

Ben Franklin Technology Partner's Challenge Grant and Alternative Energy Development Program (AEDP)

Program Guidelines | August 2010

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Section I – Introduction

A. Description

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

B. Mission

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

C. Focus

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

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

Section II – Roles and Authority

A. Ben Franklin Technology Development Authority (BFTDA)

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

B. Executive Director of the BFTDA

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

C. Ben Franklin Technology Partners (BFTP)

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

Section III – Program Activities and Use of BFTDA Funds

A. Eligible Activities/Use of BFTDA Funds

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

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

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

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

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

1. **Company Investments**

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

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

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

a. **Client Company Obligations**

i. **Pennsylvania Presence**

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

Significant presence as referred to above is determined as follows:

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

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

2. **Business and Technical Assistance**

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

3. **Technology/Entrepreneurial Infrastructure**

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

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

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

4. **Administration Expenses**

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

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

B. Ineligible Activities/Use of BFTDA Funds and Conditions

1. Basic Research

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

2. Equipment

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

3. University Overhead

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

C. Project Selection, Approval, and Record Keeping

1. Project Selection

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

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

2. Approval

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

3. Recordkeeping

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

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

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

D. Matching Requirements

Non-Partner funds from non-state sources expended up to 90 days prior to the beginning of a project, even if in a previous fiscal year, may be counted as matching funds for that project.

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

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

The Partner shall use its best efforts to achieve a 1:1 match from private sector sources for the project on each individual project. A 'project' is defined as a discrete set of activities designed to meet certain specified milestones or carry out a certain specified group of activities such as described by the Partner on a Project Summary Report which is form F6 in Appendix F of these program guidelines. Each project funded in the beginning of the year shall have an identifying project number and be shown as a separate line item in the Partner's Project Financial Summary report in the annual proposal. As set-aside funds are allocated throughout the balance of the year, a project number shall be assigned to each additional project and submitted to the BFTDA (see Appendix D for further details).

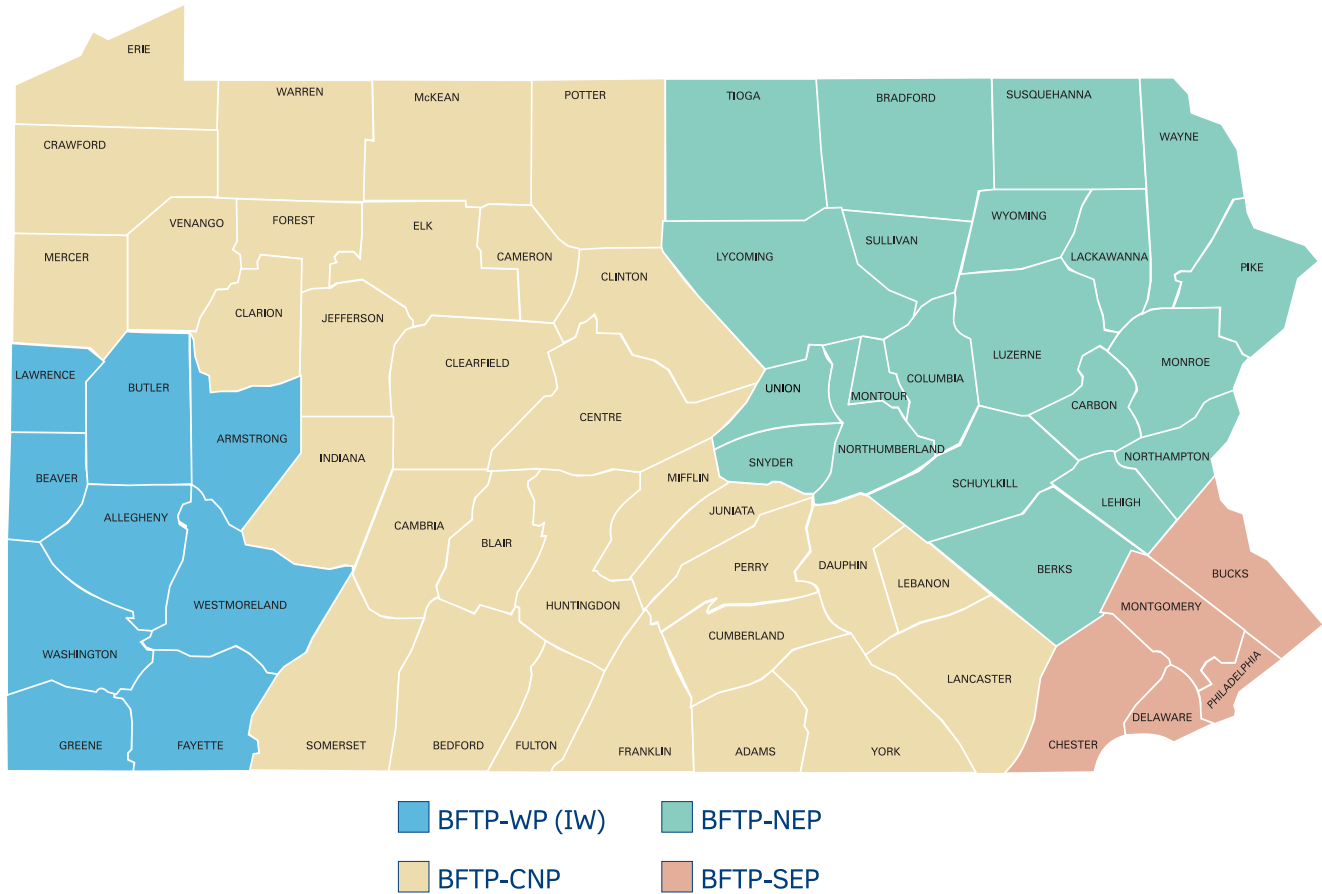
Company match falls into three categories defined as follows:

