional Boards shall hold periodic meetings to direct the overall investments, strategies, and functions of the Partner. Each Partner's regional Board of Directors has full responsibility for their respective regional program, subject only to the BFTDA program legislation, guidelines, policies, and contract.

## **Section III – Program Activities and Use of BFTDA Funds**

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### **A. Eligible Activities/Use of BFTDA Funds**

The Partners use program funds provided through the BFTDA, as well as other sources, to implement activities based on statewide priorities established by the BFTDA and on overall BFTP regional strategies developed under the guidance of the Partners' regional Board.

Activities may include, but are not limited to, the following:

- Serve as the commonwealth's key regional partners in identifying, developing, adapting, and implementing advanced technologies to enable the growth and competitiveness of existing and emerging companies through technology development, commercialization, and implementation.
- Act as regional facilitators and managers for interactions, programs, and initiatives by and among the authority, technology enterprises, economic development organizations, corporate community, academic/research institutions, government, organized labor, and other interests working collaboratively to advance the development of a technology-based economy across the commonwealth.

- Directly provide, and serve as the conduit to, seed and later-stage capital for existing and emerging companies involved in the development and commercialization of technologically advanced products and processes.
- Develop, provide or support business incubation resources and space and facilitate the development of technology business campuses.
- Establish and administer a research grant fund for the economic impact assessments of university-based technology development projects seeking funding through the BFTDA.
- Establish partnerships to support and enhance the scale, scope, and impact of initiatives that support the purpose and mission of the BFTDA and the Partners.

While activities of the Partners vary dramatically according to the needs of particular clients and market opportunities within their regions, activities are placed into four broad categories: Company Investments, Business and Technical Assistance, Technology/Entrepreneurial Infrastructure, and Administration Expenses.

### 1. **Company Investments**

Investments should be targeted to activities demonstrating clearly identifiable benefits to the Pennsylvania economy and clear commercial potential for the firm. Supported activities may include:

- Applied research and development leading to the near-term commercialization of new or improved products or processes by Pennsylvania companies.
- Transfer of new process/product technology to Pennsylvania companies.
- Innovative integration and application of state-of-the-market technologies and business practices that lead to novel competitive advantages for Pennsylvania companies in their market niches.
- Support of other business activities necessary to commercialize such advances.

The Partners are specifically encouraged to provide direct assistance in the form of seed investments to small companies with fewer than 250 employees, with emphasis on companies with fewer than 50 employees.

#### a. **Client Company Obligations**

##### i. **Pennsylvania Presence**

Companies that receive funding through a Partner to develop or commercialize new products, or to develop and implement process improvements, must maintain a significant presence within Pennsylvania. This requirement does not apply to companies that dissolve or go out of business, but does apply to companies that merge with or are purchased by other companies. Any failure to comply with these provisions shall result in repayment to the Partner of at least the total amount of Partner funding provided. The Partners should include provisions to this effect in all of their funding contracts with company clients.

Significant presence as referred to above is determined as follows:

- A company receiving funds allocated to the Partner by the BFTDA shall, at a minimum, maintain facilities and employees within the commonwealth for a five-year period following the completion of the Partner funded project.

- If any product developed with funds allocated to the Partner by the BFTDA is subsequently manufactured or produced, a significant portion of the manufacturing or production must take place within Pennsylvania. If due to cost considerations or other mitigating factors, the company receiving funds from the Partner is unable to produce or manufacture the product itself, the Partner and the company shall make every attempt to identify a Pennsylvania company to manufacture or produce a significant portion of the product.
- A company receiving funds allocated to the Partner by the BFTDA may satisfy this requirement by manufacturing or producing components of a product in Pennsylvania, even though the final product is assembled or finished elsewhere, or by doing the final assembly of a product in Pennsylvania from components produced elsewhere.

**2. Business and Technical Assistance**

Partners are encouraged to ensure that a full range of entrepreneurial and other business and technical assistance services are available for existing and prospective clients. Types of services to be made available may include, but are not limited to, strategic planning, marketing, sales, finance, manufacturing, customer service, research development mentoring, human resources, fundraising, outreach (including satellite offices), and legal assistance. The actual assistance may be provided by Partner staff directly or contracted through third party organizations and/or other entities. Costs and expenses associated with assistance provided pursuant to a project that identifies a Partner as the recipient of the BFTDA funds will be classified as Business and Technical Assistance (Internal) expenditures. Costs and expenses associated with assistance provided pursuant to a project that identifies one or more third parties as recipients of BFTDA funds will be classified as Business and Technical Assistance (External) expenditures.

**3. Technology/Entrepreneurial Infrastructure**

The Partners are encouraged to be creative in the way they help their region prepare for high business growth, including joint funding and support of activities that could not otherwise occur independently. All initiatives should be consistent with the implementation of a BFTP regional strategy. Further things to consider include:

- Quantifiable contributions to the Pennsylvania economy
- Significant support from private industry and/or other public-private institutions
- Meets an identified market need
- Attracts federal funding

Types of initiatives may include, but are not limited to, catalyzing investor networks and other funding sources, activities promoting regional entrepreneurship, translational research, small business incubators, conferences, creating and/or supporting investor forums, creating and/or supporting Centers of Excellence, supporting entrepreneurial education, supporting statewide coordination for the Partners, and developing and/or supporting regional tech strategies. Costs and expenses associated with assistance provided pursuant to a project that identifies a Partner as the recipient of the BFTDA funds will be classified as Technology Infrastructure (Internal) expenditures. Costs and expenses associated with assistance provided pursuant to a project that identifies one or more third parties as recipients of BFTDA funds will be classified as Technology Infrastructure (External) expenditures.

**4. Administration Expenses**

BFTDA funds may be used for the administration of the annual BFTDA Challenge Grant allocation, which include salaries and benefits of Partner staff (to the extent they do not provide business and technical assistance or perform technology/infrastructure activities), as well as costs associated with contractors and facilities, and normal operational expenses. While at present no match of administrative expenses is required, the Partners are encouraged to seek out other funding sources to help support their overhead activities. Partners will differentiate between direct administration costs and the costs of providing other services to the region in their operating budget.

Budget changes of any amount within all expenditure categories must be approved by the Executive Director of the BFTDA on a quarterly basis in conjunction with the submission of the quarterly invoice. If these changes are not approved by the Executive Director of the BFTDA, the comptroller's office will not process payment.

## **B. Ineligible Activities/Use of BFTDA Funds and Conditions**

### **1. Basic Research**

Basic research is not an eligible activity. Applicants must clearly demonstrate their technological development has commercial potential in the future.

### **2. Equipment**

Equipment purchases in projects are restricted to equipment that is required to complete a project successfully. The final decision concerning individual equipment purchases rests with the Partner's regional Board. Title to equipment purchased with BFTDA funds may be transferred to the appropriate academic institution or company at the discretion of the Partner's regional Board. Any equipment that will ultimately remain the property of the Partner should not be budgeted as a project expense but as part of the Partner's administration expenses.

### **3. University Overhead**

Funds received by the Partners from the BFTDA may not be used to pay university or other research or educational, institutional indirect costs.

## **C. Project Selection, Approval, and Record Keeping**

### **1. Project Selection**

Applicants seeking investment funding from a Partner must be evaluated through a competitive review process conducted by the Partner. All initiatives considered by the Partner should undergo extensive review at the local level for technical merit, market need/potential, capability to carry out the proposed project, and conformance to the BFTP regional and BFTDA strategies. The regional review and selection process will be developed by the individual Partners and approved by their respective regional Boards. The project review process should be flexible and time sensitive to market demands and tight windows of opportunity.

If a product is the expected result of the Partner's investment and the product will subsequently be manufactured or produced, the probability of the product being manufactured or produced in Pennsylvania should be one of the principal review criteria for investing funds.

### **2. Approval**

Approval for all projects and project changes rests with the Partner's regional Board. However, all activities must be in compliance with the BFTDA legislation, policies, contract, and guidelines.

