



north carolina
Green Business Fund

Encouraging the development and commercialization of promising Green Innovations

Fiscal Year 2009-2010 Solicitation

Solicitation Period: December 18, 2009 – March 15, 2010

Pre-proposals due: January 19, 2010

Invitations to submit Project Proposals: January 29, 2010

Project Proposal closing date: 11:59 p.m., March 15, 2010

(Note: See Revised Timeline and Dates of Importance in Appendix J below)

Funding Opportunity number: NCBST-1001GBF

Funded through the North Carolina State Energy Office from the 2009 American Recovery and Reinvestment Act (ARRA)

Administered by:

North Carolina Board of Science and Technology

North Carolina Department of Commerce

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Notice of Availability of Funds and 2010-01 Program Solicitation for The NC Green Business Fund

Announcement Type:	New. Notice of Solicitation for Applications under the North Carolina Green Business Fund Program (the “Green Business Fund”), issued by the North Carolina Board of Science and Technology (the “Board”), a division of the North Carolina Department of Commerce.
Eligible Applicants:	Small for-profit businesses (with 100 or fewer employees), non-profit organizations, State agencies, and local governments <i>to encourage the expansion of small- to medium-sized businesses with 100 or fewer employees that have innovative commercial technologies, products and services to grow a green economy in the State.</i>
Funding Opportunity Number:	NCBST-1001GBF.
Statute and Guidelines:	This Solicitation is issued pursuant N.C. Gen. Stat. §143B-437.4(a) under which the Green Business Fund was established, the Guidelines issued pursuant to N.C. Gen. Stat. §143B-437.7, which govern the administration of this Program, and the 2009 American Recovery and Reinvestment Act, Public Law 111-5 (ARRA) State Energy Program Formula Grants (Funding Opportunity Number: DE-FOA-0000052). The Guidelines are set forth in Appendix I hereto, and are incorporated into this Solicitation by reference as though set forth in their entirety herein. The Guidelines may also be found on the North Carolina Board of Science & Technology’s website at: http://www.ncscitech.com/guideline_resources.htm . Capitalized terms in this Solicitation have the meanings ascribed to them in the Guidelines. All references to Applications, Awards, Project and Proposals herein are references to Applications, Awards, Projects, Proposals, and Project Proposals under this Solicitation. This Solicitation is funded by monies made available under the ARRA and is governed by the Federal requirements and guidelines promulgated thereunder.
Solicitation Period:	December 18, 2009 – March 15, 2010.
Closing date:	The last time and date for receipt of Pre-Proposals under this Solicitation is 11:59 p.m., January 19, 2010. The last time and date for receipt of Applications under this Solicitation is 11:59 p.m., March 15, 2010. The Board must receive all Application materials prior to the Closing Date. No Applications or supplemental materials submitted in response to this Solicitation will be accepted after this date. (Note: See Revised Timeline and Dates of Importance in Appendix J below)
Maximum grant amount:	\$500,000; however, <u>most awards will be considerably smaller</u>. See “Award Structure” on page 22.
Funding Available under this Solicitation	The maximum amount of funding available for all Awards made under this Solicitation is eight-million, three-hundred thousand dollars (\$8,300,000).
Questions about this Solicitation	To ensure fairness, questions relating to the intent and/or content of priority areas and funding objectives cannot be answered during the Solicitation Period. Only questions requesting clarification of application instructions and administrative matters will be answered. Questions should be directed to Paul Shannon, Grants Administrator, NC Green Business Fund, at pshannon@nccommerce.com or 919-715-0101.
Questions Regarding Proposal Status	Except for an acknowledgment of an Application receipt (to be e-mailed within thirty (30) days of the date of receipt), information about Applications will not be available until final selections are announced.

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Overview of the 2010 Grant Program

The North Carolina Board of Science & Technology invites Proposals for the 2009-2010 North Carolina Green Business Fund (NCGBF). The NCGBF is designed to award funds to entities whose principal place of business is in North Carolina and who are either 1) small for-profit businesses (with 100 or fewer employees), 2) non-profit organizations, 3) State agencies, or 4) local governments, *to encourage the expansion of small- to medium-sized businesses with 100 or fewer employees that have innovative commercial technologies, products and services to grow a green economy in the State.* Projects must address one of three priority areas described in the Purpose section.

Purpose

The purpose of the North Carolina Green Business Fund is to promote the growth of economic activity in North Carolina around environmentally preferable technologies and practices that improve operational performance, productivity, or efficiency while reducing inputs, energy consumption, waste or pollution.

The Fund will award grants for activities that *encourage the expansion of small- to medium-sized businesses with 100 or fewer employees that have innovative commercial technologies, products and services to grow a green economy in the State* in one or more of the following Priority Areas:

1) Development and promotion of the biofuels industry:

Grants made in this category may target Projects that maximize the development, production, distribution, retail infrastructure, and consumer purchase of biofuels, as well as workforce development in these areas.

2) Development and promotion of the green building industry:

Grants made in this category may target Projects that promote the development and growth of a market for environmentally preferable building products and methods. Grants may support the installation, certification, or distribution of green building materials; energy audits; the marketing and sales of green building products and methods in North Carolina, as well as workforce development in these areas.

3) Attracting and leveraging private sector investment and entrepreneurial growth in environmentally conscious clean technologies and renewable energy products and businesses in North Carolina:

Grants made in this category may target Projects that attract and leverage private-sector investment or promote entrepreneurial growth in North Carolina related to a wide range of environmentally preferable technologies, products and services. These may include, but are not limited to, renewable energy, fuel cells, transportation efficiency, water quality, water conservation, waste energy reclamation, advanced materials, energy efficiency, and cleanly distributed energy generation and workforce development in these areas. Projects in this category must broadly facilitate additional private investment in North Carolina companies.

2010 Funding Objectives

Within the three priority areas above, during the FY 2010 Solicitation, funding preference will be given to Projects that directly benefit small-to-medium-sized businesses AND meet at least one of the following objectives:

REQUIRED ELEMENTS

- Save energy, and/or
- Install or generate renewable energy, and/or
- Reduce greenhouse gas emissions, and/or
- Produce alternative fuels, and/or
- Promote building energy efficiency.

STRONGLY PREFERRED ELEMENTS

Create/retain jobs, leverage additional funds, and/or benefit economically distressed regions.

Projects that do not significantly meet at least one of the Required Elements above will not be funded, as they would not meet the funding priorities of the ARRA. Projects that do not significantly meet at least one of the Strongly Preferred Elements above have a lower probability of being funded.

In addition, preference will be given to projects that promote the “triple bottom line” through:

1. Supporting technologies and/or methods that have been validated and have existing or emerging commercialized offerings;
2. Providing direct measurable benefits to **North Carolina’s environment** (i.e., improve resource efficiency, reduce carbon footprint, reduce pollution, and/or reduce use of non-renewable resources); and
3. Enhancing the infrastructure needed to support and accelerate the adoption of green/clean technologies, methods and business models throughout the State while improving the lives of the citizens of North Carolina.

Eligibility

Eligibility for the 2009-2010 NCGBF Solicitation is open to 1) small for-profit businesses (with 100 or fewer employees), 2) non-profit organizations, 3) State agencies, and 4) local governments.

Eligible Applicants may receive no more than one (1) award during this Solicitation Period.

In addition, proposed Projects **must** meet the following criteria:

1. At least seventy-five percent (75%) of Project activities must be undertaken in North Carolina,
2. The Applicant’s Principal Place of Business must be located in North Carolina (i.e., North Carolina must be the state in which the organization maintains its head office, where its books and records are kept, and senior management is located, as reported to the state’s Secretary of State.)

3. The Applicant may not apply for a second NCGBF Award for activity which the Applicant has already received an NCGBF Award under a previous solicitation.
4. 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.
5. An Applicant may submit one (1) Proposal per Priority Area, but every Proposal must be unique and limited in scope to the **one** (1) Priority Area. An Applicant may **NOT** submit two (2) Proposals in the same Priority Area.
6. An Applicant may not submit substantially equivalent Proposals for different Priority Areas. Doing so may result in all such Proposals being rejected without evaluation.

NOTE: Eligible Applicants are encouraged to form collaborative partnerships with other eligible and/or ineligible entities under this Solicitation. In the case where two or more entities form a collaborative partnership, only **one** (1) of the Eligible Entities may be designated as the Applicant. If collaborative partnerships are formed, the entities must provide a copy of a signed agreement between them and such entities as supporting document(s) to the Project. Such agreements should include contact information for all entities, and a clear description of the terms of the agreement, including a description of the responsibilities undertaken by all entities.

Timeline and Dates of Importance

(Note: See Revised Timeline and Dates of Importance in Appendix J below)

Timeline	Dates of Importance	Notes:
December 2009	December 18	Release of FY 2008-09 NC Green Business Fund Solicitation at http://www.ncscitech.com/gbf/ - Applicants are required to submit a Pre-Proposal through the <i>sciGrants</i> system at http://www.ncscitech.com/scigrants.htm
January 2010	January 19	Pre-Proposal due by 11:59 p.m. , Eastern Standard Time (EST), on January 19, 2010
	January 29	Invitations for Project Proposals sent via email.
March 2010	March 15	Required Documentation and Full Project Proposals Due by 11:59 p.m. Eastern Standard Time (EST), on March 15 2010.
March April 2009	<u>Quiet time</u> – proposals under review by Advisory Committee members	
May 2009	May 15	2009-2010 NCGBF Award Recipients Announced

Pre-Proposal

Applicants are required to complete an Online Pre-Proposal of their Project using the Board’s *sciGrants* system accessible through its website at <http://www.ncscitech.com/scigrants.htm>. Under the **NC Green Business Fund** column, click on the **FY 2010 Pre-Proposal** link beneath the **Start a New Application**

heading. The purpose of a Pre-Proposal is for the Board to determine whether or not the proposed Project and Applicant meet basic eligibility requirements that would make them eligible to proceed with the full Application.