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

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

Section IV – Regional Service Responsibilities

The following map identifies the Partners and their marketing territories:



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

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

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

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

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

Section V – Accountability

A. Contract Closeout Audit

The BFTDA waives the final close-out audit requirements contained in Article XIV of the contract, entitled Contract Audit and Closeout Requirements for the contract ending fiscal year 2011. The waiver is contingent upon the Partner's submission to the BFTDA of an annual independent audit covering all funds received from the BFTDA and funds received from BFTDA support, such as paybacks, reimbursements, investment returns, fees for services, cash reserves, interest, return of depreciation and any other similar forms of income which result at least partially from initial expenditure of BFTDA funds. Each annual audit must be in accordance with GAAP, GAAS, and GAGAS. Each of the Partners will be required to provide the BFTDA with its first annual independent audit performed under the new standards for the fiscal year ending June 30, 2009. The audit will be due by the following January 31. This should be an audit for all BFTDA funds awarded and expended during the fiscal year being audited. Each audit must include a breakout of BFTDA awarded funds, including a detailed statement of revenues, expenditures, and fund balances, by contract number. In addition, the audit must include a Statement of Compliance and Internal Controls. It should be noted that a final 5 year close-out audit will be required beginning with contract period 2009 through 2014. (Please refer to the table in Subsection B for specific contract period audit guidelines.)

B. Auditing of Match Requirement

The annual audits for 2009 and 2010 must be accompanied by an affidavit signed by the Partner CEO attesting to the fact that match requirements (cash, equipment, and in-kind as applicable) have been met, based on reports received from each entity that has received funds (Use STATEMENT REGARDING 1:1 PROJECT MATCH REQUIREMENT which is form F13 in Appendix F). For contracts ending after fiscal year 2011, guidelines for documenting match for audit purposes are set forth in DCED's Financial Management Center's audit guidelines, the letter of agreement signed by Secretary Cornelius on 5/21/10 (attached as Appendix G), and Section Q of Appendix C of the contract. In the instances where a discrepancy exists between these documents, the Secretary Cornelius signed letter of agreement dated 5/21/10 shall take precedence.

Contract Period **Audit/Reporting Requirements**

2006-2011	<p>Final close-out audit requirements are waived. Upon submission of and acceptance by the BFTDA of all five required annual independent audits, five final reports, and a notarized affidavit signed by the Partner's CEO, the BFTDA shall deem the closeout requirements of the Contract met (Use STATEMENT REGARDING 1:1 PROJECT MATCH REQUIREMENT which is form F13 in Appendix F).</p> <p>Yearly independent audits for 2008-09, 2009-10, and 2010-11 must be in accordance with the above audit guidelines in Section V(A).</p>
2009-2014	<p>Final 5 year close-out audit will be required.</p> <p>Yearly independent audit requirements will remain in accordance with the above audit guidelines in Section V(A). The match requirement set forth in Section III.D will be verified.</p>

C. Operational Audit

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

Section VI – Miscellaneous Provisions

A. Conflict of Interests and Disclosure

1. Financial Interests

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

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

B. Intellectual Property Policies

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

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

C. Royalty, Payback, and Equity Ownership Policies

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

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

1. Each of the Partners should establish policies to ensure that it does not compete with any other Partner.
2. Provisions of these agreements should not burden companies to a point that hinders their growth, development or continued viability.
3. Where a royalty agreement or other payback agreement with a private company involves a payback to the participating university, a portion of the payment should also be made to the Partner.
4. All Partners should establish separate royalty/payback/equity fund accounts where paybacks should be maintained for all projects funded through Challenge Grant funds.
5. The BFTDA Board shall have the right to review the accumulated royalty, payback and equity funds in the Partners' annual proposals. Funds shall be used for activities consistent with the mission of the BFTDA. The Partners should inform the BFTDA Board of the status of these accounts and when these funds are utilized as part of their regular reporting schedule via the annual proposal and final reports.
6. The ability of a Partner to obtain a return from its grants/investments shall be viewed positively and will not negatively impact a Partner's annual allocation. While it is understood that the Partners will seek to build and maintain a prudent operating reserve fund (at a level that is consistent with non-profit financial practices and approved by the Partners' respective regional Boards), it is expected that the balance of the Partners' return on investment will be utilized, on behalf of their respective regions, for economic development activities or investments consistent with the mission of the BFTP, pursuant to an approved plan by each of the Partner's regional Boards. The Partners' annual proposal should include an accounting of (Use **Returns on Investments** and **Operating Budget** which are forms F5 and F3 respectively in Appendix F), and plan for the use of these returns.