### **3. Recordkeeping**

Partners should maintain records on projects that are declined funding for three years beyond the fiscal year in which the project was reviewed. At a minimum, these records should document the reason(s) funding was declined.

Partners shall conduct at least one site visit per active portfolio project each year. A main project file should be maintained for each project and documentation of all project site visits should be maintained in those projects' main files. Main project files may be electronic or hard copy.

Upon request, a Partner shall permit authorized employees or agents of the BFTDA to inspect its books and records during regular business hours.

## D. Matching Requirements

The grant agreement shall permit the Partner to award grants and other forms of financial assistance to entities only if matched by private sector funds on a minimum basis to be established by the BFTDA. Private sector funds are defined as monetary or in-kind support from private businesses, corporations, individuals, trade associations, foundations, federally and locally supported grant programs, and other non-commonwealth sources.

Non-Partner funds from non-state sources expended up to 90 days prior to the beginning of a project, even if in a previous fiscal year, may be counted as matching funds for that project. The entities receiving funds from the Partners must certify that the required match of private sector was achieved. The certification must be signed by the company project manager and include the total amount of match related to the specific project being reported.

Company match falls into three categories defined as follows:

- **Cash Match** - Cash contributions are project-specific contributions provided by an individual or organization for which documentation of a cash transaction can be provided.
- **Equipment Match** - The value of equipment used during the project/investment time period (based upon the company's depreciation method for such equipment).
- **In-Kind Match** - In-kind contributions are project-specific contributions of a service or a product provided by an individual or organization where the cost cannot be tracked back to a cash transaction. In-kind expenses generally involve donated labor or equipment.

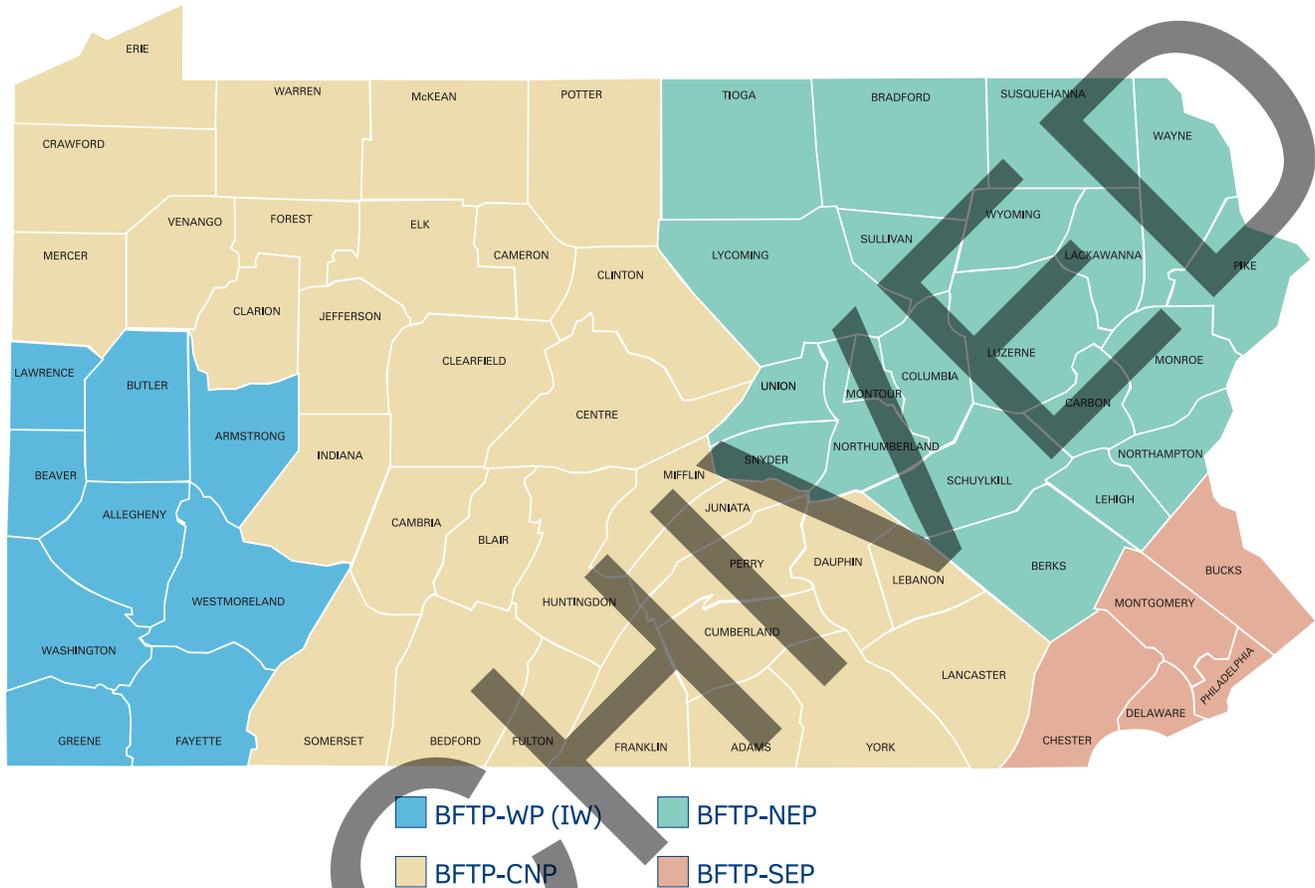
Partners must document a minimum overall 1:1 match of BFTDA funds as related to the activities described in Section III, paragraph A 1-3 of these program guidelines (other than those activities for which associated costs and expenditures are classified as Business and Technical Assistance (Internal) or Technology Infrastructure (Internal) expenditures), in order to receive the allocated BFTDA funds. A Partner is not required to satisfy the matching requirements until all of the BFTDA funds have been allocated and expended by the contract expiration date. BFTDA funds allocated from any specific contract that are not matched by the time that specific contract expires, must be returned to the BFTDA.

The Partner shall use its best efforts to achieve a 1:1 match from private sector sources (as defined above) for the project on each individual project.

In those instances when a 1:1 match cannot be achieved on an individual project, the Partner must include a written justification on the Statement Regarding 1:1 Project Match Requirement form in the final report. In the event the 1:1 match cannot be made for an individual project and a written justification has been provided to the BFTDA, the Partner may aggregate all match received from all projects in order to achieve an overall 1:1 match ratio. The final report shall be submitted electronically by the Partner and shall identify each project, the funding amount, expenditures to date, the projected match and the actual match received to date.

## Section IV – Regional Service Responsibilities

The following map identifies the Partners and their marketing territories:



Each Partner will be the host Partner for all BFTP activities within its geographical jurisdiction. The following protocol should be observed by the Partners:

1. The host Partner will work to ensure that the best services available are provided to each and every client. This includes referrals or partnering with other economic development agencies. In addition, host Partners are encouraged to form flexible partnerships with other Partners to make a broader range of services available to clients where the other Partners are in a position to provide such services. The goal is to leverage the benefits and resources of Partners statewide as much as possible for each client.
2. Except for joint marketing activities as agreed to by two or more of the Partners, Partners will market their programs only within their designated geographic jurisdiction. However, joint marketing agreements capitalizing on the unique specialization of each Partner are encouraged.

3. In the event that a client contacts a Partner outside its region, the non-host Partner will immediately inform the host Partner of the contact and will apprise the client of this action. The host Partner may then contact the client. The respective Partners will then consider subsequent action that will include one of the following:
  - File a joint offer of assistance to the client.
  - File separate offers of assistance to the client and upon the client's acceptance of an offer the Partner whose offer was not accepted will be notified by the Partner whose offer was accepted.
  - File one offer of assistance to the client from the most appropriate Partner as agreed upon by both Partners.

Failure of a Partner to comply with the above will result in the following actions:

- The activity supported outside the non-host Partner's territory will be ineligible for grant reimbursement and will not be accepted as a performance measure.
- The BFTDA Board will be notified of such actions and will determine additional sanctions as they deem necessary.