There are three required sections of information for the Pre-Proposal.
Each section may NOT exceed 250 words (approximately half a page per section.)

Description of the Proposed Project (250 words maximum)

The Project description should include a problem and/or opportunity statement as it relates to one of the three priority areas and funding objectives outlined above, as well as identification of a market solution and/or opportunity. The description should clearly state the Project needs, including an estimate of the total requested funding, goal(s) and objective(s), how the Project will be accomplished, an overall timeline with major benchmarks, and an assessment of the product or process current stage of development.

Description of the impact and Proposed Project outcomes (250 words maximum)

The impact statement should describe the proposed scope of Project outcomes and highlight how the outcomes will benefit North Carolina's energy use/production, environment, and economy. The Applicant must include a summary of the expected qualitative and quantitative impacts, such as the energy saved, renewable energy capacity generated and/or installed, reduced greenhouse gas emissions, alternative fuels produced, building energy efficiency promoted, reduced pollution, number of jobs created, amount of investment attracted, revenues, increased resource efficiencies, and/or other energy, environmental, or economic outcomes. Reference should be made to how the Project meets Required Elements and Strongly Preferred Elements (see **2010 Funding Objectives** above).

Description of Applicant organization (250 words maximum)

The Applicant should include an overview of the primary products and/or services offered by the entity, the legal structure with year and state of organization, location of headquarters and operating facilities, the number and type of employees, a summary of core competencies, past related experience and successes, and infrastructure.

The Pre-Proposal will be reviewed by the Board's staff. Invitations for Project Proposals will be sent via email. If the Applicant is invited to submit a Project Proposal, it is expected that changes may need to occur between the Pre-Proposal and the Project Proposal. It is **strongly recommended** that an Applicant use a word processing program, such as Microsoft Word™ (Microsoft Corporation) or Word Perfect™ (Corel Corporation), to write his/her text for the three sections and then copy and paste the text into the online Summary sections in *sciGrants*.

NCGBF Application Process (To be Provided Upon Invitation Only)

**CAREFULLY READ THE FOLLOWING INSTRUCTIONS, AS A COMPLETE
NCGBF APPLICATION REQUIRES THE FOLLOWING FIVE
INTERCONNECTED STEPS**

Step 1: Applicants should carefully read the **Project Proposal** and **Project Proposal Format Specifications** sections **well in advance of the Solicitation Closing Date.**

Step 2: Based upon the Applicant's Pre-Proposal the Applicant will receive an email with a link to the Board's *sciGrants* system and the Applicant's username and password. The Applicant is strongly encouraged to log into *sciGrants* to begin the NCGBF application **as soon as possible** so that the Application will be submitted well before the Closing Date to allow time for mailing required documents to the Board. **Pay careful attention to the required information for each section.**

Step 3: There are eight parts to the online NCGBF application, which the State of North Carolina requires for reporting purposes. The online NCGBF application requires additional information that is NOT considered part of the Project Proposal and is NOT reviewed by the Advisory Committee members but is required for reporting and compliance purposes. The Advisory Committee members will review and score only the Applicant's Project Proposal and Budget. Applications that do NOT include all required additional information will be considered incomplete and will NOT be considered.

At the end of each part of the Online NCGBF application, the Applicant will click on the **Save and Proceed** button to save her/his information and proceed to the next part. An Applicant can use the **Save and Proceed** button to save an in-progress Application and return to work on the Application later. The Applicant may continue working on a previously started (but not submitted) Application by logging into *sciGrants* and clicking the [Continue](#) link located at the bottom of the Welcome Page under the heading **Applications Requiring Action.**

Part 1: Contact Information

The Applicant will provide contact information (i.e., name, address, phone number, and email address).

Part 2: Organization Info

The Applicant will provide organization information, specifically the organizations' Tax ID Number, DUNS Number, and organization address.

NOTE: If you do not have a DUNS number or need a DUNS number; please visit:

<http://fedgov.dnb.com/webform/displayHomePage.do;jsessionid=25B57E194A25FFABA54E6BC278096609> to obtain your DUNS number for free.

Part 3: Project Info

The Applicant will provide a summary of the Project information.

Part 4: Commercial Potential

The Applicant will provide information on the commercial potential of the Project. If the Applicant cannot provide exact information, the Applicant may provide best estimates. Best estimates should be numerical, including market segment size, served market size, dollar amounts, etc. Descriptors such as *huge, large, significant, limitless*, etc., should NOT be used in lieu of a number.

Part 5: Effect on Employment

The Applicant will provide the number of jobs that the organization expects to create if awarded NCGBF funds. If the Applicant does not know the exact information, the Applicant may provide best estimates.

Part 6: Disclosure of Consulting Relationships

North Carolina Executive Order 17 -- *Notice and Reporting of Economic Development Consulting Relationships* -- effective July 7, 2009, requires the Department of Commerce to identify the names and addresses of all consultants retained to advise and assist the Applicant in securing State funds. In a form available from the sciGrants system, the Applicant will list the names and addresses of all consultants and their agents or employees used by the Applicant in conjunction with applying for funds.

Part 7: Proposal and Budget Upload

The Applicant will upload the complete Project Proposal as a single Adobe Acrobat PDF file, and the completed Budget spreadsheet as a separate Microsoft Excel file. Optional supporting documentation may also be uploaded electronically.

Part 8: The Applicant will review the Application to ensure that it is complete. The Applicant **MUST** click the “**SUBMIT**” button at the bottom of this part to receive an **Application Reference Number** via email from *sciGrants* (*Note: the Applicant may not receive the Reference Number immediately; there may be a slight [15-30 minute] delay*). The **Application Reference Number** must be referenced in the Required Supporting documents below.

Step 4: The Applicant **MUST** download the following Required Supporting documents from the *sciGrants* access page located at <http://www.ncscitech.com/scigrants.htm>:

The Application and Budget Certification Document
The Location Certification Document

The **Application Reference Number** is required on both the documents referenced above.

Step 5:

Small For-Profit Businesses (with 100 or fewer employees): Applicants that are a small for-profit business will mail the following required documents in hard copy:

1. Application and Budget Certification Document (requires the Application Reference Number, original signed in ink, and notarized)
2. Location Certification Document (requires the Application Reference Number, original signed in ink, and notarized)
3. Proposal Cover (Form NCGBF-01 – original signed in ink and notarized)
4. A recent Certificate of Existence (NC organization) or Certificate of Authorization (foreign organization), pursuant to G.S. 55-1-28, and 57C-1-28, issued by the North Carolina Secretary of State (<http://www.secretary.state.nc.us/corporations/security.aspx>) issued no more than 90 days prior to the Application submission date.

Non-Profit Organizations: Applicants that are a non-profit organization will mail the following required documents in hard copy:

1. Application and Budget Certification Document (requires the Application Reference Number, original signed in ink, and notarized)
2. Location Certification Document (requires the Application Reference Number, original signed in ink, and notarized)
3. Proposal Cover (Form NCGBF-01 – original signed in ink and notarized)
4. A recent Certificate of Existence (NC organization) or Certificate of Authorization (foreign organization), pursuant to G.S. 55-1-28, and 57C-1-28, issued by the North Carolina Secretary of State (<http://www.secretary.state.nc.us/corporations/security.aspx>) within 90 days prior to the Application submission date.
5. If the nonprofit requests more than \$25,000, the non-profit organization must submit a Charitable Solicitation License.

State Agencies: Applicants that are a North Carolina State agency will mail the following required documents in hard copy:

1. Application and Budget Certification Document (requires the Application Reference Number, original signed in ink, and notarized)
2. Location Certification Document (requires the Application Reference Number, original signed in ink, and notarized)
3. Proposal Cover (Form NCGBF-01 – original signed in ink and notarized)
4. Certification and cite to appropriate sources authorizing the Applicant to apply for and receive a grant and to conduct the proposed Project activity.

Local Governments: Applicants that are a North Carolina local government will mail the following the required documents in hard copy:

1. Application and Budget Certification Document (requires the Application Reference Number, original signed in ink, and notarized)
2. Location Certification Document (requires the Application Reference Number, original signed in ink, and notarized)
3. Proposal Cover (Form NCGBF-01 – original signed in ink and notarized)
4. Certification from town manager or equivalent that the Applicant local government is established as a municipal corporation in accordance with N.C. General Statute 160A et.seq., and that receipt of a grant and the conduct of activity associated therewith has been authorized by the Applicant's city council or equivalent.

All required documents MUST be received by the Closing Date. The required documents are NOT included in the 25-page limit. Required documents that are postmarked on the Closing Date but received after the Closing Date will NOT be accepted. Applicants are strongly encouraged to secure

proof of submission and delivery for required documents. The Board is not responsible for materials lost in transmission. Mail all required documents to:

REGULAR MAIL

North Carolina Board of Science & Technology
ATTN: Required Documents, NC Green Business
Fund Program
301 N. Wilmington Street
1326 Mail Service Center
Raleigh, NC 27699-1326

OVERNIGHT DELIVERY

North Carolina Board of Science & Technology
ATTN: Required Documents, NC Green Business
Fund Program
301 N. Wilmington Street, 4th Floor South
Raleigh, NC 27601

Online applications, Project Proposals, Supporting Materials, and Required Documents must be received no later than 11:59 p.m., Eastern Standard Time, on the Closing Date. Online applications, Project Proposals, Supporting Materials, and Required Documents will NOT be accepted after the Closing Date, unless the Board has requested that additional supplemental materials be delivered at a later time.