D. Employment Policies

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

E. Modification of Program Guidelines

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

F. Statewide Coordination

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

G. Act 57 of 1997

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

Section VII – Schedule of Submissions, Notices, and Approvals

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

Executive Director of the BFTDA
Ben Franklin Technology Development Authority
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

A. Submissions

Submissions should include an electronic copy and two hard copies of each report. Hard copies should be in three ring binders unless otherwise indicated. All reports should have a table of contents, section tabs with table of content names, and sequentially numbered pages. Executive summaries should be focused exclusively on activities to be funded with the grant being requested. Where applicable, templates should be sorted alphabetically by company name. Project numbers should be consistent throughout the report using the project number on the Project Summary Report (F6) as the standard. If a Partner has worked with a company on multiple projects, list all project numbers in the “project number” column of the templates.

Item	Due
Partners activities for period of January 1st through June 30th	
(Use <i>Mid-Year Impact</i> form F15 in Appendix F)	Jan 15 th (of following year)
(a) Actual number of companies assisted (business/technical assistance and funding)	
(b) Projected number of new companies formed	
(c) Projected funds leveraged from the impact report	
(d) Projected jobs created from the impact report	
(e) Projected jobs retained from the impact report	
Independent Audit (see Appendix C)	January 31 st
Final Report (see Appendix C)	January 31 st
Impact Report (see Appendix E)	April 30 th
Challenge Grant Proposal (see Appendix B)	June 30 th
Alternative Energy Development Program Proposal (see Addendum A)	June 30 th
Projects Funded Throughout the Program Year (see Appendix D)	15 working days after regional Board meetings
Budget changes	After changes are approved by the regional Board
Invoices	Quarterly
Regional Board meeting information packet/Board Book	Before regional Board meetings or executive committee meetings at which funding decisions will be made
Regional Board meeting minutes from the previous regional Board meeting as well as any executive committee meeting minutes from meetings which have occurred between full regional Board meetings.	Before regional Board meetings or executive committee meetings at which funding decisions will be made

B. Notices

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

1. Changes to Intellectual Property Policies - (see Section VI.B)
2. Schedules of regional Boards of Director's Meetings - A schedule of regional Boards of Director's meetings shall be provided to the BFTDA. Representatives of the BFTDA staff and/or the BFTDA Board may attend these meetings of the regional Boards. Revisions to the schedule should also be submitted to the BFTDA.
3. Annual Financial Audit Exit Interviews, Management Discussions, and Presentations - Each Partner must inform the BFTDA of dates and times for exit interviews, management discussions, and other presentations by the certified public accountant relating to the Partner's annual independent audit. Representatives of the BFTDA staff and/or members of the BFTDA Board and their designees shall be permitted to attend exit interviews, management discussions, and other presentations.
4. Reporting on Financial Interaction between Partners and Corporate Members - Each Partner shall report in writing to the Executive Director of the BFTDA all proposed activities that involve a financial transaction with a corporate parent or member of the Partner. These activities include grants, loans, and other transactions.
5. Reporting of Additional Activities - Each of the Partners is required to advise BFTDA of any activity into which the Partner is entering that is not required or within the scope of the act of June 22, 2001 (P.L. 569, No. 38), known as the Ben Franklin Technology Development Authority Act (the "Act") as well as, any additional information pertinent to the BFTDA's program oversight responsibilities.

C. Approvals

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

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

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

Addendum A

Alternate Energy Development Program (AEDP) Addendum to the Challenge Grant Program Guidelines

The Partners will catalyze the Commonwealth's alternative and clean energy-related assets to advance the commercialization of promising alternative and clean energy technologies by leveraging BFTP's long-standing successful track record as an innovation intermediary working at the intersection of university research and development and entrepreneurship to promote technology transfer and accelerate technology commercialization. The AEDP will be focused on, but not limited to, developing companies and commercializing technologies for energy generation, conservation, and transportation.

The BFTP Challenge Grant program guidelines are modified to incorporate the following provisions relative to the transfer of BFTDA funds to the Partners as described in Section 303 of the act of July 9, 2008 (Sp. Sess., P.L. ___, No. 1), known as the Alternative Energy Investment Act. Unless noted in this addendum, the provisions of the BFTP Challenge Grant program guidelines remain applicable. The changes contained in this Addendum are only applicable to activities funded by the AEDP and shall not modify provisions for activities funded through other sources. If a section is presented below, it replaces the existing Challenge Grant section in its entirety.

Section I - Introduction

C. Focus

For the purposes of the AEDP funding, the following section replaces Section I.C of the Challenge Grant program guidelines:

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

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

Section III – Program Activities and Use of BFTDA Funds

A. Eligible Activities/Use of BFTDA Funds

For the purposes of the AEDP funding, Section III.A of the Challenge Grant program guidelines is replaced by the following:

Energy-related investments to support early-stage activities are defined as efforts leading to the near term commercialization of new or improved energy-related products or processes which include, but are not limited to such activities as:

1. Incubator support services
2. Management support, including executives-in residence, mentoring, recruiting
3. Translational research
4. Company investment (Section III.A.1 of the Challenge Grant program guidelines apply)
5. Early-stage research of other programs/applied research
6. Administrative activities to develop and implement alternate energy technologies and energy efficiency technologies (Section III.A.4 of the Challenge Grant program guidelines apply)

Section V – Accountability

C. Operational Audit

For the purposes of the AEDP funding, the following replaces Section V.C of the Challenge Grant program guidelines:

The Executive Director of the BFTDA shall be responsible for arranging periodic operational audits of the Partners to be conducted by a third party auditor contracted by the BFTDA. Any such operational audit will occur in coordination with the Challenge Grant operational audits arranged by the Executive Director of the BFTDA and no Partner will be required to have more than one operational audit in a given fiscal year.