## **Section V – Accountability**

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### **A. Contract Closeout Audit**

The BFTDA waives the final close-out audit requirements contained in Article XIV of the contract, entitled Contract Audit and Closeout Requirements for the contract. The waiver is contingent upon the Partner's submission to the BFTDA of an annual independent audit covering all funds received from the BFTDA and funds received from BFTDA support, such as paybacks, reimbursements, investment returns, fees for services, cash reserves, interest, return of depreciation and any other similar forms of income which result at least partially from initial expenditure of BFTDA funds. Each annual audit must be in accordance with GAAP, GAAS, and GAGAS. The financial audit will be due within thirty days of approval by each Partners' Board of Directors. This should be an audit for all BFTDA funds awarded and expended during the fiscal year being audited. Each audit must include a breakout of BFTDA awarded funds, including a detailed statement of revenues, expenditures, and fund balances, by contract number. In addition, the audit must include a Statement of Compliance and Internal Controls.

### **B. Auditing of Match Requirement**

The final reports must be accompanied by an affidavit signed by the Partner CEO attesting to the fact that match requirements (cash, equipment, and in-kind as applicable) have been met, based on the certifications received from each entity that has received funds (Use STATEMENT REGARDING 1:1 PROJECT MATCH REQUIREMENT which is form E13 in Appendix E).

### **C. Operational Audit**

The Executive Director of the BFTDA shall be responsible for arranging periodic operational audits of the Partners to be conducted by a third party auditor contracted by the BFTDA.

## Section VI – Miscellaneous Provisions

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### A. Conflict of Interests and Disclosure

#### 1. Financial Interests

Partner's staff, contractors, and members of their regional Boards will be required to complete annually a: 1) Conflict of Interest Policy and 2) Financial Interest Disclosure Statement form. When completed, all forms must be reviewed by the Partner's CEO, CFO (or Partner's equivalent), and the regional Board Chair or legal counsel to the regional Board and must be maintained on file at the Partner's office. In addition, the Conflict of Interest Policy form should be included as a part of all award agreements and contracts for projects sponsored by the Partners. Failure to complete the Conflict of Interest Policy and Financial Interest Disclosure Statement forms by members of the Partner's regional Board, staff, or contractors may cause the Partner's BFTDA funding to be withheld. Copies of the Conflict of Interest Policy and Financial Interest Disclosure forms are included as Appendix A to these program guidelines.

All members of the Partner's regional Board must be provided in advance of each vote at a board meeting, or of any committee or other entity empowered to act for the regional Board, with any information the Partners have relating to a board member's, employee's, or contractor's interest in any applicant seeking technical, business, or financial assistance or contractor for goods, equipment, or services.

### B. Intellectual Property Policies

Patent and/or Intellectual Property Policies must be established by the Partner's regional Board, and the BFTDA must have a copy of the current policies on file. Changes to these policies recommended by the Partner's regional Board are to be submitted to the Executive Director of the BFTDA for review.

In developing policies for ownership of patents, consideration should be given to the contribution made by both the participating academic institution and the private industry participant. For projects that do not involve an academic institution, the participating private sector company (or companies) should retain patent ownership.

### C. Royalty, Payback, and Equity Ownership Policies

Partners are encouraged to enter into royalty, equity or other repayment agreements with participating companies and academic institutions. Policies for royalty, payback, and equity agreements must be established by the Partner's regional Board and the BFTDA must have a copy of the current policies on file. Any proposed changes to the existing policies shall be submitted to the Executive Director of the BFTDA for approval prior to implementation of the changes.

In establishing such policies, Partners should take into consideration the following:

1. Each of the Partners should establish policies to ensure that it does not compete with any other Partner.
2. Provisions of these agreements should not burden companies to a point that hinders their growth, development or continued viability.
3. Where a royalty agreement or other payback agreement with a private company involves a payback to the participating university, a portion of the payment should also be made to the Partner.
4. All Partners should establish separate royalty/payback/equity fund accounts where paybacks should be maintained for all projects funded through Challenge Grant funds.

5. The BFTDA Board shall have the right to review the accumulated royalty, payback and equity funds in the Partners' annual proposals. Funds shall be used for activities consistent with the mission of the BFTDA. The Partners should inform the BFTDA Board of the status of these accounts and when these funds are utilized as part of their regular reporting schedule via the annual proposal and final reports.
6. The ability of a Partner to obtain a return from its grants/investments shall be viewed positively and will not negatively impact a Partner's annual allocation. While it is understood that the Partners will seek to build and maintain a prudent operating reserve fund (at a level that is consistent with non-profit financial practices and approved by the Partners' respective regional Boards), it is expected that the balance of the Partners' return on investment will be utilized, on behalf of their respective regions, for economic development activities or investments consistent with the mission of the BFTP, pursuant to an approved plan by each of the Partner's regional Boards. The Partners' annual proposal should include an accounting of (Use *Returns on Investments* and *Operating Budget* which are forms F5 and F3 respectively in Appendix F), and plan for the use of these returns.

#### **D. Employment Policies**

Employment policies (including the hiring and firing of employees) must be established by the Partner's regional Board. A copy of such policies shall be maintained on file by the BFTP and be available for review by BFTDA. This may be a part of an overall employee policy manual. If it is maintained as part of a larger policy manual, the portions of that policy manual dealing with hiring and firing must be clearly identified to the BFTDA. Partners may be required to justify their employment actions based on programmatic needs and the available pool of candidates for employment.

#### **E. Modification of Program Guidelines**

The Executive Director or the Partners may propose changes to these guidelines to the other party for review. Upon completion of review and comments, the Executive Director may submit the proposed changes to the BFTDA's Legal Counsel for review for compliance with Statute and other legal requirements and the DCED Financial Management Center for compliance with budgetary and auditing requirements. With approval from BFTDA's Legal Counsel and Financial Management Center, the proposed changes shall then be placed on the agenda of the BFTDA Board meeting for Board action. These program guidelines remain in effect until proposed changes are approved by the BFTDA Board.

#### **F. Statewide Coordination**

As a statewide technology-based economic development program, the Partners are to identify statewide initiatives that further promote and develop the commonwealth's technology base. To assist with the coordination and management of these initiatives, the Partners have established an office for statewide affairs in Harrisburg. The Director of Statewide Affairs will work collaboratively with representatives of the various Partners and the BFTDA.

#### **G. Act 57 of 1997**

BFTDA funds are covered by Act 57 of 1997, which permits funds encumbered under economic development grants to continue to be spent two years beyond the initial year in which the funds were appropriated. This means that funds may be carried over to be expended up to two years after the fiscal year of appropriation as long as the contract between each Partner and the BFTDA, which covers those funds, is in effect. For example, funds appropriated for FY 2005-06 must be spent by June 30, 2008 or the termination date of the contract, whichever comes first, and funds appropriated for FY 2006-07 must be spent by June 30, 2009 or the termination date of the contract, whichever comes first, etc. Contract terms will reflect Act 57 provisions.

## Section VII – Schedule of Submissions, Notices, and Approvals

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All requirements for submissions or notices to DCED, BFTDA, and/or the Executive Director of the BFTDA shall be construed to be met when such notices and submissions are sent via email to:

jeleinbach@pa.gov  
and copied to: saraspisho@pa.gov  
*Confirmation of receipt will be provided.*

### A. Submissions

All submissions should be made electronically. All reports should have a table of contents, section tabs with table of content names, and sequentially numbered pages. Executive summaries should be focused exclusively on activities to be funded with the grant being requested. Where applicable, templates should be sorted alphabetically by company name. Project numbers should be consistent throughout the report using the project number on the Project Summary Report (F6) as the standard. If a Partner has worked with a company on multiple projects, list all project numbers in the “project number” column of the templates.