Project Proposal

Required Sections for the Project Proposal:

An Applicant's Project Proposal **MUST** include the following six sections, with each section titled as follows:

Project Overview
Project Description
Growing North Carolina's Green Economy
Project Team
Budget
Supporting Materials

Proposed Projects will be evaluated by an Advisory Committee (See Appendix I: **Program Guidelines** for description of review process). The Advisory Committee members will evaluate and score Proposals based solely upon the information provided in the six sections above.

Required Information for Each Section:

Project Overview:

The Project Overview is a 250-500 word summary of the proposed Project that includes a problem or opportunity statement as it relates to the priority areas and funding objectives described above; the need(s) addressed by the Project; a brief description of the Project goal and objective(s); and the Applicant's background and qualifications. The Applicant should include the Priority Area of the Project, the amount of funding being sought, and a summary of how the program will be evaluated to measure success in helping to grow the green economy in North Carolina.

Project Description

The Project Description must explain **in detail** how the proposed Project identifies and addresses a market solution and/or opportunity. The Applicant should provide supporting evidence for the Project related need(s). The supporting evidence may include the any of following: estimate of the size of the market and the most relevant segments of consumers at the local, state, national, and/or global level, as appropriate; market trends, market need or demand, competitor assessments, and/or technology roadmaps. The Applicant should describe the ultimate customer/ consumer/audience for the proposed Project and include, if appropriate, the customer/consumer/audience value proposition (i.e., why will the customer/consumer/ audience use, purchase, and/or change her/his behavior and use this product or service?)

The development stages and plan/timetable to achieve results in the target market should include the current state of Project development/testing/results; the benefits or successes of the approach or technology at small scale compared to current standard practices; the incorporation of multiple approaches and/or technologies; and the specific main barriers (what is needed in the way of legislation,

encouragement of market adoption, or overcoming technology hurdles, etc.) that the Project will need to overcome before the product, service, and/or infrastructure will be adopted broadly by consumers.

The Applicant must provide a plan of work for the proposed Project, an estimated timeframe (in months) needed to move the Project from its current state of development to product, services, and/or infrastructure that is accessible to consumers. The Applicant must clearly state the goal of the Project and how the Project goal addresses the identified problem or opportunity. Once the Applicant identifies the goal, she/he must clearly state the objective(s) of the Project; describe the relationship between the objective(s) and the Project related need(s); and describe how the plan of work will meet the Project objective(s). The Applicant must identify the direct measurable outcome(s) for the Project objective(s). Project outcome(s) must meet the criteria of being Specific, Measureable, Attainable, Realistic, and Timely (S.M.A.R.T.) and improve upon established/practiced benchmarks currently employed. The Applicant must include references for current benchmark practices as well as similar efforts in the area of innovation.

Growing North Carolina's Green Economy

The Applicant must describe how the proposed Project provides a compelling opportunity to benefit North Carolina's Green Economy. Specifically the Applicant must describe how the proposed Project will help achieve one or more of the following:

Required Elements

Save energy, and/or install or generate renewable energy, and/or reduce greenhouse gas emissions, and/or produce alternative fuels, and/or promote building energy efficiency. *The Proposal must clearly describe how these required elements will be monitored and measured.*

Strongly Preferred Elements

Create/retain jobs, and/or leverage additional funds, and/or benefit economically distressed regions.

The Applicant should describe how the proposed Project will strategically improve North Carolina's economic position by either connecting links in the value chain, leveraging global best practices which create value by reducing costs and generating revenue, or creation and/or retention of green jobs in North Carolina. The Applicant must provide preliminary results or a prototype of a product or process demonstrating the effect of the Project as well as economic or summary level financial projections of the revenues, key expenses, and net economic contributions. The Applicant must provide details on the immediate (1 year) and long term (5 year) direct measurable benefits (specifically intellectual property developed, revenues generated, and jobs created) for North Carolina's Green Economy.

Project Team

The Applicant must describe the qualifications of the Project personnel, experts, and/or management and the location of the Project – particularly if the Project will take place in an area that is economically underserved (for The N.C. Department of Commerce annual Tier designations, please visit <http://www.nccommerce.com/en/BusinessServices/SupportYourBusiness/Incentives/CountyTierDesignations2010.htm>); Tier 1 counties are underserved. If the Applicant is or will be involved in a collaborative partnership that will support the Project, then the Applicant must describe the purpose, role, and responsibilities of the partnering entities; and inputs they will provide such as matching funds or in-kind donations to help move the proposed Project to success. *Applicants in collaborative partnerships are strongly encouraged to submit Letters of Commitment or Agreement from partnering entities (see "Supporting Materials" below).*

Budget

The Applicant must include a budget summary, budget narrative, and budget justification for the proposed Project. The budget summary is a one-line statement of each Project-related expense. Applicants **MUST** use the NCGBF Budget Spreadsheet provided in the online Application to complete the line item(s) budget and budget summary. In the text of the Project Proposal, the Applicant must provide a budget narrative which describes each expense item in sufficient detail to give the Advisory Committee members a complete picture of how funds will be allocated. The budget justification is a brief explanation of each line item and indicates how each item relates to the proposed Project.

Budget Elements

(Note: See additional information on federal regulations and ineligible costs in Appendix J below)

Eligible Costs consist of Direct Project Costs and certain Administrative Costs:

Award funds may be used for the following expenses:

Direct Project Costs:

Examples of allowable Project-related costs include the following, but only to the extent directly incurred for and related to the proposed Project:

- Market research and competitive intelligence studies,
- Intellectual property clarification,
- Licensing agreement structuring,
- Salary and fringe benefits for key Project personnel (for personnel serving in both administrative and key Project capacities, these funds may be requested only for the level of effort actually devoted to non-administrative activities),
- Consultants, sub-grantees, and contractual services. Up to one-quarter (25%) of the proposed Project may be conducted under subcontract or other business arrangements. If the Applicant intends such arrangements, they should be described in detail including functions, services, number of hours and labor rates, and extent of effort to be provided. In such case, the Proposal must include a signed statement by each participating organization or individual that they will be available at the times required for the purposes and extent of effort described in the Proposal. Failure to provide certification(s) may result in rejection of the Proposal.
- Materials and supplies,
- Equipment (including installation, freight, or preparation of equipment),
- Rental or modification of buildings or facilities within North Carolina, and
- Vehicle or vessel rental.

Administrative Costs such as personnel management, and fiscal and legal support, **up to a maximum of five percent (5%)** of the amount of the requested Award amount. If the actual Award is less than the requested amount, then administrative costs are limited to five percent (5%) of the actual Award amount.

Examples of eligible Administrative Costs include:

- Salaries & benefits for personnel managers, legal advice (other than that covered under Direct Project Expenses), accountants, secretaries, and staff time related to managing the Award,
- Fees for professional certification,

- Field equipment not dedicated to the Project,
- Office equipment not dedicated to the Project,
- General equipment maintenance costs,
- Office supplies not dedicated to the Project (paper, pencils, pens),
- Small tools not dedicated to the Project,
- Educational materials not unique to the Project,
- Registration fees for training purposes,
- Office printing costs,
- Postage for general purposes, and
- Other office costs dedicated to the Project

Ineligible costs include but are not limited to:

- Travel. However, travel expenses are allowed if the travel is essential for the purposes of the Project and the purpose and benefits are described in detail. If the Board approves the travel expenses, then travel is limited to one person and one trip. Trips to conferences are not allowed,
- Equipment, instrumentation, or facilities not directly related to specific Project needs,
- Salary and fringe benefits for other than key Project personnel,
- Overhead or indirect costs,
- Facility improvements not directly related to specific Project needs,
- Rental or modification of buildings or facilities outside of North Carolina whether or not directly related to specific Project needs,
- Legal fees or patent preparation costs exclusive of intellectual property clarification,
- Land acquisition,
- Moving expenses,
- Costs due to negligence,
- Insurance,
- Licenses and permits,
- Purchase, rental, construction or modification of facilities **not** directly related to specific Project needs,
- Purchase of vehicles or vessels,
- Profit,
- Costs associated with lobbying,
- Entertainment,
- Alcoholic beverages,
- Contributions - charitable or political,
- Expenses incurred prior to the Award,
- Expenditures not specifically listed in the Project budget,
- Expenses that are not adequately documented,
- Food not associated with approved travel, and
- Clothing.

Matching Funds (Cost Sharing)

Matching funds are not required, but are highly encouraged, and will be considered as a significant factor in the evaluation of Proposals. Proposals with matching funds will receive enhanced consideration commensurate with the amount of the match. Matching funds refer to actual cash outlays contributed to the Project by a third party already committed at the time of the Proposal. Matching funds include, but are not limited to, cash outlays for wages, rental expenses, travel expenses, unrecovered indirect costs, and purchases of material and supplies that have a direct benefit to the Project.

Expenses related to a proposed Project incurred prior to an Award are **NOT** eligible as matching funds or in-kind contributions. An Applicant's own investment in the development of the innovation will not be considered as matching funds or in-kind contributions – the requirement is for entities outside the Applicant's organization to co-invest through matching funds, in-kind contributions, or product/service purchases.