Section VI – Miscellaneous Provisions

C. Royalty, Payback, and Equity Ownership Policies

The following replaces Section VI.C of the Challenge Grant program guidelines:

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

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

- Each of the Partners should establish policies to ensure that it does not compete with any other Partner.
- Provisions of these agreements should not burden companies to a point that hinders their growth, development or continued viability.

- Where a royalty agreement or other payback agreement with a private company involves a payback to the participating university, a portion of the payment should also be made to the Partner.
- All Partners should establish separate royalty/payback/equity fund accounts where paybacks should be maintained for all projects funded through Challenge Grant funds.
- Royalty, payback, and equity ownership funds derived from AEDP funding shall be kept in a separate account from Challenge Grant and all other Partner funding. These returns are to be used for activities consistent with the mission of Alternative Energy Investment Act. The Partners should inform the BFTDA Board of the status of these accounts and when these funds are utilized as part of their regular reporting schedule via the annual proposal and final reports.
- The ability of a Partner to obtain a return from its grants/investments shall be viewed positively and will not negatively impact a Partner's annual allocation. While it is understood that the Partners will seek to build and maintain a prudent operating reserve fund (at a level that is consistent with non-profit financial practices and approved by the Partners' respective regional Boards), it is expected that the balance of the Partners' return on investment will be utilized, on behalf of their respective regions, for economic development activities or investments consistent with the mission of the BFTP, pursuant to an approved plan by each of the Partner's regional Boards. The Partners' annual proposal should include an accounting of (Use **Returns on Investments** and **Operating Budget** which are forms F5 and F3 respectively in Appendix F), and plan for the use of these returns.

Appendix B: Proposal

For the purposes of the AEDP funding, Appendix B of the Challenge Grant program guidelines is replaced by the following:

Each Partner will submit an annual AEDP proposal using the same content, templates and format as used for the Challenge Grant proposal to the Executive Director of the BFTDA by June 30th. Additional items which are AEDP specific that must be included in the annual AEDP proposal are:

- A description of how the Partner plans to carry-out the activities described in Section III.A above.
- A description of statewide and/or multi-regional activities.
- A description of what efforts the Partner will undertake to seek to ensure that minority-owned, women-owned and other disadvantaged businesses have the opportunity to substantially participate in funding activities of this initiative.

Appendix C: Final Report

For the purposes of the AEDP funding, Appendix C of the Challenge Grant program guidelines are replaced by the following:

Each Partner will provide an AEDP final report using the same content, templates and format as used for Volume I of the Challenge Grant final report. Volume I of the AEDP final report should also contain the following additional AEDP specific information:

- A narrative describing how the Partner's investments will achieve the goals of the AEDP, including projected savings in energy.

Volume II of the AEDP final report will be an annual independent audit covering all funds received from the BFTDA and returns on those BFTDA funds, such as paybacks, reimbursements, investment returns, fees for services, cash reserves, interest, return of depreciation and any other similar forms of income which result at least partially from initial expenditure of BFTDA funds. Each audit must specify a breakdown of all awarded BFTDA monies, including a detailed statement of revenues, expenditures, and fund balances. The audit shall include all of the communications between the auditors and the managers of the Partner. In addition, the audit must include a Statement of Compliance and Internal Controls. The audit shall be conducted in accordance with GAAP, GAAS, and GAGAS and shall be public record. The Partner shall provide copies of all audits to the DCED.

The AEDP contract will be a five year contract with funding in the first three years. A final audit of the entire contract (Project Audit) is required by the DCED within 120 days after the termination of project activities but no later than 120 days after the contract termination date. This audit is the responsibility of the Partners.

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

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

Final reports are due to BFTDA by January 31st following the close of the fiscal year.

Appendix E: Annual Impact Report

Each Partner will use the same survey tool and survey methodology as used for the Challenge Grant to collect AEDP data. This information will be included in a segregated AEDP section of the annual Challenge Grant impact report.

Appendix A – Conflict of Interest

PARTNER

CONFLICT OF INTEREST POLICY

(EFFECTIVE JANUARY 1, 20XX)

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

Statement of Policy

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

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

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

5. Communication and Affirmation of Policy.

- (a) The Partner shall deliver a copy of this policy to each of its officers, directors, employees, consultants and independent contractors. A copy of this policy, or a summary thereof, shall be included in the documentation of each proposed project which the Partner funds.
- (b) All Covered Persons shall be given a copy of this policy and deliver to the Secretary of the Partner positive written affirmation of adherence to the policy by executing the Acknowledgment and Acceptance of Conflict of Interest Policy attached hereto.
- (c) Each member of the Board shall provide the Partner's Secretary with an annual Financial Interest Disclosure Statement in the form from time to time required by the Partner. Although such information will be made available to the members of the Board, it will otherwise be treated as confidential.
- (d) Any candidate for election to the Board shall be given a copy of this policy in advance of election and shall affirm his or her support of it prior to election; and any newly elected officers, newly hired employees or newly retained consultants or independent contractors shall be advised, prior to election, hiring or retention, of this policy and each shall affirm his or her or its support thereof prior to election, hiring or retention.
- 6. Remedies.** The failure to make any required disclosure under this policy or any other breach of this policy is grounds for disciplinary action by the Partner against the Covered Person, which disciplinary action may include removal from the Board or termination of the individual's employment, consulting or other contract or arrangement, and is grounds for disapproval of an application or rescission of a project by the Partner. The remedies provided herein shall be in addition to any other legal remedies available to the Partner.