<b>ITEM</b>	<b>DUE</b>
<b>Independent Audit</b> (see Appendix C) . . . within thirty days of approval by each Partner’s Board of Directors	
<b>Final Report</b> (see Appendix C) . . . . .	February 15
<b>Impact Report</b> (see Appendix D) . . . . .	February 15
<b>Challenge Grant Proposal</b> (see Appendix B) . . . . .	June 30
<b>Budget changes</b> . . . . .	After changes are approved by the regional Board
<b>Invoices</b> . . . . .	Quarterly
<b>Regional Board meeting and executive committee meeting materials</b> . . . . .	Before regional Board meetings or executive committee meetings at which funding decisions will be made.

### B. Notices

Items requiring written notice to the Executive Director of the BFTDA are as follows:

1. Changes to Intellectual Property Policies - (see Section VI.B)
2. Schedules of regional Boards of Director’s Meetings - A schedule of regional Boards of Director’s meetings shall be provided to the BFTDA. Representatives of the BFTDA staff and/or the BFTDA Board may attend these meetings of the regional Boards. Revisions to the schedule should also be submitted to the BFTDA.
3. Annual Financial Audit Exit Interviews, Management Discussions, and Presentations - Each Partner must inform the BFTDA of dates and times for exit interviews, management discussions, and other presentations by the certified public accountant relating to the Partner’s annual independent audit. Representatives of the BFTDA staff and/or members of the BFTDA Board and their designees shall be permitted to attend exit interviews, management discussions, and other presentations.

4. Reporting on Financial Interaction between Partners and Corporate Members - Each Partner shall report in writing to the Executive Director of the BFTDA all proposed activities that involve a financial transaction with a corporate parent or member of the Partner. These activities include grants, loans, and other transactions.
5. Reporting of Additional Activities - Each of the Partners is required to advise BFTDA of any activity into which the Partner is entering that is not required or within the scope of the act of June 22, 2001 (P.L. 569, No. 38), known as the Ben Franklin Technology Development Authority Act (the "Act") as well as, any additional information pertinent to the BFTDA's program oversight responsibilities.

### C. Approvals

Items requiring the Executive Director of the BFTDA's written approval prior to proceeding with changes, signing contractual commitments, and/or using Challenge Grant funding or returns from previous Challenge Grant funding are:

1. Policies for Royalties, Paybacks, and Equity Ownership - (see Section VI.C)
2. Changes to the corporate structure of the Partner or the creation of related not-for-profit or for-profit entities.
3. Any project (paid for with Challenge Grant funds or returns from past Challenge Grant awards) that over its life will exceed 20% of the Partner's annual allocation. This does not include company investments. At any point in the life of a project, if the project is expected to exceed 20% of the Partner's annual BFTDA allocation for the fiscal year in which the project was first undertaken, the executive director would be required to approve such additional allocation at that time.
4. The purchase of any land, building or the attached rights to the real estate. The approval request should include reasons for the proposed real estate purchase and justifications of benefits both for the Partner and the Partner's clients. If the real estate purchase does not involve BFTDA funding, notification is still required.
5. Investing in venture funds.

Within 30 days following the receipt of written notice to the Executive Director, the Executive Director will notify the Partner in writing if further information is required for any of the above items. The Partner will have 30 days to provide this information. Final determination shall be made within 30 days of receipt of the additional information.

## Appendix A – Conflict of Interest

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### CONFLICT OF INTEREST POLICY (EFFECTIVE JANUARY 1, 20XX)

PARTNER

The \_\_\_\_\_ Partner ("Partner") is a Pennsylvania not-for-profit corporation. As a recipient of public funding and support from foundations, businesses and individuals, the Partner must strive to ensure that its activities, as well as those of its directors, officers, employees, consultants and independent contractors, are conducted in compliance with appropriate standards of ethics, loyalty, honesty, integrity and fair dealing. To this end, the Board of Directors of the Partner (the "Board"), for themselves and for the Partner's officers, employees, consultants and independent contractors, has adopted a formal Conflict of Interest Policy designed to preclude any material conflict of interest or impropriety with respect to the duties and activities of such persons or entities relating to the Partner. The Partner's current Conflict of Interest Policy is set forth below.

#### Statement of Policy

1. **Policy Statement.** The directors, officers, employees, consultants and independent contractors of the Partner, in all transactions related to their duties on behalf of the Partner, or on behalf of those entities served by the Partner, shall adhere to the standards of ethics, loyalty, honesty, integrity and fair dealing described herein and shall at all times act in the best interests of the Partner.
2. **Disclosure of Conflict of Interest.**
  - (a) An officer, director or employee of the Partner who is a party to or who is interested in a project must disclose the nature and extent of the interest to the Board, and must abstain from the Board's deliberations concerning the project, as more fully set forth in Section 3 below. Any member of an organization is a Party in Interest.
  - (b) A consultant or independent contractor of the Partner who is a party to or who is interested in a project, as more fully described in paragraph (c) below, shall immediately disclose the nature and extent of the interest to the Board.
  - (c) An officer, director or employee of the Partner or a consultant or independent contractor of the Partner (any such person being a "Covered Person") shall be deemed to have an Adverse Interest and to be subject to the requirement for disclosures as described in paragraphs (a) and (b) above if any of the following conditions are met:
    - (i) The Covered Person has a financial interest in a project;
    - (ii) A member of the immediate family of the Covered Person has an interest in a project;
    - (iii) A Covered Person has an employer-employee, partnership, agency, lender or borrower, fiduciary or legal or beneficial ownership relationship with a party to or a person financially interested in a project; or

- (iv) A matter which might reasonably be expected to influence a Covered Person in the discharge of the Covered Person's official duties concerning a project.
  - (d) The Board shall take such action, which is necessary in light of the facts revealed by the disclosure, to avoid a conflict of interest or impropriety with regard to a project.
  - (e) The disclosure statement of the Covered Person, and the action by the Board, shall be made a part of the minutes at its next regular or special meeting.
  - (f) In the event any Covered Person, as to whether he, she, or it would be considered "interested in a project" under Section 2(a) above, such Covered Person shall make full disclosure concerning the potential conflict of interest to the Chairman of the Board and to the uninterested members of the Board. The uninterested members of the Board shall then determine by majority vote whether a conflict of interest exists and shall advise the inquiring Covered Person.
3. **Obligation to Abstain in the Event of an Adverse Interest.** In the event of any Adverse Interest requiring disclosure by a Covered Person under Section 2(a), such Covered Person, after first having disclosed the Adverse Interest as described above, shall:
- (a) Refrain from participating in the deliberations concerning the matter presenting the conflict;
  - (b) Abstain, in the case of a director, from voting on the matter presenting the conflict; and
  - (c) At the request of the Board member chairing the meeting, leave the meeting room during the deliberations and vote with respect to the matter presenting the conflict.
4. **Prohibited Activities.**
- (a) No Covered Person may solicit, accept or receive from a person, firm, corporation or other business or professional entity or organization a gift, loan, gratuity, favor or service that might influence his or her position in the discharge of his or her official duties concerning a project or any other activities of the Partner. However, acceptance of food and refreshment of nominal value on infrequent occasions in the ordinary course of a luncheon or dinner meeting or other meeting shall not be deemed a "gift, loan, gratuity, favor or service" for purposes of this section.
  - (b) No officer, director, employee, consultant, or independent contractor of the Partner may directly or indirectly use for personal gain any information not available to the public concerning a project which comes to him, her or it as a result of affiliation with the Partner, nor may such person or entity provide that information to others not directly connected with the Partner's investigation concerning the feasibility, development or establishment of a project.
  - (c) No officer or employee shall engage in any employment, consulting, advisory or similar activity which is in material conflict with the interests of the Partner.

