

The North Carolina Green Business Fund

Program Guidelines

“North Carolina is Open for Green Business”

A. **PROGRAM SUMMARY.** The North Carolina Green Business Fund (the “Green Business Fund” or the “Program”) is designed to award funds to North Carolina small for-profit and non-profit businesses, and State and local governmental entities, to encourage the development and commercialization of promising green technologies.

This Program is designed to encourage the development of commercial innovations and applications in the following three designated priority areas (“Priority Areas”):

1. The development of the biofuels industry in North Carolina. Grants made in this category may target projects that maximize the development, production, distribution, retail infrastructure, and consumer purchase of biofuels and workforce development in these areas.
2. The development of the green building industry in North Carolina. Grants made in this category may target the development of environmentally conscious and energy efficient green building processes, including but not limited to supporting the installation, certification, or distribution of green building materials; energy audits; marketing and sales of green building technology in North Carolina; and workforce development for green building processes.
3. Attracting and leveraging private sector investment and entrepreneurial growth in environmentally conscious clean technologies and renewable energy products and businesses. Grants in this category may target renewable energy deployment; biomass energy projects; waste reclamation for energy; liquefaction; implementation of innovative energy efficiency technologies; clean distributed generation infrastructure improvements; and other promising technologies.

The North Carolina Board of Science and Technology (the “Board”), a division of the North Carolina Department of Commerce, through its Executive Director, will administer the Green Business Fund in the manner set forth in these Guidelines. Capitalized terms contained herein have the meanings ascribed to them in Section D of these Guidelines.

The Board will issue a Solicitation for each Program funding cycle, which describes Application requirements for an Award under that Solicitation, including specific selection criteria for Projects. The

Solicitation will specify available Award amounts and the dates during which Applications may be submitted (the “Solicitation Period”). A particular Solicitation may target and be limited to certain types of Projects and Eligible Entities.

Eligible Entities will apply for an Award by submitting a completed Application in response to, and in compliance with, a Solicitation. An Eligible Entity may receive only one (1) Award during a Solicitation Period.

The Board will review Applications either on a rolling, first-come, first-serve basis, or based on the group of all Applications submitted by a fixed calendar date, as specified in the governing Solicitation. In either case, the making of Awards is always subject to the availability of unencumbered funds for the Program under that Solicitation.

B. STATUTORY AUTHORITY AND AMENDMENT. These Guidelines apply to funds appropriated or otherwise deposited, granted or allocated to the Green Business Fund established by, and to be used pursuant to, North Carolina Session Law 2007-323, including §143B-437.4 through §143B-437.8 of the North Carolina General Statutes (the “Program Statutes”). These Guidelines may be amended from time to time, using the procedures set forth in N.C. Gen. Stat. §143B-437.7.

C. PROGRAM PURPOSE. The purpose of the Green Business Fund is to encourage small businesses with less than 100 employees to help grow the green economy in the State by funding projects focused on the Priority Areas described in Section A of these Guidelines.

D. DEFINITIONS.

1. *Applicant* – an Eligible Entity that submits an Application.
2. *Application* – an application, completed on the prescribed form(s), the Proposal, and any supporting materials submitted by an Applicant in response to a Solicitation.
3. *Award* – a Green Business Fund grant, pursuant to N.C. Gen. Stat. §143B-437.4(b).
4. *Board* – The North Carolina Board of Science and Technology, a division of the North Carolina Department of Commerce.
5. *Closing Date* - The last date for receipt of an Application and all required supplemental materials under a Solicitation.
6. *Eligible Entities* – Small Businesses, nonprofit organizations, local governments, and State agencies.
7. *Guidelines* – These guidelines for the North Carolina Green Business Fund.
8. *Grant Agreement* – The agreement between the State of North Carolina and a Grantee, governing the terms of an Award.
9. *Grantee* – An Applicant that has been approved to receive an Award.

10. *Green Business Fund* - The North Carolina Green Business Fund established by N.C. Gen. Stat. §143B-437.4(a).
11. *Green Business Fund Award Survey* – An annual report that must be submitted by all Grantees, demonstrating use of Award funds, progress of its Project, and other matters related to an Award.
12. *Performance Period* – The time period over which the Statement of Work described in a Proposal is to be performed.
13. *Priority Area* – one of the statutory priority areas, as enumerated in Section A of these Guidelines, and, for any Solicitation, as limited therein.
14. *Principal Place of Business* – the state in which an organization maintains its head office, where its books and records are kept, and senior management is located, as reported to that state’s Secretary of State.
15. *Program Statutes*- has the meaning ascribed to it in Section B of these Guidelines.
16. *Project* - a project that is focused on one of the Priority Areas.
17. *Proposal* – the part of an Application, prepared by the Applicant, that contains all required elements enumerated in the Solicitation, regarding details of the proposed Project.
18. *Solicitation* – A document announcing the availability of Awards, as described in Section E of these Guidelines.
19. *Solicitation Period* – The time period during which Applications in response to a specific Solicitation will be accepted.
20. *Small Business* - A private business with fewer than one hundred (100) employees.