Acknowledgment and Acceptance of Conflict of Interest Policy

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

Date: _____

Signature: _____

Printed Name: _____

20XX

PARTNER

FINANCIAL INTEREST DISCLOSURE STATEMENT

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

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

1. Ownership Interests.

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

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

2. Offices and Positions.

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

Dated: _____ Signed: _____

Printed Name: _____

Appendix B – Proposal

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

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

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

1. **Administration Expenses**
These expenses are further divided into personnel, physical, and operating.
2. **Company Investments**
Funds allocated to external projects. No BFTP personnel, operating, or physical expenses should be included in this category.
3. **Business and Technical Assistance**
Partner expenses associated with direct services that benefit clients, as well as external, contracted expenses and projects to benefit clients.
4. **Technology/Entrepreneurial Infrastructure**
Partner expenses to develop or promote regional and statewide communities, as well as external, contracted expenses and projects in support of this category.
5. **Set-Aside**
Unallocated funds that have not yet been allocated to category 1, 2, 3, or 4. By the end of the program year, if these funds have not been allocated to one of the expenditure categories, they may be carried over for projects (not for administrative expenses) in the following fiscal year.

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

Proposals should be limited to the following information and format.

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

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

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

Section II. Operating Budget

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

Section III. Program Financial Summary Spreadsheet

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

Section IV. Overall Program Summary and Project Summary Report

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

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

Section VI. Miscellaneous

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

Appendix C – Final Report and Independent Audit

Final reports are due to BFTDA by January 31 following the close of the fiscal year and should encompass the proposed fiscal year Challenge Grants award as well as returns from past Challenge Grant awards which include paybacks, reimbursements, investment returns, fees for services, cash reserves, interest, return of depreciation and any other similar forms of income which result at least partially from initial expenditure of BFTDA funds.

Reports should contain the following information:

Volume I

(Two complete copies in three ring binders and one copy completely unbound, with no holes punched, and with no larger fold-out pages such as have sometimes been used for budgets in these reports)

1. Table of Contents. (See *Table of Contents* example which is F1 in Appendix F)
2. Five (5) page Executive Summary to include:
 - a. Partner's substantive accomplishments during the fiscal year
 - b. A review of the success of the BFTP in meeting the annual goals as presented in the proposal.
 - c. Any other information deemed important by the Partner
3. Listing of projects cancelled or modified during the course of the year and projects approved either through re-budget or set-aside funds. (Use *Funding Status Report* which is form F11 in Appendix F)
4. Chart listing incubators assisted and names of companies within these incubator facilities. (Use *Overall Incubator Summary Table* and *Individual Incubator Summary Table* which are forms F12 in Appendix F)
5. Written justification in those instances when a 1:1 match ratio cannot be achieved on an individual project. (Use *Statement Regarding 1:1 Project Match Requirement* which is form F13 in Appendix F)
6. Financial Summary:
 - a. Final Project Financial Spreadsheets showing budgeted and actual expenses for each project and subtotaled by category. (Use *Overall Project Financial Summary* and *Project Financial Summary* which are forms F4 in Appendix F)
 - b. Partner's Operating Budget, showing both the original budgeted amounts (as in the proposal), the actual expenditures, and the variances for the year. (Use *Operating Budget* which is form F3 in Appendix F)
 - c. A listing of all of the assets, investments, accounts, or financial holdings of the Partner. (Use *Items of Assets and Holdings*, *Outstanding Loans*, and *Outstanding Equity* which are forms F8 in Appendix F)

7. A two page final Project Summary Report (Use **Project Summary Report** which is form F6 in Appendix F) for each individual project organized by category. The only required updates from the original submission are:
 - Funding (item 6)
 - Anticipated Results of Project/Final Outcome (item 13)

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

Volume II

Independent Audit - at least two (2) copies.

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

The Partners will provide a final 5 year project audit covering the 2009-2014 contracts as detailed in DCED’s Financial Management Center’s audit guidelines and the letter of agreement signed by Secretary Cornelius on 5/21/10. In the instances where a discrepancy exists, the Secretary Cornelius signed letter of agreement dated 5/21/10 shall supersede DCED’s Financial Management Center’s audit guidelines. Upon request, the Partner shall provide an independent audit covering all funds received and Partner activities supported by non-BFTDA sources and such other information as the BFTDA may require.

An independent audit conducted in accordance with GAAP, GAAS, and GAGAS is deemed to be in accordance with appropriate government auditing standards. Each of the Partners will be required to provide the BFTDA with the above annual independent audit for the year ending June 30th, by January 31st of the following year. This should be a final audit for all BFTDA funds awarded during the prior fiscal year that are not being carried over for projects in a successive fiscal year. Each audit must specify a breakdown of all awarded BFTDA monies, including a detailed statement of revenues, expenditures, and fund balances, by contract number. In addition, the audit must include a Statement of Compliance and Internal Controls.