- (d) Each Partner and its officers, directors and employees shall avoid conflicts of interest in connection with the operations and affairs of the Partner. Without limiting the generality of the foregoing, (i) a Partner shall not hire, engage, employ or appoint an officer, director or employee of the Partner (a "Covered Person"), or a spouse, parent, child or sibling of a Covered Person (an "Immediate Family Member"), or any for-profit entity in which a Covered Person or an Immediate Family Member of a Covered Person has an ownership or employment interest (a "Related For-Profit Entity") to provide services (other than services as may ordinarily be provided by a Covered Person in his or her capacity as an officer, director or employee of the Partner) to the Partner or to any person or entity applying for or receiving financial assistance from or through the Partner (an "Applicant"); (ii) a Partner shall not require, as a condition of application, funding, or otherwise, any Applicant to hire, engage or employ a Covered Person, Immediate Family Member of a Covered Person or a Related For-Profit Entity to provide services to such Applicant; and (iii) a Partner shall not require, as a condition of application, funding, or otherwise, an Applicant to accept services from a Covered Person, Immediate Family Member of a Covered Person or a Related For-Profit Entity. Subject to applicable disclosure and recusal requirements, the prohibitions described herein are not intended to restrict or preclude pre-existing relationships between Applicants and Covered Persons, Immediate Family Members of Covered Persons, or Related For-Profit Entities, or to restrict or preclude business or professional relationships initiated by an Applicant with a Covered Person, Immediate Family Member of a Covered Person, or Related For-Profit Entity.

**5. Communication and Affirmation of Policy.**

- (a) The Partner shall deliver a copy of this policy to each of its officers, directors, employees, consultants and independent contractors. A copy of this policy, or a summary thereof, shall be included in the documentation of each proposed project which the Partner funds.
- (b) All Covered Persons shall be given a copy of this policy and deliver to the Secretary of the Partner positive written affirmation of adherence to the policy by executing the Acknowledgment and Acceptance of Conflict of Interest Policy attached hereto.
- (c) Each member of the Board shall provide the Partner's Secretary with an annual Financial Interest Disclosure Statement in the form from time to time required by the Partner. Although such information will be made available to the members of the Board, it will otherwise be treated as confidential.
- (d) Any candidate for election to the Board shall be given a copy of this policy in advance of election and shall affirm his or her support of it prior to election; and any newly elected officers, newly hired employees or newly retained consultants or independent contractors shall be advised, prior to election, hiring or retention, of this policy and each shall affirm his or her or its support thereof prior to election, hiring or retention.

- 6. Remedies.** The failure to make any required disclosure under this policy or any other breach of this policy is grounds for disciplinary action by the Partner against the Covered Person, which disciplinary action may include removal from the Board or termination of the individual's employment, consulting or other contract or arrangement, and is grounds for disapproval of an application or rescission of a project by the Partner. The remedies provided herein shall be in addition to any other legal remedies available to the Partner.

### Acknowledgment and Acceptance of Conflict of Interest Policy

I have read and understand the Statement of Policy regarding conflicts of interest. I acknowledge that there are no current transactions or activities which may represent a potential competing or conflicting interest as defined in the Statement of Policy. Further, I acknowledge that I must disclose to the Secretary of the Partner any transaction or activities of the Partner or me which might be covered by the Statement of Policy regarding Ethical Conduct and Conflicts of Interest. Finally, I understand that failure to comply with the Statement of Policy will damage the Partner and its activities, and the remedies set forth in the Statement of Policy are appropriate.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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\_\_\_\_\_  
**PARTNER**

**FINANCIAL INTEREST DISCLOSURE STATEMENT**

*(All information concerns the period 1/1/20XX through 12/31/20XX)*

I, the undersigned member of the Board of Directors of the \_\_\_\_\_ (the “Partner”), in compliance with the Partner’s Conflict of Interest Policy, hereby report the following: (If there are no Ownership Interests, please indicate so with NONE).

**1. Ownership Interests.**

At any time during the past calendar year, I or my spouse had an Ownership Interest\* in the following for profit businesses:

\*Ownership Interest means an equity interest in any business in which the person reporting or his or her spouse actively works or an investment interest in a business which is equal to at least 10% of the total equity interest in the business.

**2. Offices and Positions.**

At any time during the past calendar year, I or my spouse was a director, officer, partner, employee of the following for profit businesses: (If there are no Offices and Positions involved, please indicate so with NONE).

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_

Printed Name: \_\_\_\_\_

## Appendix B – Proposal

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A Partner may apply for a grant by submitting a proposal to the BFTDA. Proposals should be submitted for review to the BFTDA's Executive Director on or before 6/30. The Executive Director will provide the proposal to the Board Members two weeks prior to the first Board meeting held after the General Assembly approves the annual state budget.

Proposal should encompass the proposed fiscal year Challenge Grants award as well as returns from past Challenge Grant awards which include paybacks, reimbursements, investment returns, fees for services, cash reserves, interest, return of depreciation and any other similar forms of income which result at least partially from initial expenditure of BFTDA funds.

In the proposal, the Challenge Grant Funds column of the Partner's Operating Budget (Form F3 in Appendix F) is required to equal the total fiscal year award. These funds will fall into one of five categories:

1. **Administration Expenses**

These expenses are further divided into personnel, physical, and operating.

2. **Company Investments**

Funds allocated to external projects. No BFTP personnel, operating, or physical expenses should be included in this category.

3. **Business and Technical Assistance**

Partner expenses associated with direct services that benefit clients, as well as external, contracted expenses and projects to benefit clients.

4. **Technology/Entrepreneurial Infrastructure**

Partner expenses to develop or promote regional and statewide communities, as well as external, contracted expenses and projects in support of this category.

5. **Set-Aside**

Unallocated funds that have not yet been allocated to category 1, 2, 3, or 4. By the end of the program year, if these funds have not been allocated to one of the expenditure categories, they may be carried over for projects (not for administrative expenses) in the following fiscal year.

After review and approval of the application the BFTDA shall sign a grant agreement with the Partner and award a grant.

Proposals should be limited to the following information and format.

**Table of Contents** (Use *Table of Contents* which is form F1 in Appendix F)

**Section I. Executive Summary** (Maximum 5 pages - Quantifiable information provided in this section must be supported by the detail provided later in the proposal.)

- (a) The proposals should include an overview of the regional strategies developed under the guidance of the regional Boards.
- (b) Overview of projects which are particularly innovative or impactful.
- (c) Annual goals as set forth by the Partner's regional Board (Use **Impact** which is form F2 in Appendix F)
- (d) Any other important information as determined by the Partner.

## Section II. Operating Budget

- (a) Operating Budget (Use *Operating Budget* which is form F3 in Appendix F)

## Section III. Program Financial Summary Spreadsheet

- (a) Spreadsheet showing one line for each project funded for the fiscal year and the BFTP expenses. (Use *Overall Project Financial Summary* and *Project Financial Summary* which are forms F4 in Appendix F)
- (b) A separate accounting for all of the paybacks from royalty/equity/other investments received during the previous year (since the previous proposal) and the current balance of remaining funds from paybacks. (Use *Returns on Investment* which is form F5 in Appendix F)

## Section IV. Overall Program Summary and Project Summary Report

- (a) Include a Table of Contents to include project number, company name and page number. (See *Table of Contents* example which is F1 in Appendix F)
- (b) Project Summary Report. Project summaries must not exceed one sheet of paper, i.e. two sides. (Use *Project Summary Report* which is form F6 in Appendix F) Each project should have one completed project summary form. Project Summary Forms should be grouped within the proposal as follows and each section should be identified by the appropriate tab:
- Company Investments
  - Business and Technical Assistance
  - Technology/Entrepreneurial Infrastructure
- (c) Overall Program Summary. This table will be updated each time set aside projects are added to the portfolio, or other project portfolio or funding adjustments are made. The table should be dated on the first page. Revisions of this table throughout the year should include the date of revision, so it is easy to tell which update the table represents. (Use *Overall Program Summary* which is form F7 in Appendix F)

**Section V. Listing of the holdings as of March 31 of the fiscal year just completed.** The various assets or holdings should have, or be assigned, dollar values for the purposes of this report. A particular Partner may not have any entry for some items. (Use *Items of Assets and Holdings, Outstanding Loans, and Outstanding Equity* which are forms F8 in Appendix F)

## Section VI. Miscellaneous

- A. The Partner's current mailing address, telephone number and any other relevant contact information.
- B. A copy of the Partner's current articles of incorporation and by-laws.
- C. A list of the Partner's current officers and directors. (Use *Board of Directors Contact List* and *Board Officers, Corporate Officers* and *Committee Members* which are forms F9 in Appendix F)
- D. List of personnel with contact information and areas of expertise (identify personnel paid with BFTP funds as well as other sources). (Use *Full Center Staff Listing* which is form F10 in Appendix F)
- E. Financial Accountability – Report on what auditing firm is currently under contract to perform the Partner's annual independent audit, and whether any changes are contemplated or planned for the new fiscal year. Also, report on any activities such as SEC investigations, legal actions, or other situations related to financial accountability.