In-kind Contributions

In-kind Contributions are not required, but are highly encouraged, and will be considered as a significant factor in the evaluation of Proposals. In-kind Contributions refer to third party non-cash donations which may be made in the form of real property, equipment, supplies and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the Project. In-kind contributions must be necessary and reasonable for proper and efficient accomplishment of Project objectives and the value of the contribution must be established using the following guidelines:

- (a) Rates for donated or volunteer services of any person must be consistent with the regular rate of pay, or the rate of pay of those paid for similar work at a similar level of experience in the labor market, including the value of fringe benefits.
- (b) The value of donated expendable property such as office supplies or workshop supplies must not exceed the fair market value of the property.
- (c) The value of donated real property such as land must not exceed the fair market value of the property.
- (d) Donated space must be valued at fair rental value of comparable space and facilities in a privately-owned building in the same locale.
- (e) The value of loaned equipment cannot exceed its fair rental value.

All matching funds and/or in-kind contributions must meet the definitions above, be verifiable from the Applicant's records, and not be included as contributions for any other State-assisted project or program.

Supporting Materials

Required: All Projects in Priority Area 1 (Development and Promotion of the Biofuels Industry) are required to submit a completed National Environmental Protection Act (NEPA) questionnaire with the Application. A downloadable copy of the NEPA questionnaire is available on the *sciGrants* system.

Optional: The Applicant may also include agreements Letters of Support, Commitments to Purchase, and other supporting materials from existing and/or potential collaborators indicating in detail the participation in and commitments to the Project and its outcomes.

The Supporting Materials are **NOT** included in the 25-page limit.

Project Proposal Format Specifications

- **Page Limitations:** Project Proposal cannot exceed a total of 25 standard 8 1/2 x 11 inch (21.6 x 27.9 cm) pages. All material submitted in the Project Proposal (the Project Overview, Project Description, Growing North Carolina’s Green Economy, Project Team, and Budget) will be included in the page count.
- The NCGBF Budget Spreadsheet located on the *sciGrants* system, and the Supporting Materials are NOT included in the 25 page limit.
- Samples, videotapes, slides, DVDs, or other ancillary items will NOT be accepted. Applicants are strongly requested not to use the entire 25-page allowance unless necessary. **Proposals exceeding the 25-page limitation will be rejected during administrative screening.**
- **Margins:** all page margins must be 1.0 inch (2.5 cm).
- **Line Spacing:** Proposals may be single spaced (1.0).
- **Type Size:** no type size smaller than 10 point is to be used for text or tables, except as legends on reduced drawings. Proposals prepared with smaller font sizes will be rejected without consideration.
- **Brevity and Organization:** Proposals should be focused, concise, and organized in accordance with the Solicitation requirements.
- **File Format:** Proposals will only be accepted in Adobe Acrobat PDF format generated from a text-based file (such as a Microsoft Word or Word Perfect document) so that Proposals are searchable. The Project Proposal file **MUST BE SUBMITTED AS A SINGLE PDF** file. Other file formats will NOT be accepted.
- **Graphics:** Applicants are encouraged, but not required, for reasons of space conservation and simplicity, to embed graphics within Proposals. For graphics submitted as separate files, the acceptable file formats (and the respective extensions) are Graphics Interchange Format (.gif), JPEG (.jpg), and Tagged-Image Format (.tif). *Note:* Each graphic submitted as a separate file will count as one page in the Proposal page count, irrespective of size.
- **File Size:** No files over 10MB in size will be accepted.

Virus Check

The Applicant is responsible for performing a virus check on the Proposal. As a standard part of entering the Proposal into its processing system, the Board will scan each electronic Proposal for viruses. A Proposal may be rejected if a virus is detected.

Proprietary Material

It is unacceptable for an Applicant to restrict the dissemination of **large amounts** of information in Project Proposals. Restricting **large amounts** of information may lead to the rejection of the Project Proposal. However, if a portion (i.e., a paragraph to a page) of the Applicant’s Project Proposal contains Proprietary Material as defined in **Appendix E**; the Applicant may indicate that the information is Proprietary by placing **(IP)** at the beginning and end of a portion of text.

The Board strongly recommends that an Applicant review **Appendix E** as it relates to the Provisions of N.C. General Statutes Addressing Public Records and Confidential Information.

Evaluation Criteria

The Board will give primary consideration to the commercial and environmental merit/feasibility of the Proposal and its benefit to North Carolina. Each Proposal will be judged and scored on its own merits. Advisory Committee members will indicate if the evaluation criteria item is either **present or absent** (Present=1 or Absent=0) then rate the **quality** of the item as either strong, fair, or poor (Strong=3, Fair=2, Poor= 1).

Evaluation Criteria Items:
Project Overview (1 point)
Includes a clear Project overview
Project Description (1 point each)
Provides a clear and succinct problem and/or opportunity statement
Addresses one of the three priority areas
Identifies a market solution and/or opportunity
Clearly states the Project objectives(s)
Estimates the size of the market and the most relevant segments of consumers
Provides supporting evidence of Project needs - such as market trends, market need or demand, competitor assessments, and/or technology roadmaps
Describes the ultimate customer/consumer/audience and includes, if appropriate, the customer/consumer/audience value proposition
Clearly describes the potential energy savings, and/or renewable energy generated/ installed, and/or greenhouse gas emissions reduced, and/or alternative fuels produced, and/or building energy efficiency promoted, and/or other energy-related benefits.
Provides the current state of Project development/testing/results
Describes the benefits or successes of the approach or technology compared to current standard practices
Incorporates multiple approaches and/or technologies to ensure success of Project
Addresses main barriers to product, service, and/or infrastructure adoption
Provides a plan of work
Provides a reasonable timeframe to move the Project from its current state of development to product, services, and/or infrastructure that is accessible to consumers
Provides a clearly stated Project goal
Project objective(s) are clear and related to Project goal
Provides direct measurable outcome(s) that meet the Specific, Measurable, Attainable, Realistic, and Timely (S.M.A.R.T.) criteria
Provides outcomes that improve upon established/practiced benchmarks
Growing North Carolina’s Green Economy (1 point each)
Improves NC’s energy use/generation/efficiency (<i>see “Growing NC’s Green Economy” section above</i>)
Improves North Carolina’s economic position (<i>see “Growing NC’s Green Economy” section above</i>)
Provides a prototype of a product or process demonstrating the effect of the Project
Produces immediate (1 year) direct measurable benefits

Produces long term (5 year) direct measurable benefits
Increases/improves NC's environmental resources
Project Team (1 point each)
Uses qualified personnel/experts/management
Locates the Project in an economically underserved area
Forms collaborative partnerships
Describes the purpose, role, and responsibilities of the partnering entities
Includes matching funds or in-kind donations
Budget (3 points each)
Provides line items that are reasonable and needed for the Project
Provides a brief explanation of each line item and indicates how each item relates to the need(s) and objective(s) of the Project
Provides a detailed description of each expenditure that and how funds will be allocated

Submission Process

IMPORTANT

As stated in Step 3, Part 7 of the NCGBF Application Process, once the Project Proposal is uploaded, the Applicant will click on the **Save and Proceed** button at the bottom of the Proposal Upload section. In the final part, the Applicant may review the Application to ensure that it is complete. The Applicant **MUST** click the “**SUBMIT**” button at the bottom on this section to receive the **Application Reference Number** via email from *sciGrants* (Note: the Applicant may not receive the Reference Number immediately; there may be a slight [15-30 minute] delay). The **Application Reference Number** is required for the **Application and Budget Certification Document** and **Location Certification Document**.

Online Applications, Project Proposals, Supporting Materials, and Required Documents must be received no later than **11:59 p.m., Eastern Standard Time, on the Closing Date**. Online Applications, Project Proposals, Supporting Materials, and Required Documents will **NOT** be accepted after the Closing Date, unless the Board has requested that additional supplemental materials be delivered at a later time.

Electronic Filing Waiver

The Pre-Proposal, NCGBF application, and Project Proposal **MUST** be submitted electronically through *sciGrants*. However, Applicants not able to obtain Internet access or for whom the electronic filing requirement causes an undue hardship may request a waiver from the electronic filing requirement by writing to:

North Carolina Board of Science & Technology
 ATTN: Green Business Fund, Electronic Submission Waiver Request
 301 N. Wilmington Street
 1326 Mail Service Center
 Raleigh, NC 27699-1326

In the waiver request, Applicant must clearly indicate why the electronic filing requirement causes undue hardship and provide a list of all factors that make compliance difficult, expensive or cumbersome. All waiver requests will be handled on a case-by-case basis.

Review Process

The Review process will begin immediately after the Closing Date and will take place in four stages.

Stages 1 & 2:

In the first and second stage of review, the Board's Grants Administrator (stage 1) and Assistant Director (stage 2) will review all Applications to ensure that all relevant and required documentation is complete and that the proposed Project addresses at least one of the priority areas.

Stage 3:

An Advisory Committee will complete the third stage of review. Advisory Committee members will consist of Board members and non-Board experts (from industry, academia, and other Government agencies) qualified to determine and/or verify the merits of a Proposal.

1. **Substantive Evaluation** –the evaluation will focus on the technical feasibility, environmental impact, practical importance, value, or effect of the Project,
2. **Industry Evaluation** – the evaluation will focus on the merit of the business plan, market potential, and economic impact, and
3. **Inductive Evaluation** – the evaluation will focus on the logic or reasoning of the Project.

The Advisory Committee may: 1) recommend a Proposal, 2) recommend a Proposal be partially funded, or 3) not recommend a Proposal.

Stage 4:

The fourth stage of review will be conducted by the Executive Director of the Board, who will determine which Applications will be selected for an Award based on the recommendations of the Advisory Committee and which Projects have the best potential for commercialization in a priority area.