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

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

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

Appendix D – Projects Funded through the Program Year from Set Aside Funds or Reallocated Funds

Projects funded from set aside or reallocated funds must be approved by the BFTPs' regional Boards. The following reporting requirements to BFTDA for these projects must be met before any BFTDA funds can be released by the Partner for these projects:

A. Within 15 working days after BFTP regional Board meetings at which project changes are approved:

- One master copy of project summary reports with all company commitment letters. One of these copies will be added to the BFTDA master copy book. These are the same forms as are used for the initial proposal, and which are specified in these program guidelines. (Use *Project Summary Report* which is form F6 in Appendix F)
- A letter, which lists the new and modified projects, signed by the Chairman of the regional Board certifying that the regional Board has approved the listed projects. (It would be prudent to have these letters ready at the end of a board meeting for the Board Chairperson to sign.)
- Funding Status Report (Use *Funding Status Report* which is form F11 in Appendix F). Report the balance remaining in the set aside account after the funding changes. If this turns out to be negative, it should be clearly explained where the deficit will come from.
- One copy of the Overall Program Summary showing the date of revision on the front page (so BFTDA staff can differentiate between updates). The revision date should be the date of the regional Board meeting at which the project changes were approved. (Use *Overall Program Summary* which is form F7 in Appendix F)
- One copy of the updated overall and individual project financial summary forms, including new and revised projects, showing the date of revision on the front page. (Use *Overall Project Financial Summary* and *Project Financial Summary* which are forms F4 in Appendix F)

B. Minutes of BFTP Regional Board Meetings:

The minutes of the BFTP regional Board meetings will not normally be approved until the next regional Board meeting at which a quorum is present. A copy of the approved minutes of regional Board meetings should be sent to BFTDA after they are approved. Do not submit unapproved regional Board meeting minutes.

Appendix E – Impact Report

General Overview and Timeline

Benefits of the BFTP program to the Commonwealth of Pennsylvania will be reported once a year. The impact report will be due from the Partner to DCED no later than April 30th.

The impact survey, which serves as the basis of the impact report, will cover the period of January 1st through December 31st of the year just ended. Impact surveys will be sent on an annual basis to all companies and organizations which are contractually obligated to report their impact from the previous five years. Other companies and organizations which were provided funding or services within the previous five years but not contractually obligated to be surveyed by the Partner will be surveyed at the discretion of the Partner. A single survey should be completed by the manager/coordinator of KIZs, incubators, venture funds, centers of excellence, etc. reflecting the overall impact the BFTP investment has had in their organization.

Each Partner will establish a process for reviewing, verifying, and amending survey responses. Included in this process should be methodology to ensure a company that has been counted in a previous reporting period as a newly formed company is not counted again towards subsequent periods' impact in that category. An 80% or better company/organization response rate is expected. A full listing of all the companies/organizations surveyed will be provided in the impact report with an indication of those that responded with impact, those that responded with no impact, and those that did not respond (Use ***Companies Surveyed*** which is form F17 in Appendix F).

Company Performance Measures

The specific quantitative performance measures reported via the impact survey by companies served by a Partner are as follows (Use ***Mid-Year Impact*** which is form F15 and ***Impact*** which is form F16 in Appendix F):

1. Number of new companies formed as a result of BFTP assistance
2. Dollars of revenue earned as a result of BFTP assistance
3. Number of jobs created as a result of BFTP assistance
4. Number of jobs retained as a result of BFTP assistance
5. Number and description of new products commercialized as a result of BFTP assistance
6. Number and description of new internal processes implemented as a result of BFTP assistance
7. Dollars of research, development, testing and evaluation expenditures as a result of BFTP assistance
8. Number of patents and software copyrights awarded as a result of BFTP assistance
9. Number of licenses granted to other PA companies as a result of BFTP assistance
10. Dollars of licensing revenue earned as a result of BFTP assistance
11. Dollars of additional funding obtained as a result of BFTP assistance

Partner Performance Measures

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

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

Definition of “Assistance”

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

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

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

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

Additional Questions

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

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

Data Collection Issues

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

Case Study

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

Company Name:

Address:

City, State, Zip:

Phone:

Email:

Industry Focus:

Organization(s) from which the company received assistance:

Year the project started:

Year [company name] was formed:

County/counties in which the funded project occurred:

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

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

If applicable/available, please note:

Total annual sales:

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

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

Name:

Title:

Signature:

Date:

Definitions

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

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

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

Employees: Full-time and part-time employees on your company's payroll (Form W-2) and contractors (Form 1099-MISC) paid directly by your company calculated as full-time equivalents based on a 40-hour work week.

Financial Services: Monetary-based programs and services.

Full-Time Equivalent (FTE): Full-time equivalent employment is a computed statistic representing the number of full-time employees that could have been employed if the reported number of hours worked by part-time employees had been worked by full-time employees. This statistic is calculated by dividing the hours worked by part-time employees by 40 hours (the standard number of hours worked by full-time employees) and then adding the resulting quotient to the number of full-time employees. For example, if all part-time employees worked a total of 60 hours in one week, the FTE for the part-time employees is calculated as $60/40=1.50$. If there are 3 full-time employees, then the total FTE in this scenario is 4.5 (total number of full-time employees + the FTE of part-time employees).