## Appendix C – Final Report and Independent Audit

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Final reports are due to BFTDA by February 15 following the close of the fiscal year and should encompass the proposed fiscal year Challenge Grants award as well as returns from past Challenge Grant awards which include paybacks, reimbursements, investment returns, fees for services, cash reserves, interest, return of depreciation and any other similar forms of income which result at least partially from initial expenditure of BFTDA funds.

Reports should contain the following information:

### Volume I

The Final report shall be submitted electronically to the BFTDA Executive Director organized as follows:

1. Table of Contents. (See *Table of Contents* example which is F1 in Appendix E)
2. Five (5) page Executive Summary to include:
  - a. Partner's substantive accomplishments during the fiscal year
  - b. A review of the success of the BFTP in meeting the annual goals as presented in the proposal.
  - c. Any other information deemed important by the Partner
3. Listing of projects cancelled or modified during the course of the year and projects approved either through re-budget or set-aside funds. (Use *Funding Status Report* which is form E11 in Appendix E)
4. Chart listing incubators assisted and names of companies within these incubator facilities. (Use *Overall Incubator Summary Table* and *Individual Incubator Summary Table* which are forms E12 in Appendix E)
5. Written justification in those instances when a 1:1 match ratio cannot be achieved on an individual project. (Use *Statement Regarding 1:1 Project Match Requirement* which is form E13 in Appendix E)
6. Financial Summary:
  - a. Final Project Financial Spreadsheets showing budgeted and actual expenses for each project and subtotaled by category. (Use *Overall Project Financial Summary* and *Project Financial Summary* which are forms E4 in Appendix E)
  - b. Partner's Operating Budget, showing both the original budgeted amounts (as in the proposal), the actual expenditures, and the variances for the year. (Use *Operating Budget* which is form E3 in Appendix E)
  - c. A listing of all of the assets, investments, accounts, or financial holdings of the Partner. (Use *Items of Assets and Holdings*, *Outstanding Loans*, and *Outstanding Equity* which are forms E8 in Appendix E)

7. A two page final Project Summary Report (Use **Project Summary Report** which is form E6 in Appendix E) for each individual project organized by category. The only required updates from the original submission are:
- Funding (item 6)
  - Anticipated Results of Project/Final Outcome (item 13)

The titles of items 8, 9, 10, 11 and 12 on the Project Summary Report will be followed by a notation of “At time of the proposal” in the final report.

## Volume II

**Independent Audit** - at least two (2) copies.

In accordance with Section 8(4) of the Act, the Partner shall annually submit an independent audit covering all funds received from the BFTDA and funds received from BFTDA support, such as paybacks, reimbursements, investment returns, fees for services, cash reserves, interest, return of depreciation and any other similar forms of income which result at least partially from initial expenditure of BFTDA funds. The audit shall include all of the communications between the auditors and the managers of the Partner. The audit shall be conducted in accordance with appropriate government auditing standards and shall be public record. The Partner shall provide copies of all audits to the DCED.

An independent audit conducted in accordance with GAAP, GAAS, and GAGAS is deemed to be in accordance with appropriate government auditing standards. Each of the Partners will be required to provide the BFTDA with the above annual independent audit within thirty days of approval by each Partner’s Board of Directors. This should be an audit for all BFTDA funds awarded and expended during the fiscal year being audited. Each audit must specify a breakdown of all awarded BFTDA monies, including a detailed statement of revenues, expenditures, and fund balances, by contract number. In addition, the audit must include a Statement of Compliance and Internal Controls.

The annual audit must be accompanied by an affidavit signed by the Partner CEO attesting to the fact that match requirements have been met, based on certifications received from each entity’s CEO or authorized representative that has received funds (Use STATEMENT REGARDING 1:1 PROJECT MATCH REQUIREMENT which is form F13 in Appendix F).

The amounts shown as being expended in the independent audit should agree with the financial information in Volume I. Any deviations between the final report (Volume I) and the independent audit (Volume II) should be clearly explained.

The Partners shall make available all communications between their private auditor and the managers of the Partners to the BFTDA Board, BFTDA staff and other designees of the BFTDA Board.

## Appendix D – Impact Report

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### General Overview and Timeline

Benefits of the BFTP program to the Commonwealth of Pennsylvania will be reported once a year. The impact report will be due from the Partner to DCED no later than February 15 and will cover the period of January 1 through December 31 of the year just ended.

Each Partner will establish a process for reviewing, verifying, and amending survey responses. Included in this process should be methodology to ensure a company that has been counted in a previous reporting period as a newly formed company is not counted again towards subsequent periods' impact in that category. An 80% or better company/organization response rate is expected. A full listing of all the companies/organizations surveyed will be provided in the impact report with an indication of those that responded with impact, those that responded with no impact, and those that did not respond (Use *Companies Surveyed* which is form E16 in Appendix E).

### Company Performance Measures

The specific quantitative performance measures reported via the impact survey by companies served by a Partner are as follows (Use *template* to be provided electronically by the Office of Technology & Innovation):

1. Number of new companies formed.
2. Dollars of revenue earned.
3. Number of jobs created.
4. Numbers of jobs created that have an annual salary that meets or exceeds \$41,724.
5. Number of jobs retained.
6. Number and description of new products commercialized.
7. Number and description of new internal processes implemented.
8. Dollars of research, development, testing and evaluation expenditures.
9. Number of patents and software copyrights.
10. Number of licenses granted to other PA companies.
11. Dollars of licensing revenue earned.
12. Dollars of additional funding obtained.

### Partner Performance Measures

Numbers and identification of companies assisted and/or funded as reported by a Partner are as follows (Use *Companies Assisted/Funded* which is form F14 in Appendix F):

13. List of all companies assisted and/or funded by the Partner
14. Indication of which companies received assistance other than funding

15. Indication of which companies received funding
16. Indication of companies new to the Partner which were assisted or funded for the first time
17. Early-stage or start-up companies (within first three years of operation) receiving assistance other than funding from the Partner for the first time
18. Early-stage or start-up companies (within first three years of operation) receiving funding from the Partner for the first time

## Definition of “Assistance”

Due to the fact that each of the Partners has developed innovative initiatives for actively assisting companies and entrepreneurs in its respective region, it is not possible to develop a standard definition of the activities that would constitute “assisting” a company or an entrepreneur for reporting purposes. However, the following activities are indicative of the types of activities that should be reported as providing assistance to a company or entrepreneur:

1. Providing direct financial support to a company through direct debt or equity investment, loan guarantee, technology development grant, or similar investment.
2. Providing detailed and thorough due diligence reports and constructive feedback, whether written or oral, on a prospective investment opportunity, regardless of whether such due diligence results in direct financial support from the Partner.
3. Assisting a company or entrepreneur with a proposal to receive financial support from a third party funding source, including state and federal government agencies, and private investors networks.
4. Providing direct business assistance to a company or entrepreneur, including management and advisory services, strategic planning, business plan or investor presentation review and critique.
5. Meeting with a company and providing the company or entrepreneur with individualized referrals and introductions to other sources of funding, including public and private entities, regardless of whether such introductions result in the company or entrepreneur obtaining financial assistance as a result of the introductions.
6. Meeting with a company or entrepreneur and providing the company or entrepreneur with individualized referrals and introductions to other sources of business advisory services, regardless of whether such introductions result in the company engaging those sources of business advisory services.
7. Providing material funding support, leadership and significant staff time to events or initiatives that result in companies or entrepreneurs receiving the types of assistance described above, such as workforce training programs, venture fairs, or business plan competitions, in which cases the Partner may report that they provided assistance not to the events themselves but to each company or entrepreneur participating in the events.