E. **SOLICITATIONS.** Solicitations shall be issued by the Board, inviting Eligible Entities to submit Applications for an Award, during a specified Solicitation Period. Solicitations shall be posted on the Board’s website, as provide in Section N of these Guidelines. Solicitations shall set forth the Solicitation Period, Award amount available and eligible requirements, Proposal and reporting requirements, and Application forms.

No Applications or supplemental materials submitted in response to a Solicitation will be accepted after its Closing Date (or, with respect to Solicitations that accept Applications on a rolling basis, after all funds available for that Solicitation have been encumbered.

These Guidelines are incorporated into all Solicitations.

F. **ELIGIBILITY.** An Applicant must satisfy the following conditions in order to be eligible to submit an Application:

1. Applicant must be an Eligible Entity with its Principal Place of Business in North Carolina.
2. Applicant may not apply for a second Award for activity for which the Applicant has already received an Award.
3. Any Applicant that, in the judgment of the Board, has failed to correct a material breach of an Award agreement or of any grant agreement under any program administered by the Board or the State of North Carolina is ineligible to submit an Application.
4. Applicant must satisfy any other eligibility requirements established by the Board and published in a Solicitation.

To be eligible for funding under this Program, Applicants will be required to demonstrate that:

- The proposed Project is technically sound and to be undertaken by an Applicant with the necessary technical, financial and management capacity;
- The proposed Project will be undertaken in a collaborative and innovative manner as appropriate;
- Any new technologies and any related intellectual property developed during the Performance Period will be commercialized in a timely manner in relevant market sectors; and
- The funding is necessary to ensure that the Project proceeds in a manner to ensure broad benefits to North Carolinians.

G. APPLICATION REQUIREMENTS

Timing and Scope. Applicants must fully comply with all requirements of these Guidelines and the relevant Solicitation within the Solicitation Period. Applications that do not include ALL of the documents specified in a Solicitation, or that contain documents that have not been fully completed, will be considered incomplete and will be returned to the Applicant without further review. At its discretion, the Board may request supplemental materials from the Applicant and such materials must be received within fifteen (15) days of the date of the request or the Application may be returned to the Applicant without further review.

Application Forms. Applicants must use the required forms provided in a Solicitation. These forms will require certain certifications by the Applicant, including without limitation, certification that at least fifty-one percent (51%), or such greater amount as may be specified in a particular Solicitation, of the activity conducted under any Award will be performed in North Carolina, and significant operations will be maintained in North Carolina for the duration of the Project Performance Period.

Proposal. The Proposal shall include, among other things specified in the Solicitation:

1. A detailed description of the Project.
2. Independent sources discussing the merits of the technology.
3. A detailed Statement of Work.
4. A description of how the Project promotes North Carolina's economic development objectives, including creation of jobs in green products, services, or processes, in North Carolina.
5. A description of the Award amount sought and the intended use for such funds.
6. Detailed Project budget and timeline.
7. Project feasibility information.
8. Technical background and career history of principals engaged in the Project.
9. An identified *Program Manager*. This person is the Eligible Entity's contact person with the Board. This should normally be the person who plans and directs development and implementation of the Project and who is responsible for its success. The nature of this person's activities should be described, as well as the amount of time he or she will spend on the Project, which shall be not less than an average of twenty (20) hours per week. The Proposal shall provide details of the Program Manager's education and experience, and demonstrated success on projects of similar nature and scope.

H. LIMITATIONS ON GREEN BUSINESS FUND AWARDS. An Applicant may receive no more than one (1) Award during the period covered by a Solicitation.

I. APPLICATION REVIEW AND APPROVAL. Applications will be reviewed to ascertain compliance with the requirements in a Solicitation, through the end of the Solicitation Period, or, in the case of Applications reviewed on a rolling basis, until the funds available for that Solicitation have been exhausted. Date and time of receipt of the complete Application (including all required documents) will be used to establish the order for consideration of Applications, for Solicitations that specify review on a rolling basis.