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

Job Positions: The paid, full-time, part-time and temporary positions (or slots) your company has available calculated on a full-time equivalent based on a 40-hour work week.

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

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

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

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

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

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

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

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

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

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

**Ben Franklin Technology Partners
Impact Survey
1/1/20XX to 12/31/20XX**

Instructions: Please answer the questions in each section and mail or fax the completed survey, including this page, to:

[CONTACT PERSON]
Ben Franklin Technology Partners
[ADDRESS]
[FAX]

If you have any questions, please call [CONTACT PERSON] at [CONTACT PHONE] or by e-mail at [ADDRESS].

Please check the information below and make any necessary additions or corrections.

Company Name: [PREPRINTED]	Telephone: [PREPRINTED]
Address: [PREPRINTED]	Fax: [PREPRINTED]
City, State, Zip: [PREPRINTED]	Date Founded: [PREPRINTED]
Contact: [PREPRINTED]	Email: [PREPRINTED]

Section I - History

Projects with BFTP to date [PREPRINTED]:

Other BFTP Services provided within the last 5 years [PREPRINTED]:

When the survey is completed, have a company official sign below:

Signature

Date

Printed Name

Title

Section II - New Company Formation

1. Did your Pennsylvania-based company receive its Employer Identification Number (Tax Identification Number) within the last three years?
- No Yes
- a. If you answered "Yes" in question 1 above, would your company have been established had it not received financial and/or non-financial services from [CENTER]?
- No Yes
- b. If you answered "No" in question 1 above, will your company receive an Employee Identification Number (Tax Identification Number) from 1/1/XX - 6/30/XX as a result of your interaction with [CENTER]?
- No Yes
2. Is your company an industry or university spin-off?
- No Yes If yes, Industry University

Section III - Impact on Revenue and Productivity

3. Please provide total revenue data for your company:

	Prior Reporting Year Ending 12/31/20XX	Current Reporting Year Ending 12/31/20XX
TOTAL REVENUE:	\$ [PREPRINTED]	\$ _____

4. As a result of financial and/or non-financial services provided by [CENTER], please indicate the amount of revenue earned by your company in 20XX.
- \$ _____

Section IV - Impact on Employment

Please provide the requested employment data for personnel located in **Pennsylvania Only**.

NOTE: An employee reported as a created or retained job in a prior year’s report cannot be counted again as a retained job in future years’ reports.

5. Please provide total employment data for your company:

	Prior Reporting Year Ending 12/31/20XX	Current Reporting Year Ending 12/31/20XX
Total Annual Gross Payroll	\$ [PREPRINTED]	\$ _____
Total Number of Employees	# [PREPRINTED]	# _____
Total Number of Consultants	# [PREPRINTED]	# _____
Total Amount Paid to Consultants	\$ [PREPRINTED]	\$ _____

6. As a result of financial and/or non-financial services provided by [CENTER], did your company have an increase in the number of employees in Pennsylvania in 20XX?

No Yes *If yes, how many?*

Reported Prior to 12/31/20XX	Current Reporting Year Ending 12/31/20XX
# [PREPRINTED]	# _____

7. As a result of financial and/or non-financial services provided by [CENTER], does your company intend to increase the number of employees in Pennsylvania from 1/1/20XX to 6/30/20XX?

No Yes *If yes, how many?* _____

8. As a result of financial and/or non-financial services provided by [CENTER], please indicate the number of job positions that your company did not eliminate (i.e. retained) in Pennsylvania in 20XX.

Reported Prior to 12/31/20XX	Current Reporting Year Ending 12/31/20XX
# [PREPRINTED]	# _____

9. As a result of financial and/or non-financial services provided by [CENTER], will your company be able to retain job positions in Pennsylvania that would have otherwise been eliminated from 1/1/20XX to 6/30/20XX?

No Yes *If yes, how many?* _____

Section V - Impact on Innovation

10. As a result of financial and/or non-financial services provided by [CENTER], did your company introduce into the market place any new product(s) during 20XX?

No Yes *If yes, how many?* _____

Please List the New Products:

	<u>Reported Prior to 12/31/20XX</u>	<u>Current Reporting Year Ending 12/31/20XX</u>
Product Name: Description:	[PREPRINTED]	

Date Commercialized:

Product Name: Description: [PREPRINTED]

Date Commercialized:

Product Name: Description: [PREPRINTED]

Date Commercialized:

11. As a result of financial and/or non-financial services provided by [CENTER], did your company introduce any new process(es) during 20XX?

No Yes *If yes, how many?* _____

Please List the New Processes:

	<u>Reported Prior to 12/31/20XX</u>	<u>Current Reporting Year Ending 12/31/20XX</u>
Product Name: Description:	[PREPRINTED]	

Date Commercialized:

Product Name: Description: [PREPRINTED]

Date Commercialized:

Product Name: Description: [PREPRINTED]

Date Commercialized:

Section VI - RDT&E, Intellectual Property and Licensing

12. As a result of financial and/or non-financial services provided by [CENTER], please indicate the amount of the Research, Development, Testing and Evaluation (RDT&E) expenditures made by your company in 20XX.

\$ _____

13. As a result of financial and/or non-financial services provided by [CENTER], please indicate the number of patents and software copyrights awarded to your company in 20XX.

14. As a result of financial and/or non-financial services provided by [CENTER], please indicate the number of licenses granted by your company to other Pennsylvania companies in 20XX.