Selection of Advisory Committee Members

In selecting reviewers, the Board will take into consideration the avoidance of organizational or personal conflicts of interest and competitive relationships between the Applicant and the prospective outside evaluator. All reviewers will be under agreement with the Board that any and all information and data contained in the Proposal will be used only for evaluation purposes and will not be further disclosed. (Note however, that most, if not all, of the Application will become a public record upon announcement of the Awards.) Applicants should not assume that evaluators are acquainted with their firm, key individuals, or with any other information.

Award Structure

Prior to receiving an Award disbursement, Grantees will be required to enter into a Grant Agreement with the State of North Carolina as follows:

GRANT AGREEMENT, MILESTONES, & PAYMENT OF AWARDS

The North Carolina Office of State Budget and Management (OSBM) has established specific performance and reporting requirements relative to the manner in which grants of State funds are to be made to and accounted for by Grantees. Prior to receiving an Award disbursement under this Program, Grantees will be required to enter into a Grant Agreement with the State of North Carolina, which will specify payment and Project milestones as well as OSBM and specific Green Business Fund requirements. The performance period for the Award will be reflected in the Grant Agreement and will be determined on a Project specific basis.

Disbursement of Awards will normally be authorized as follows:

- (a) Fifty percent (50%) at the time of Award;
- (b) Twenty-five percent (25%) at Project mid-point; and,
- (c) Twenty-five percent (25%) upon acceptance of the Preliminary Final Report by the Board.

The first disbursements will be made thirty (30) days after receipt of a valid invoice from the Grantee, reflecting Eligible Cost expenditures made by the Grantee. Grantees will be required to document and identify matching funds when submitting invoices. The final disbursement will be made thirty (30) days after acceptance of the Preliminary Final Report and other deliverables as required by the Grant Agreement.

In addition, prior to the initial disbursement, Grantees will also be required to supply additional company information, including:

- (a) A notarized copy of the Grantee's policy addressing conflicts of interest. (See **Appendix H** for more information);
- (b) A list of the Grantee's Board of Directors/Trustees;
- (c) A sworn statement certifying that there are no overdue tax debts owed by the Grantee; and,
- (d) A Request for Electronic Payment.

After the execution and return of the Grant Agreement and submission of the required additional information, the State of North Carolina will issue Award disbursements electronically to Grantees against milestones defined in the Grant Agreement. Grantees will be required to submit electronic payment account data. Payments will be deposited into the checking or savings account of the Grantee's choice. Notification of the deposit will be made either by fax or by e-mail.

1. Awards may be used in conjunction with other financing or grant activities; however, the Board will not provide duplicate funds for essentially equivalent work funded under another program.
2. **No Green Business Fund Award may exceed \$500,000.**

3. **To maximize the Program’s impact across a broad array of promising Projects, proposals requesting significantly less than the \$500,000 maximum amount are strongly encouraged and will receive greater priority. The level of review and scrutiny given to a proposal will be proportional to the amount requested – i.e., proposals requesting larger amounts will receive greater review and scrutiny above and beyond the base level of review given to all proposals. Moreover, for proposals requesting more than \$250,000, in-person presentations may be required in addition to written proposals. Applicants are strongly advised to request only as much funding as needed to execute the proposed Project.**

Applications with cost sharing and/or in-kind contributions are strongly encouraged but not required.

Reporting Requirements

Grantees are responsible for managing the day-to-day operations of their Projects using their established controls and policies, as long as they are consistent with State and Federal requirements. However, in order to fulfill its role in regard to the stewardship of State funds, the Board monitors its grants to identify potential problems and areas where assistance might be necessary. This active monitoring is accomplished through review of reports and correspondence from Grantees and other information available to the Board.

All Grantees must submit electronically via *sciGrants*:

1. **Interim Progress Reports** in the form and manner described in **Appendix A**;
2. **Final Report** in the form and manner described in **Appendix B**; and,
3. All reports described in **Appendix C** within six (6) months after the end of the Grantee’s fiscal year in which an Award disbursement was received. All Grantees that receive, use, or expend funds from an Award within the Grantee’s fiscal year must comply with all applicable State Grant Compliance Reporting Requirements and Federal Reporting Requirements as described in **Appendix C and Appendix D**.

Debriefing of Unsuccessful Applicants

After selection decisions have been announced, debriefings for unsuccessful Applicants will be available to the Applicant’s corporate official or designee. **Any request for a debriefing must be made via e-mail to ncbst@nccommerce.com within sixty (60) days after the selection announcement.** Late requests will not be honored. **Telephone requests for debriefings will not be accepted.**

Debriefings will be conducted by telephone. Debriefings are **not** opportunities to reopen selection decisions. They are intended to acquaint the Applicant with perceived strengths and weaknesses of its Proposal and perhaps identify constructive future action by the Applicant. Debriefings will not disclose the identity of the Proposal evaluators or the content of, or comparisons with, other Proposals.

General Information

Inquiries

Inquiries about the Green Business Fund should be addressed to:

North Carolina Board of Science & Technology
ATTN: Information Request - Green Business Fund
301 N. Wilmington Street
1326 Mail Service Center
Raleigh, NC 27699-1326

Current solicitation information for all Board funding programs is available on the Board website at:
<http://www.ncscitech.com>.

Workshops

The Board may conduct workshops on Application preparation during the Solicitation Period in collaboration with the Small Business Technology Development Centers and other organizations across the State. For additional information about the workshops or Board programs in general, please visit the Board website at <http://www.ncscitech.com>.

Technical Grant Writing Assistance

The Board strongly recommends that Applicants visit their local Small Business Technology Development Centers (<http://www.sbtcd.org>) for assistance with grant writing, business development, and additional small business services.

APPENDICES

Appendix A – Status Report Requirements

NORTH CAROLINA GREEN BUSINESS FUND INTERIM PROGRESS REPORT REQUIREMENTS

All required Interim Progress Reports must be submitted via *sciGrants* using the tools and forms provided therein for this purpose.

An Interim Progress Report is required when an invoice is submitted by a Grantee at Project mid-point in accordance with the payment schedule outlined in the Grant Agreement, and **at a minimum, every three months after receipt of the Award, regardless of the Award disbursement schedule**, until submission of the Final Report. The Board, in its discretion, may require these reports more frequently.

The Interim Progress Report shall provide a thorough and complete report of progress made on the Project to-date and activities required for completion, and, if submitted at mid-point, shall clearly demonstrate that a payment is warranted. If the company is unable to continue operations, even with the Award, it must provide a detailed explanation.

Appendix B – Final Report Requirements

NORTH CAROLINA GREEN BUSINESS FUND FINAL REPORT REQUIREMENTS

All Final Reports must be submitted via *sciGrants* using the tools and forms provided therein for this purpose. The Final Report shall be a professional quality report that justifies, validates, and defends the work accomplished. Furthermore, this report must demonstrate the basis for judgments about merit and feasibility of the innovation presented in the Proposal. It should connect the results of the Project to commercial applications and in doing so must address and provide the basis for validating the innovation, its commercial potential, and its economic development impact. Final Reports must be filed within the time periods specified in the Grant Agreement.

The final report shall include a single page Project summary as the first page, identifying the purpose of the Project and describing the findings and results, including the degree to which the proposed objectives were achieved. The commercial potential of the Project shall also be described. The Project summary is to be submitted without publication restrictions.

Appendix C – State Grant Compliance Reporting Requirements

A firm, corporation, partnership, association, unit of local government, public authority, or any other person, organization, group, or governmental entity that is not a State agency, department, or institution that receives, uses, or expends at least \$25,000 but less than \$500,000 in NC state funds within its fiscal year must file annually with the State agency that disbursed the funds a:

1. Certification completed by the Grantee’s Board and management stating that the funds were received, used, or expended for the purpose intended;
2. Schedule of Grantee Receipts and Expenditures accounting for those funds; and, a
3. Description of activities and accomplishments undertaken with those State funds.

For purposes of the required reports, the Grantee’s fiscal year is used in determining the amounts received, used, or expended. The **due date** for filing the required report is **six months after the Grantee organization’s year-end**, and the **accounting must be certified and sworn to by the Treasurer and one other authorized officer of the Grantee**. This certification is a representation by management and is not intended to be an independent assessment.

The Office of the State Auditor has developed, in coordination with the Office of State Budget and Management and other key State agencies, standard reporting formats for meeting the reporting requirements outlined in G.S. 143-6.2 and Title 9, Subchapter 3 of the North Carolina Administrative Code. There are no exceptions to using financial reporting formats specified by the State Auditor.

The standard reporting formats for Grantees receiving at least \$25,000 but less than \$500,000 include:

- Certification and sworn statement by the Treasurer and a second authorized officer on the entity’s letterhead;
- State Grants Compliance report, which includes supplemental compliance information;
- Schedule of Grantee Receipts and Expenditures (cash basis) and
- Program Activities and Accomplishments Report

These reports must be submitted via *sciGrants* using the tools and forms provided therein for this purpose. Links to the forms developed by the Office of the State Auditor are provided within *sciGrants*.

Appendix D – Federal ARRA Provisions

The following provisions apply to funds awarded under American Recovery and Reinvestment Act (ARRA). Additional provisions may be imposed during the course of the Awards process, or even afterwards, and will be communicated to Grantees as soon as possible. Grantees agree to be bound by Federal requirements that may now exist or in the future be issued for these Grants.