An Advisory Committee, which may be established by the Board, may make recommendations to the Board on the specific selection criteria to be applied under each Solicitation, and the specific Projects that it determines best meet these criteria.

The Board shall determine the appropriate payment structure for a given Award, on a Project-specific basis. Proposals may be funded partially, fully, or not at all, as determined by the Board. In appropriate circumstances, the Board may request cooperation between Grantees on certain Projects, or revisions to

Proposals, in order to avoid duplication and achieve the maximum benefit to the State of North Carolina. The Board may modify individual Award amounts based on availability of funds or waive the maximum grant limitation upon a finding that such waiver is appropriate to accomplish the purpose of the Program.

- J. **APPEAL.** If the Executive Director denies an Application, the Applicant may appeal this decision to the full Board, by written notice within thirty (30) days of the date of the denial notification or return of the Application, requesting reconsideration of the Application. Any reconsideration will be subject to availability of funds. In all appeals, the decision of the Board is final
- K. **GRANT AGREEMENT.** The terms under which an Award is made will be reflected in a Grant Agreement between the State of North Carolina and the Grantee. Terms of performance in the Grant Agreement will include but will not be limited to the following:
1. The Grantee shall comply with all requirements described in these Guidelines and the relevant Solicitation.
 2. The Grantee shall prepare and submit regular status reports to the Board as outlined in the relevant Solicitation.
 3. The Grantee shall prepare and submit a final report as described in the relevant Solicitation, to the Board within thirty (30) days of the end of the Performance Period.
 4. The Grantee shall complete and submit to the Board its annual Green Business Fund Award Survey for a period of up to five (5) years following receipt of the last payment under an Award.
 5. The Grantee, or designated agent, shall maintain records and accounts that properly document and account for the application of all Award disbursements for a minimum of five (5) years after the date of the last disbursement under an Award. All such records and accounts shall be made available on demand by authorized representatives of the Board for inspection and use in carrying out its responsibilities with respect to the administration of the Green Business Fund.
 6. The Grantee or designated agent shall comply with the audit policy of the State of North Carolina with respect to the disposition of Award funds and shall comply with the certifications made by the Grantee as a condition of its Award. The Grantee shall also provide the Board with timely copies of reports on any audits that review the use of Award funds.
 7. In the event that an audit results in the determination that the Grantee has expended Award funds improperly, or that the Grantee has not complied with the certifications made by it as a condition of its Award, the Grantee shall, at a minimum, be required to reimburse the Green Business Fund for all such costs, up to the full amount of its Award.

8. The Grantee shall provide representations, warranties, and covenants with regard to itself, its Project, and the use of Award funds, and shall be subject to recapture of Award funds for misrepresentations and default under the Agreement.
9. Conditions precedent for disbursement of Award funds.
10. Permitted uses of Award funds by Grantee, including specified amounts.
11. The Grantee shall collaborate with other North Carolina companies and contract with Small Businesses headquartered in the State for goods and services, whenever reasonably and commercially practicable in the conduct of its business.

L. GENERAL TERMS.

1. No oral statement of any person shall modify or otherwise affect the terms and conditions of these Guidelines or of a Solicitation.
2. The Board may reject any Application that does not comply with the requirements of the Green Business Fund.
3. The Board may refuse to approve an Application if it is not in keeping with the purpose of the Green Business Fund.
4. The Board may withdraw a Solicitation at any time.
5. The Green Business Fund is funded by State appropriations and awards are contingent upon the availability of State funds for these purposes.
6. The Board reserves the right to award less than or none of the funding allotted to a Solicitation, based on the quality and eligibility of Applications.

M. RELEASE OF INFORMATION. All documents submitted to the Board, including all Application materials, are public records governed by Chapter 132 of the General Statutes and applicable provisions of the General Statutes protecting confidential information. When specific information in an Application is regarded by the Applicant and by law as confidential and not subject to disclosure under the North Carolina Public Records Act, the Applicant should specifically and clearly designate it as such in writing on that portion of the Application in which the information appears. An Applicant should provide an explanation for why particular information is regarded as confidential. Indiscriminate designations of information as “confidential,” such as form language automatically inserted into e-mails or into the margins of documents will not be regarded as sufficient designations. Confidential designations must embrace only specific confidential words, numbers, descriptions, etc., and not whole sentences or groups of sentences.

N. **PUBLICATION OF GUIDELINES AND SOLICITATIONS.** The Board will publish the Guidelines, all Solicitations, and all announcements of Awards on the Board website at: <http://www.ncscienceandtechnology.com>, accessible from a direct link on the North Carolina Department of Commerce website at <http://www.nccommerce.com>.