For each of the above listed activities, the Partner should keep track of the company or entrepreneur assisted, the issue addressed and the form of assistance provided. The Partner should include only those activities where (1) the level of the Partner’s support and services was substantial and material and (2) the benefit to the company or entrepreneur is significant.

Activities that may not be reported as “assisting” companies or entrepreneurs include, without limitation, routine interaction with companies or entrepreneurs, such as explaining the various services offered by the Partner, rejections of proposals that do not require significant investment of Partner staff time or funds, and assistance or financial support provided by public or private investment funds in which the Partner has only a passive ownership interest.

## Additional Questions

Partners are encouraged to collect additional measures that measure the impact of the Partners' regional strategies. As regional strategies vary among the Partners, this information is for regional use, and is not required to be included with the Partners' impact reports.

Additional statewide measures may be added at the discretion of the BFTDA and/or the Executive Director of the BFTDA. It is recognized that, due to the timing of reporting cycles and the terms and conditions of contracts with clients, the Partners may not be able to collect certain measurements without sufficient lead time to implement these changes. Accordingly, DCED shall work with the Partners to review and revise, as necessary, reporting methods, including content (except core required TBED questions), frequency and collection methodology, to create and support an efficient, standard system that is non-intrusive to clients.

## Data Collection Issues

Partners should report any specific problems in collecting data on the specified program measures and include this information in a separate section of the impact report.

## Case Study

Partners will provide one case study annually using the following format:

Company Name:

Address:

City, State, Zip:

Phone:

Email:

Industry Focus:

Organization(s) from which the company received assistance:

Year the project started:

Year [company name] was formed:

County/counties in which the funded project occurred:

Please provide a narrative (250 words or less). Include all of the following:

- 1- or 2-sentence description of the company
- Name of organization that provided assistance
- What type of assistance was provided (financial or technical/non-financial)? Amount (if applicable)
- How did the assistance impact company goals?
- What was the impact of the program/project on the market?
- Outcomes (i.e. jobs created, jobs retained, \$'s leveraged, new company formation)

If applicable/available, please note:

Total annual sales:

Is this a minority/woman owned business? If so, describe.

As a representative of [Company Name], I approve this information for use in commonwealth correspondence and collateral materials.

Name:

Title:

Signature:

Date:

## Definitions

For the purpose of this survey, the following terms are defined as:

**Company:** Includes all the establishments that operate under ownership or control of a single organization, including all subsidiary organizations.

**Consultants:** Individuals and for-profit or non-profit companies or organizations hired by your company to provide professional services, such as – but not limited to – accounting, marketing, and research that are not employees and who are issued an IRS 1099 form and/or paid as an independent contractor.

**Current Reporting Year:** The 12-month calendar year ending on 12/31/20XX.

**Employees:** Full-time and part-time employees on your company's payroll (Form W-2).

**Financial Services:** Monetary-based programs and services.

**Full-Time Equivalent (FTE):** Full-time equivalent employment is a computed statistic representing the number of full-time employees that could have been employed if the reported number of hours worked by part-time employees had been worked by full-time employees. This statistic is calculated by dividing the hours worked by part-time employees by the standard number of hours worked by full-time employees and then adding the resulting quotient to the number of full-time employees.

**Funding:** Cash provided to your company by the federal government (including federal funding that flows through state agencies), local government, philanthropic foundations, angel investors, strategic investors, institutional venture capital, industry, commercial banks, and/or other financial institutions. Funding excludes in-kind contributions provided by your company and/or third-parties as well as any source of state funding.

**Job Positions:** The paid, full-time, part-time and temporary positions (or slots) your company has filled calculated on a full-time equivalent based on a full-time work week.

**Licensing Revenues:** Gross revenues generated by licensing activities, including royalty payments, fees and realized capital gains from the sale of equity.

**New Company Formation:** A company is considered to be formed if it is legally established and is within three years of having received its Employee Identification Number (Tax Identification).

**New Process:** A process that was developed and implemented in-house that is an improvement in the way a previously existing product or service was produced.

**New Product:** A good/service that has never before been available to your customers or a product that has been modified or a product line extension or a "new-to-the-world" product.

**Non-Financial Services:** Any type of assistance and/or service that is not monetary in nature.

**Position:** The specific set of tasks that an employee is expected to perform.

**Prior Reporting Year:** The 12-month calendar year ending on 12/31/20XX.

**Research, Development, Testing and Evaluation (RDT&E) Expenditures:** Monies spent on labor, services, materials and equipment used to conduct research, development, testing and evaluation as recognized by your company, regardless of where the RDT&E was physically undertaken. RDT&E excludes in-kind contributions provided by your company and/or third-parties.

**Revenue:** Monies received for goods and/or services sold as recognized by your Pennsylvania-based company. Even though some of your revenue generating activities may occur outside of Pennsylvania, please report the revenue that is attributed to your Pennsylvania operations.

**Spin-Off:** An industry or university spin-off is a newly formed company that is expected to derive a significant portion of its commercial activities from the use of technology and/or know-how developed at another company or university at the time of its establishment.

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## Appendix E – Reporting Templates

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Appendix E contains the forms to be used by all the Partners to fulfill the requirements of these program guidelines.

**Contact the Technology Investment Office to obtain the Excel files.**

Appendix E1 – Table of Contents

Appendix E2 – Projected Impact

Appendix E3 – Operating Budget

Appendix E4 – Overall Project Financial Summary

Appendix E5 – Returns on Investments

Appendix E6 – Project Summary Report

Appendix E7 – Overall Program Summary

Appendix E8 – Items of Assets and Holdings

Appendix E9 – Board of Directors Contact List

Appendix E10 – Full Center Staff Listing

Appendix E11 – Funding Status Report

Appendix E12 – Overall Incubator Summary Table

Appendix E13 – Statement Regarding 1:1 Project Match Requirement

Appendix E14 – Companies Assisted/Funded

Appendix E15 – Impact

Appendix E16 – Companies Surveyed

## Appendix E1 - Table of Contents

	<b>Page</b>
<b>I. Executive Summary (Maximum 5 pages)</b>	
Overview of Regional Strategy	
Overview of Projects Which Were Particularly Innovative or Impactful	
Annual Goals	
Other	
<b>II. BFTP Operating Budget</b>	
<b>III. Program Financial Summary</b>	
<b>IV. Project and Program Summaries</b>	
Table of Contents	
Project Summaries	
Company Investments	
Business and Technical Assistance	
Technology/Entrepreneurial Infrastructure	
Overall Program Summary	
<b>V. Listing of the Holdings</b>	
<b>VI. Miscellaneous</b>	
Current Mailing Address(es), Telephone Number(s), and Other Relevant Contact Information	
Articles of Incorporation	
Bylaws	
Current Officers and Directors	
Personnel with Contact Information and Areas of Expertise	
Financial Accountability	

## Appendix E2 - Projected Impact

	Calendar Year 20XX** Projected Goals Presented to the BFTDA Board on XX/XX/XX	Calendar Year 20XX*** Achievements	Calendar Year 20XX**** Achievements
<b>Companies Assisted</b>			
<b>Jobs Created</b>			
<b>Jobs Retained</b>			
<b>Leverage*</b>			
<b>New Company Formation</b>			

\* Leverage is the aggregate sum of cash provided to your companies by the federal government (including federal funding that flows through state agencies), local government, philanthropic foundations, angel investors, strategic investors, institutional venture capital, industry, commercial banks, and/or other financial institutions. Funding excludes in-kind contributions provided by your company and/or third-parties as well as any source of state funding.