Posting with the Local Employment Security Commission. In addition to any other job postings the Grantee normally utilizes, the Office of Economic Recovery & Investment (hereinafter, “OERI”) requires that the Grantee post with the local Employment Security Commission Office all positions for which the Grantee intends to hire workers as a result of being awarded this Grant. Labor and semiskilled positions must be posted for at least 48 hours before the hiring decision. All other positions must be posted a minimum posting of five days before the hiring decision. The Grantee and any Sub-Grantee shall report the new hires in the manner prescribed by the Employment Security Commission and the OERI, through the website <https://www.ncesc1.com/business/RecoveryAct.asp>

Required Contract Provision to Implement ARRA Section 902. The U.S. Comptroller General and his representatives have the authority to:

- (1) Examine any records of the Grantee or any of its sub-Grantees, or any State or local agency administering the Grant, that directly pertain to, and involve transactions relating to, the Grant or subcontract; and
- (2) Interview any officer or employee of the Grantee or any of its sub-Grantees, or of any State or local government agency administering the Grant, regarding such transactions.

Accordingly, the Comptroller General and his representatives shall have the authority and rights prescribed under Section 902 of the ARRA with respect to the Grants. Section 902 further states that nothing in 902 shall be interpreted to limit or restrict in any way any existing authority of the Comptroller General.

Authority of the Inspector General Provision. Section 1515(a) of the ARRA provides authority for any representatives of the United States Inspector General to examine any records or interview any employee or officers working on this Grant. The Grantee is advised that representatives of the Inspector General have the authority to examine any record and interview any employee or officer of the Grantee, its sub-Grantees or other firms working on this Grant. Section 1515(b) further provides that nothing in this section shall be interpreted to limit or restrict in any way any existing authority of an Inspector General.

Buy American Provision. Section 1605 of the ARRA requires that iron, steel and manufactured goods used in public buildings or public works projects be manufactured in the United States. Grantee agrees to abide by this provision and shall maintain records of such purchases for inspections by authorized agents of the State of North Carolina and federal agencies. The Grantee must obtain written exception from this provision from the Department of Energy through the Board of Science and Technology.

Wage Rate Provision. Section 1606 of the ARRA requires that all laborers and mechanics employed by Grantees and sub-Grantees with funds from the ARRA shall be paid wages at rates not less than the prevailing wage rate under the Davis-Bacon Act. The Grantee agrees that by the submission of a proposal in response to the Solicitation, continuous compliance will be maintained with the Davis-Bacon Act.

Availability and Use of Funds. Grantees understand and acknowledge that any and all payment of funds or the continuation thereof is contingent upon funds provided solely by ARRA or required State matching funds. Pursuant to Section 1604 of the ARRA, Grantees agree not to undertake or make progress toward any activity using recovery funds that will lead to the development of such activity as casinos or other gambling establishments, aquariums, zoos, golf courses, swimming pools or any other activity specifically prohibited by the Recovery Act.

Whistleblower Provisions. Grantees understand and acknowledge that Article 14 of Chapter 124, NCGS 126-84 through 126-88 (applies to the State and state employees), Article 21 of Chapter 95, NCGS 95-240 through 85-245 (applies to anyone, including state employees), and Section 1553 of the Recovery Act (applies to anyone receiving federal funds), provide protection to State, Federal and contract employees.

Outsourcing outside the USA without Specific Prior Approval Provision. Grantee agrees not to use any Grant funds for outsourcing outside of the United States, without specific prior written approval from the Board of Science and Technology.

Federal, State and Local Tax Obligations. By submission of a proposal, Grantees and sub-Grantees assert and self-certify that all Federal, State and local tax obligations have been or will be satisfied prior to receiving Grant monies.

Anti-Discrimination and Equal Opportunity. Pursuant to Section 1.7 of the guidance memorandum issued by the United States Office of Management and Budget on April 3, 2009, recovery funds must be distributed in accordance with all anti-discrimination and equal opportunity statutes, regulations, and Executive Orders pertaining to the expenditure of funds.

Reporting Requirements. Pursuant to Title XV, Section 1512 of the ARRA, the Grantee shall provide reports and other employment information as evidence to document the number of jobs created or jobs retained by this Grant from the Grantee's own workforce and any sub-Grantees. No direct payment will be made for providing said reports, as the cost for same shall be included in the various items in the Grant. Reporting requirements may include a description of any product produced or technology transfer activities accomplished during this reporting period, such as:

- Publications (list journal name, volume, issue); conference papers; or other public releases of results.
- Web site or other Internet sites that reflect the results of this Project.
- Networks or collaborations fostered.
- Technologies/Techniques.
- Inventions/Patent Applications.

Appendix E – N.C. General Statute Provisions Addressing Public Records

Provisions of N.C. General Statutes Addressing Public Records, Confidential Information, and Economic Development Projects

§ 132-1. "Public records" defined

(a) "Public record" or "public records" shall mean all documents, papers, letters, maps, books, photographs, films, sound recordings, magnetic or other tapes, electronic data processing records, artifacts, or other documentary material, regardless of physical form or characteristics, made or received pursuant to law or ordinance in connection with the transaction of public business by any agency of North Carolina government or its subdivisions. Agency of North Carolina government or its subdivisions shall mean and include every public office, public officer or official (State or local, elected or appointed), institution, board, commission, bureau, council, department, authority or other unit of government of the State or of any county, unit, special district or other political subdivision of government.

(b) The public records and public information compiled by the agencies of North Carolina government or its subdivisions are the property of the people. . .

§ 132-1.1. State tax information

(b) **State and Local Tax Information.** – Tax information may not be disclosed except as provided in G.S. 105-259. As used in this subsection, "tax information" has the same meaning as in G.S. 105-259. Local tax records that contain information about a taxpayer's income or receipts may not be disclosed except as provided in G.S. 153A-148.1 and G.S. 160A-208.1.

§ 132-1.2. Confidential information.

Nothing in this Chapter shall be construed to require or authorize a public agency or its subdivision to disclose any information that:

- (1) Meets all of the following conditions:
 - a. Constitutes a "trade secret" as defined in G.S. 66-152(3).
 - b. Is the property of a private "person" as defined in G.S. 66-152(2).
 - c. Is disclosed or furnished to the public agency in connection with the owner's performance of a public contract or in connection with a bid, application, Proposal, industrial development Project, or in compliance with laws, regulations, rules, or ordinances of the United States, the State, or political subdivisions of the State.
 - d. Is designated or indicated as "confidential" or as a "trade secret" at the time of its initial disclosure to the public agency.

§ 66-152. Definitions (Trade Secrets Protection Act)

As used in this Article, unless the context requires otherwise:

- (2) "Person" means an individual, corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership, association, joint venture, or any other legal or commercial entity.
- (3) "Trade secret" means business or technical information, including but not limited to a formula, pattern, program, device, compilation of information, method, technique, or process that:
 - a. Derives independent actual or potential commercial value from not being generally known or readily ascertainable through independent development or reverse engineering by persons who can obtain economic value from its disclosure or use; and
 - b. Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

The existence of a trade secret shall not be negated merely because the information comprising the trade secret has also been developed, used, or owned independently by more than one person, or licensed to other persons.

§ 132-1.8. Economic development incentives

(a) **Assumptions and Methodologies.** – Subject to the provisions of this Chapter regarding confidential information and the withholding of public records relating to the proposed expansion or location of specific business or industrial Projects when the release of those records would frustrate the purpose for which they were created, whenever a public agency or its subdivision performs a cost-benefit analysis or similar assessment with respect to economic development incentives offered to a specific business or industrial Project, the agency or its subdivision must describe in detail the assumptions and methodologies used in completing the analysis or assessment. This description is a public record and is subject to all provisions of this Chapter and other law regarding public records.

(b) **Disclosure of Public Records Requirements.** – Whenever an agency or its subdivision first proposes, negotiates, or accepts an application for economic development incentives with respect to a specific industrial or business Project, the agency or subdivision must disclose that any information obtained by the agency or subdivision is subject to laws regarding disclosure of public records. In addition, the agency or subdivision must fully and accurately describe the instances in which confidential information may be withheld from disclosure, the types of information that qualify as confidential information, and the methods for ensuring that confidential information is not disclosed."

§ 132-6. Inspection and examination of records

(a) Every custodian of public records shall permit any record in the custodian's custody to be inspected and examined at reasonable times and under reasonable supervision by any person, and shall, as promptly as possible, furnish copies thereof upon payment of any fees as may be prescribed by law. . .

(c) No request to inspect, examine, or obtain copies of public records shall be denied on the grounds that confidential information is commingled with the requested nonconfidential information. If it is necessary to separate confidential from nonconfidential information in order to permit the inspection, examination, or copying of the public records, the public agency shall bear the cost of such separation. . .

(d) Notwithstanding the provisions of subsections (a) and (b) of this section, public records relating to the proposed expansion or location of specific business or industrial Projects may be withheld so long as their inspection, examination or copying would frustrate the purpose for which such public records were created; provided, however, that nothing herein shall be construed to permit the withholding of public records relating to general economic development policies or activities.

Once the State, a local government, or the specific business has announced a commitment by the business to expand or locate a specific Project in this State or a final decision not to do so and the business has communicated that commitment or decision to the State or local government agency involved with the Project, the provisions of this subsection allowing public records to be withheld by the agency no longer apply.

Once the provisions of this subsection no longer apply, the agency shall disclose as soon as practicable, and within 25 business days, public records requested for the announced Project that are not otherwise made confidential by law.

An announcement that a business or industrial Project has committed to expand or locate in the State shall not require disclosure of local government records relating to the Project if the business has not selected a specific location within the State for the Project. Once a specific location for the Project has been determined, local government records must be disclosed, upon request, in accordance with the provisions of this section. For purposes of this section, "local government records" include records maintained by the State that relate to a local government's efforts to attract the Project."

§ 132-9. Access to records

(b) In an action to compel disclosure of public records which have been withheld pursuant to the provisions of G.S. 132-6 concerning public records relating to the proposed expansion or location of particular businesses and industrial Projects, the burden shall be on the custodian withholding the records to show that disclosure would frustrate the purpose of attracting that particular business or industrial Project.

Appendix F – N.C. General Statute Provisions Addressing the Use of State Funds by Non-State Entities

§ 143-6.2. Use of State funds by non-State entities.

(a) **(Effective July 1, 2005)** Disbursement and Use of State Funds. – Every non-State entity that receives, uses, or expends any State funds shall use or expend the funds only for the purposes for which they were appropriated by the General Assembly. State funds include federal funds that flow through the State. For the purposes of this section, the term "non-State entity" means a firm, corporation, partnership, association, unit of local government, public authority, or any other person, organization, group, or governmental entity that is not a State agency, department, or institution. For the purposes of this section, "unit of local government" has the meaning set out in G.S. 159-7(15) and "public authority" has the meaning set out in G.S. 159-7(10). The following definitions apply:

- (1) Non-State entity. – A firm, corporation, partnership, association, county, unit of local government, public authority, or any other person, organization, group, or governmental entity that is not a State agency, department, or institution.
- (2) Unit of local government. – A municipal corporation that has the power to levy taxes, including a consolidated city-county as defined by G.S. 160B-2(1), and all boards, agencies, commissions, authorities, and institutions thereof that are not municipal corporations.
- (3) Public authority. – A municipal corporation that is not a unit of local government or a local governmental authority, board, commission, council, or agency that (i) is not a municipal corporation and (ii) operates on an area, regional, or multiunit basis, and the budgeting and accounting systems of which are not fully a part of the budgeting and accounting systems of a unit of local government.

(b) **(Effective July 1, 2005)** For the purposes of this section, the term "grantee" means a non-State entity that receives a grant of State funds from a State agency, department, or institution but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission. The term "subgrantee" means a non-State entity that receives a grant of State funds from a grantee or from another subgrantee but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission. The terms "State grant funds" and "State grants" do not include any payment made by the Medicaid program, the Teachers' and State Employees'

Comprehensive Major Medical Plan, or other similar medical programs.

(b1) Conflict of Interest Policy. – Every grantee shall file with the State agency or department disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the grantee's employees or members of its board or other governing body, from the grantee's disbursing of State funds and shall include actions to be taken by the grantee or the individual, or both to avoid conflicts of interest and the appearance of impropriety. **The policy shall be filed before the disbursing State department or agency may disburse the grant funds.**

(b2) No Overdue Tax Debts. – Every grantee shall file with the State agency or department disbursing funds to the grantee a written statement completed by that grantee's board of directors or other governing body stating that the grantee does not have any overdue tax debts, as defined by G.S. 105-243.1, at the federal, State, or local level. **The written statement shall be made under oath and shall be filed before the disbursing State agency or department may disburse the grant funds.** A person who makes a false statement in violation of this subsection is guilty of a criminal offense punishable as provided by G.S. 143-34(b).

(c) **(Effective July 1, 2005)** Compliance by Non-State Entities. – If the Director of the Budget finds that a non-State entity has spent or encumbered State funds for an unauthorized purpose or fails to submit or falsifies any information required by

this section or any other provision of law, the Director shall take appropriate administrative action to ensure that no further irregularities or violations of law occur and shall report to the Attorney General any facts that pertain to an apparent violation of a criminal law or an apparent instance of malfeasance, misfeasance, or nonfeasance in connection with the use of State funds. Appropriate administrative action includes suspending or withholding the disbursement of State funds and recovering State funds previously disbursed.

(d) The Office of State Budget and Management shall adopt rules to ensure the uniform administration of State grants by all grantor State agencies and grantees or subgrantees. The rules shall establish policies and procedures for disbursements of grants and for State agency oversight, monitoring, and evaluation of grantees and subgrantees. Such policies and procedures shall:

- (1) Ensure that the purpose and reporting requirements of each grant are specified to the grantee.
- (2) Ensure that grantees specify the purpose and reporting requirements for grants made to subgrantees.
- (3) Ensure that funds are spent in accordance with the purposes for which they were granted.
- (4) Hold the grantees and subgrantees accountable for the legal and appropriate expenditure of State grant funds.
- (5) Provide for adequate oversight and monitoring to prevent the misuse of State funds.
- (6) Establish mandatory periodic reporting requirements for grantees and subgrantees, including methods of reporting, to provide financial and program performance information. The mandatory periodic reporting requirements shall require grantees and subgrantees to file with the State Auditor copies of reports and statements that are filed with State agencies pursuant to this subsection. Compliance with the mandatory periodic reporting requirements of this subdivision shall not require grantees and subgrantees to file with the State Auditor the information described in subsections (b1) and (b2) of this section.
- (7) Require grantees and subgrantees to maintain reports, records, and other information to properly account for the expenditure of all State grant funds and to make such reports, records, and other information available to the grantor State agency for oversight, monitoring, and evaluation purposes.
- (8) Require grantees and subgrantees to ensure that work papers in the possession of their auditors are available to the State Auditor for the purposes set out in subsection (h) of this section.
- (9) Require grantees to be responsible for managing and monitoring each Project, program, or activity supported by State grant funds and each subgrantee Project, program, or activity supported by State grant funds.
- (10) Provide procedures for the suspension of further disbursements or use of State grant funds for noncompliance with these rules or other inappropriate use of the funds.
- (11) Provide procedures for use in appropriate circumstances for reinstatement of disbursements that have been suspended for noncompliance with these rules or other inappropriate use of State grant funds.
- (12) Provide procedures for the recovery and return to the grantor State agency of unexpended State grant funds from a grantee or subgrantee if the grantee or subgrantee is unable to fulfill the purposes of the grant.

(e) Notwithstanding the provisions of G.S. 150B-2(8a)b, rules adopted pursuant to subsection (d) of this section are subject to the provisions of Chapter 150B of the General Statutes.

(f) The Office of State Budget and Management shall consult with the Office of the State Auditor and the Attorney General in establishing the rules required by subsection (d) of this section.

(g) **(Effective July 1, 2005)** The Office of State Budget and Management, after consultation with the administering agency, shall have the power to suspend disbursement of State grant funds to grantees or subgrantees, to prevent further use of State grant funds already disbursed, and to recover State grant funds already disbursed for noncompliance with rules adopted pursuant to subsection (d) of this section. If the grant funds are a pass-through of funds granted by an agency of the United

States, then the Office of State Budget and Management must consult with the granting agency of the United States and the State agency that is the recipient of the pass-through funds prior to taking the actions authorized by this subsection.

(h) **(Effective July 1, 2005)** Audit Oversight. – The State Auditor has audit oversight, with respect to State grant funds received by the grantee or subgrantee, pursuant to Article 5A of Chapter 147 of the General Statutes, of every grantee or subgrantee that receives, uses, or expends State grant funds. A grantee or subgrantee must, upon request, furnish to the State Auditor for audit all books, records, and other information necessary for the State Auditor to account fully for the use and expenditure of State grant funds received by the grantee or subgrantee. The grantee or subgrantee must furnish any additional financial or budgetary information requested by the State Auditor, including audit work papers in the possession of any auditor of a grantee or subgrantee directly related to the use and expenditure of State grant funds.

(i) **(Effective July 1, 2005)** Not later than May 1, 2007, and by May 1 of every succeeding year, the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on all grantees or subgrantees that failed to comply with this section during the prior fiscal year, including the amount of State funds that were disbursed to each of those grantees or subgrantees during that fiscal year and the amount of State funds that were withheld.

(j) **(Effective July 1, 2005)** Grantor State agencies shall submit a list to the State Auditor, in the format prescribed by the State Auditor, by October 31 each year of every grantee to which the agency disbursed State funds in the prior fiscal year, the amount disbursed, the amount disbursed to each grantee, and other such information as required by the State Auditor to comply with the requirements set forth in this section.

(k) **(Effective July 1, 2005)** Civil Actions. – Civil actions to recover State funds or to obtain other mandatory orders in the name of the State on relation of the Attorney General, or in the name of the Office of State Budget and Management, shall be filed in the General Court of Justice in Wake County. (2004-196, s. 2.)

SECTION 6.9.(b) G.S. 143-34 reads as rewritten:

"§ 143-34. Penalties and punishment for violations.

(a) A Except as provided by subsection (b) of this section, a refusal to perform any of the requirements of this Article, and the refusal to perform any rule or requirement or request of the Director of the Budget made pursuant to, or under authority of, the Executive Budget Act, shall subject the offender to penalty of two hundred fifty dollars (\$250.00), to be recovered in an action instituted either in Wake County Superior Court, or any other county, by the Attorney General for the use of the State of North Carolina, and shall also constitute a Class 1 misdemeanor. If such the offender be is not an officer elected by vote of the people, such the offense shall be sufficient cause for removal from office or dismissal from employment by the Governor upon 30 days' notice in writing to such the offender.

(b) A false statement made in violation of G.S. 143-6.2(b2) is a Class A1 misdemeanor offense."

SECTION 6.9.(c) This section shall apply to all State grant funds appropriated or awarded on or after July 1, 2005. Grants awarded prior to July 1, 2005, shall be subject to the reporting requirements in effect at the time the grant was made.

Appendix G – N.C. General Statute Provisions Addressing the Collection of Tax Debts

§ 105-243.1. Collection of tax debts.