\*\* Calendar year in which BFTDA presentation is being done

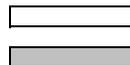
\*\*\* Calendar year in which the BFTDA presentation was done and the numbers should tie back to the impact report

\*\*\*\* Previous calendar year and numbers should tie back to that year's impact report



### Appendix E4 - Overall Project Financial Summary

Programs	BFTDA Funds	Use of BFTDA Returns	Private Sector			University			Non-Profit	Federal	Other	Non-State Funds Total	Grand Total
			Cash	Equipment	In-Kind	Cash	Equipment	In-Kind					
<b>Company Investments</b>													
Indirect												0.00	0.00
Direct												0.00	0.00
<b>Business &amp; Technical Assistance</b>													
Internal Direct Services												0.00	0.00
External Projects												0.00	0.00
<b>Technology Infrastructure</b>													
Internal Direct Services												0.00	0.00
External Projects												0.00	0.00
<b>Challenge Grant Set-aside</b>													
Current Fiscal Year												0.00	0.00
Carry-over from Previous Fiscal Year												0.00	0.00
<b>Management &amp; Administration</b>													
Management & Administration												0.00	0.00
<b>Totals</b>													
Totals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BFTDA State Funds + Returns	0.00	0.00											



=Budgeted Amount

= Actual Amount Expended





**Appendix E4 - Project Financial Summary**

Project Number	Company/Project Name	BFTDA State Funds	Use of BFTDA Returns	Private Sector			University			Non-Profit	Federal	Other	Non-State Funds Total	Grand Total
				Cash	Equipment	In-Kind	Cash	Equipment	In-Kind					
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
<b>Program 4 Subtotal</b>		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of Projects =		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Company Investment Total</b>		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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**Appendix E4 - Project Financial Summary**

Project Number (Where Applicable)	Company/Project Name	BFTDA State Funds	Use of BFTDA Returns	Private Sector			University			Non-Profit	Federal	Other	Non-State Funds Total	Grand Total
				Cash	Equipment	In-Kind	Cash	Equipment	In-Kind					
<b>Technology Infrastructure</b>														
Internal Direct Services														
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
<b>Internal Direct Services Subtotal</b>		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of Projects =		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
External Projects														
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
<b>External Projects Subtotal</b>		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of Projects =		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Technology Infrastructure Total</b>		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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**Appendix E4 - Project Financial Summary**

Project Number (Where Applicable)	Company/Project Name	BFTDA State Funds	Use of BFTDA Returns	Private Sector			University			Non-Profit	Federal	Other	Non-State Funds Total	Grand Total
				Cash	Equipment	In-Kind	Cash	Equipment	In-Kind					
<b>Challenge Grant Set-Aside</b>														
Current Fiscal Year														
												0.00	0.00	
												0.00	0.00	
Carry Over from Previous Fiscal Year														
												0.00	0.00	
												0.00	0.00	
<b>Challenge Grant Set-Aside Total</b>		0.00	0.00							0.00	0.00	0.00	0.00	
		0.00	0.00							0.00	0.00	0.00	0.00	

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## Appendix E5 - Returns on Investments

For the period of 7/1/XX-6/30/XX

	Amount
<b>Beginning Balance, July 1</b>	
<b>Receipts, July 1 through June 30</b>	
<b>Less Estimated Investments/Expenses to be paid from these reserves</b>	
<b>Estimated Returns on Investments Balance at June 30</b>	\$0.00
<b>Company Paybacks</b>	
<b>Total</b>	<b>\$0.00</b>
<b>Interest</b>	
<b>Total</b>	<b>\$0.00</b>
<b>Venture Investments</b>	
<b>Total</b>	<b>\$0.00</b>
<b>Royalties</b>	
<b>Total</b>	<b>\$0.00</b>
<b>Other (please specify)</b>	
<b>Total</b>	<b>\$0.00</b>

## Appendix E6 - PROJECT SUMMARY REPORT

1. **PROJECT #:**

2. **PROJECT TITLE:**

3. **PROJECT YEAR:**

4. **PROJECT CATEGORY:**

5. **FOR R&D:**

a. **TECHNOLOGY AREA:** Computers

b. **TYPE OF AWARD:** Payback \_\_\_ Grant \_\_\_ Other

c. **PROJECT GOAL:** Prd-Dev \_\_\_ Prc-Dev \_\_\_ Other

d. **TARGET INDUSTRY:**

6. **FUNDING:** BFP: Awarded: \$ Expended: \$  
Total Project Cost: Budgeted: \$ Expended: \$

7. **PROJECT PRIMARILY BENEFITS:**

A. Minority Co. \_\_\_ Women-owned Co. \_\_\_  
Persons Qualified under Americans with Disabilities Act \_\_\_

B. Project is located in:

Keystone Innovation Zone (KIZ) \_\_\_\_\_

Keystone Opportunity Zone (KOZ) \_\_\_\_\_

Other Special Emphasis Development Area \_\_\_\_\_

8. **PRIMARY PRIVATE SPONSOR(S):**

Co. Name:

Co. Address:

City/State/Zip:

County:

Phone:

FED ID #

NAIC:

Startup Year:

# Employees in Pa:

# Employees Worldwide:

Minority Owned:

Women Owned:

New BFP Participant:

9. **UNIVERSITY SPONSOR(S):**

Contact:

10. **RECIPIENT(S) OF BFTP FUNDS:**

**11. DESCRIPTION OF PROJECT:**

- a. Description of subject matter:
- b. For projects that are continuations of projects funded in the previous fiscal year, include a description of progress achieved to date.

**12. MARKET NEED:**

**13. ANTICIPATED RESULTS OF PROJECT/FINAL OUTCOME:**

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## Appendix E8 - Items of Assets and Holdings

	3/31/XX	3/31/XX
Cash		
Accounts Receivable (Other than loans)		
Prepaid Expenses		
Value of Equipment Owned		
Loans Receivable (Minus allowance for losses)		
Value of Non-Client Equity Holdings		
Stock		
Venture Funds		
Other		
Investments (Trust funds, other accounts, etc.)		
Real property		
<b>Total:</b>	\$0	\$0

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## Appendix E11 - Funding Status Report

**Available Set-Aside**

**Amount**

Set-Aside as of 7/1/XX

**\$0**

**Cancelled Investments**

Project Number	Company Name	Amount
<b>Total:</b>		<b>\$0</b>

**Modified Investments**

Project Number	Company Name	Original Amount	Amount of Modification
<b>Total:</b>			<b>\$0</b>

**New Investments**

Project Number	Company Name	Amount
<b>Total:</b>		<b>\$0</b>

**Total FY 20XX-XX Available Set-Aside: \$0**





## Appendix E13 - Statement Regarding 1:1 Project Match Requirement

Partner: [Enter Partner's Name]

FY: [Enter Fiscal Year]

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For fiscal year 20XX-XX, we exceeded the overall 1:1 match ratio required by the Ben Franklin Technology Development Authority. We also met the 1:1 match requirement on an individual project basis with the following exception(s):

**[Enter the Name(s) of the Company/Project with reason the match was not met]**

Total Challenge Grant funds in the amount of \$**[Enter Amount of Projects Funded]** were disbursed during the period ending **[Enter the Period Ending Date]**. The aggregate total of matching funds made on those projects was \$**[Enter Amount of Matching Funds]**.

The Project Financial Summary within this Final Report includes the matching funds (projected and actual) reported for each project during the fiscal year.

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(Signature)

---

(Print Name and Title)



## Appendix E15A - Impact

Ben Franklin Technology Partners Impact Report	Calendar Year 20XX
Companies Assisted	
Jobs Created	
Jobs Created $\geq$ \$41,724 annually	
Jobs Retained	
Leverage (attributed)	
Public	
Private	
Leverage (unattributed)	
New Company Formation	
Revenue Earned	
New Products Commercialized	
New Internal Processes Implemented	
RDT&E Expenditures	
Patents and Software Copyrights Awarded	
Licenses Granted to other PA Companies	
Licensing Revenue Earned	