(a) Definitions. – The following definitions apply in this section:

- (1) Overdue tax debt. – Any part of a tax debt that remains unpaid 90 days or more after the notice of final assessment was mailed to the taxpayer. The term does not include a tax debt, however, if the taxpayer entered into an installment agreement for the tax debt under G.S. 105-237 within 90 days after the notice of final assessment was mailed and has not failed to make any payments due under the installment agreement.
- (2) Tax debt. – The total amount of tax, penalty, and interest due for which a notice of final assessment has been mailed to a taxpayer after the taxpayer no longer has the right to contest the debt.

(b) **(Effective until October 1, 2005)** Outsourcing. – The Secretary may contract for the collection of tax debts. At least 30 days before the Department submits a tax debt to a contractor for collection, the Department must notify the taxpayer by mail that the debt may be submitted for collection if payment is not received within 30 days after the notice was mailed.

(b) **(Effective October 1, 2005)** Outsourcing. – The Secretary may contract for the collection of tax debts owed by nonresidents and foreign entities. At least 30 days before the Department submits a tax debt to a contractor for collection, the Department must notify the taxpayer by mail that the debt may be submitted for collection if payment is not received within 30 days after the notice was mailed.

(c) Secrecy. – A contract for the collection of tax debts is conditioned on compliance with G.S. 105-259. If a contractor violates G.S. 105-259, the contract is terminated, and the Secretary must notify the contractor of the termination. A contractor whose contract is terminated for violation of G.S. 105-259 is not eligible for an award of another contract under this section for a period of five years from the termination. These sanctions are in addition to the criminal penalties set out in G.S. 105-259.

(d) Fee. – A collection assistance fee is imposed on an overdue tax debt that remains unpaid 30 days or more after the fee notice required by this subsection is mailed to the taxpayer. In order to impose a collection assistance fee on a tax debt, the Department must notify the taxpayer that the fee will be imposed if the tax debt is not paid in full within 30 days after the date the fee notice was mailed to the taxpayer. The Department may not mail the fee notice earlier than 60 days after the notice of final assessment for the tax debt was mailed to the taxpayer. The fee is collectible as part of the debt. The Secretary may waive the fee pursuant to G.S. 105-237 to the same extent as if it were a penalty.

The amount of the collection assistance fee is twenty percent (20%) of the amount of the overdue tax debt. If a taxpayer pays only part of an overdue tax debt, the payment is credited proportionally to fee revenue and tax revenue.

(e) Use. – The fee is a receipt of the Department and must be applied to the costs of collecting overdue tax debts. The proceeds of the fee must be credited to a special account within the Department and may be expended only as provided in this subsection. The proceeds of the fee may not be used for any purpose that is not directly and primarily related to collecting overdue tax debts. The Department may apply the proceeds of the fee for the purposes listed in this subsection. The remaining proceeds of the fee may be spent only pursuant to appropriation by the General Assembly. The fee proceeds do not revert but remain in the special account until spent for the costs of collecting overdue tax debts. The Department may apply the fee proceeds for the following purposes:

- (1) To pay contractors for collecting overdue tax debts under subsection (b) of this section.
- (2) To pay the fee the United States Department of the Treasury charges for setoff to recover tax owed to North Carolina.
- (3) To pay for taxpayer locator services, not to exceed one hundred thousand dollars (\$100,000) a year.

(f) Reports. – The Department must report semiannually to the Joint Legislative Commission on Governmental Operations and to the Revenue Laws Study Committee on its efforts to collect tax debts. Each report must include a breakdown of the amount and age of tax debts collected by collection agencies on contract, the amount and age of tax debts collected by the Department through warning letters, and the amount and age of tax debts otherwise collected by Department personnel. The report must itemize collections by type of tax. Each report must also include a long-term collection plan, a timeline for implementing each step of the plan, a summary of steps taken since the last report and their results, and any other data requested by the Commission or the Committee.(2001-380, ss. 2, 8; 2002-126, s. 22.2; 2003-349, s. 3; 2004-124, ss. 23.2(a), 23.3(c); 2004-170, s. 22.5.)

Appendix H – Sample Policy Addressing Conflicts of Interest

Prior to the release of Award funds, all Grantees will be required to file with the Board a copy of Grantee's policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the Grantee's employees or members of its board or other governing body, from the Grantee's disbursing of State funds and shall include actions to be taken by the Grantee or the individual, or both to avoid conflicts of interest and the appearance of impropriety. **The policy shall be filed before the Board may disburse the grant funds.** (N.C.G.S. 143-6.2(b1)(2005))

Sample Policy Addressing Conflicts of Interest:

A conflict of interest is defined as an actual or perceived interest by a (Staff member/Board member) in an action that results in, or has the appearance of resulting in, personal, organizational or professional gain. A conflict of interest occurs when an Employee/Board member has a direct or fiduciary interest, which includes:

- Ownership with
- Employment of or by
- Contractual relationship with
- Creditor or debtor to
- Consultative or consumer relationship with:

a member of the Board of Directors/Trustees or an employee where one or the other has supervisory authority over the other or with a client who receives services. The definition of conflict of interest includes any bias or the appearance of bias in a decision-making process that would reflect a dual role played by a member of the organization or group. An example, for instance, might involve a person who is an employee and a Board member, or a person who is an employee and who hires family members as consultants.

It is in the interest of the organization, individual staff and Board members to strengthen trust and confidence in each other, to expedite resolution of problems, to mitigate the effect and to minimize organizational and individual stress that can be caused by a conflict of interest.

Employees are to avoid any conflict of interest, even the appearance of a conflict of interest. This organization serves the community as a whole rather than only serving a special interest group. The appearance of a conflict of interest can cause embarrassment to the organization and jeopardize the credibility of the organization. Any conflict of interest, potential conflict of interest, or the appearance of a conflict of interest is to be reported to your supervisor immediately. Employees are to maintain independence and objectivity with clients, the community, and organization. Employees are called to maintain a sense of fairness, civility, ethics and personal integrity even though law, regulation or custom does not require them.

Employees, members of employee's immediate family, and members of the Board are prohibited from accepting gifts, money or gratuities from the following:

- a. Persons receiving benefits or services from the organization;
- b. Any person or organization performing or seeking to perform services under contract with the organization; and
- c. Persons who are otherwise in a position to benefit from the actions of any employee of the organization.

Employees may, with the prior written approval of their supervisor, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave or leave without pay. If the employee is acting in any official capacity, honoraria received by an employee in connection with activities relating to employment with the organization are to be paid to the organization.

Appendix I – Program Guidelines

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-served 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.ncscitech.com>, accessible from a direct link on the North Carolina Department of Commerce website at <http://www.nccommerce.com>.



**Appendix J – Addendum to solicitation:
Revised dates and clarification on federal regulations** *(added 4/9/2010)*

Revised Timeline and Dates of Importance

Timeline	Dates of Importance	Notes:
December 2009	December 18	Release of FY 2008-09 NC Green Business Fund Solicitation at http://www.ncscitech.com/gbf/ - Applicants are required to submit a Pre-Proposal through the <i>sciGrants</i> system at http://www.ncscitech.com/scigrants.htm
January/February 2010	January 19	Pre-Proposal due by 11:59 p.m. , Eastern Standard Time (EST), on January 19, 2010
	February 11	Invitations for Project Proposals sent via email.
May 2010	May 24	Required Documentation and Full Project Proposals Due by 11:59 p.m. Eastern Standard Time (EST), on May 24 2010.
May – July 2010	<u>Quiet time</u> – Proposals under review by Advisory Committee members	
July	Late July	Target date for announcement of 2009-2010 NCGBF Award Recipients

State Energy Program (SEP)

The FY 2009-2010 NC Green Business Fund (NCGBF) receives funding through the NC State Energy Office’s **State Energy Program (SEP)** via the U.S. Department of Energy (DOE). For the FY 2009-2010 solicitation, SEP rules, regulations, and criteria, as well as NCGBF rules, regulations, and criteria, govern the administration of the NCGBF. In cases where the two sets of rules, regulations, and criteria may conflict, those of SEP supersede those of the NCGBF. The Code of Federal Regulations (CFR) pertaining to the SEP is 10 CFR 420: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=91b9e912ec80f9804e44a2ccee896678&rgn=div5&view=text&node=10:3.0.1.4.15&idno=10>.

Please review 10 CFR 420, **particularly sections 420.2 (Definitions) and 420.18 (Expenditure prohibitions and limitations)**, carefully before writing your Proposal. For additional clarification, please contact the NCGBF Grant Administrator, Paul Shannon at pshannon@nccommerce.com or 919-715-0101.

Clarification on Ineligible costs:

In addition to the ineligible costs listed on page 16 of this solicitation, any cost prohibited by the NC State Energy Office under the State Energy Program (SEP), as determined by the Dept of Energy (DOE) per 10 CFR 420.18 (“**Expenditure prohibitions and limitations**” — see above link), will not be

allowed. Please review the list of SEP-prohibited costs carefully before writing your proposal. For additional clarification, please contact the NCGBF Grant Administrator, Paul Shannon at pshannon@nccommerce.com or 919-715-0101.

National Environmental Policy Act (NEPA)

DOE must comply with NEPA in disbursing financial assistance grants, such as those provided under the NCGBF. Most, but not all, NCGBF-funded projects will be categorically excluded from having to receive a NEPA determination by DOE. For more information on criteria for categorical exclusion from a NEPA determination, as well as guidance regarding additional information needed for projects not categorically excluded, please contact the NCGBF Grant Administrator, Paul Shannon at pshannon@nccommerce.com or 919-715-0101.