15. As a result of financial and/or non-financial services provided by [CENTER], please indicate the amount of licensing revenue earned by your company in 20XX.

\$ _____

Section VII - Impact on Financing

16. As a result of financial and/or non-financial services provided by [CENTER], please indicate the amount of additional funding obtained by your company in 20XX.

	Prior Reporting Year <u>Ending 12/31/20XX</u>	Current Reporting Year <u>Ending 12/31/20XX</u>
Commercial lenders	\$ [PREPRINTED]	\$ _____
Private investors	\$ [PREPRINTED]	\$ _____
Institutionally managed venture capital	\$ [PREPRINTED]	\$ _____
Public offering	\$ [PREPRINTED]	\$ _____
Strategic partners (other companies, etc)	\$ [PREPRINTED]	\$ _____
Federal grants / contracts	\$ [PREPRINTED]	\$ _____
Other Commonwealth of PA programs	\$ [PREPRINTED]	\$ _____
Other (Please specify-including company contributed cash)	\$ [PREPRINTED]	\$ _____

17. Please indicate the total amount of money received from each source (in the chart below please list all additional funding obtained by your company in 20XX regardless of whether you feel it was as a result of financial and/or non-financial services provided by [CENTER]):

	Prior Reporting Year Ending 12/31/20XX	Current Reporting Year Ending 12/31/20XX
Commercial lenders	\$ [PREPRINTED]	\$ _____
Private investors	\$ [PREPRINTED]	\$ _____
Institutionally managed venture capital	\$ [PREPRINTED]	\$ _____
Public offering	\$ [PREPRINTED]	\$ _____
Strategic partners (other companies, etc)	\$ [PREPRINTED]	\$ _____
Federal grants / contracts	\$ [PREPRINTED]	\$ _____
Other Commonwealth of PA programs	\$ [PREPRINTED]	\$ _____
Other (Please specify-including company contributed cash)	\$ [PREPRINTED]	\$ _____

18. As a result of financial and/or non-financial services provided by [CENTER], please indicate the amount of additional funding your company anticipates obtaining from 1/1/20XX to 6/30/20XX.

	Projection for Period Ending 1/1/20XX to 6/30/20XX
Commercial lenders	\$ _____
Private investors	\$ _____
Institutionally managed venture capital	\$ _____
Public offering	\$ _____
Strategic partners (other companies, etc)	\$ _____
Federal grants / contracts	\$ _____
Other Commonwealth of PA programs	\$ _____
Other (Please specify-including company contributed cash)	\$ _____

Section VIII - Regional Questions and Client Feedback

[Center-specific question #1]

[Center-specific question #2]

[Center-specific question #3]

Please provide specific comments or suggestions regarding any aspect of your interaction with [CENTER], including any changes that the [CENTER] might make to better meet your needs in the future.

Appendix F – Reporting Templates

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

Contact the Technology Investment Office to obtain the Excel files.

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Appendix F1 - Table of Contents

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Overview of Projects Which Were Particularly Innovative or Impactful	
Annual Goals	
Other	
II. BFTP Operating Budget	
III. Program Financial Summary	
IV. Project and Program Summaries	
Table of Contents	
Project Summaries	
Company Investments	
Business and Technical Assistance	
Technology/Entrepreneurial Infrastructure	
Overall Program Summary	
V. Listing of the Holdings	
VI. Miscellaneous	
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Articles of Incorporation	
Bylaws	
Current Officers and Directors	
Personnel with Contact Information and Areas of Expertise	
Financial Accountability	

Appendix F2 - Projected Impact

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

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

** Calendar year in which BFTDA presentation is being done

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

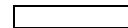
**** Previous calendar year and numbers should tie back to that year's impact report

Appendix F3 - Operating Budget

Budget Category	Other Funds		Use of AEDP Returns		AEDP Funds		Use of Challenge Grant Returns		Challenge Grant Funds		Challenge Grant Over /(Under)		AEDP Funds Over /(Under)	
	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Dollars	Percentage	Dollars	Percentage
I. Partner Administration														
A. Personnel														
B. Physical														
C. Operations														
Partner Administration Subtotal														
II. Company Investments														
A. Direct														
B. Indirect														
Company Investments Subtotal														
III. Business and Technical Assistance														
A. Internal Direct Services														
B. External Projects														
Business and Technical Assistance Subtotal														
IV. Technology Infrastructure														
A. Internal Direct Services														
B. External Projects														
Technology Infrastructure Subtotal														
V. Set-Aside Funds (Not Yet Allocated to I through IV)														
A. Current Fiscal Year														
B. Deferred/Carry-Over From Previous Fiscal Years														
Set-Aside Funds Subtotal														
Grand Totals:														

Appendix F4 - Overall Project Financial Summary

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



=Budgeted Amount



= Actual Amount Expended

Appendix F4 - Project Financial Summary

Project Number	Company/Project Name	BFTDA State Funds	Use of BFTDA Returns	Private Sector			University			Non-Profit	Federal	Other	Non-State Funds Total	Grand Total
				Cash	Equipment	In-Kind	Cash	Equipment	In-Kind					
Company Investments														
Indirect														
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
Indirect Subtotal		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of Projects =		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct														
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
Direct Subtotal		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of Projects =		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Program 1														
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
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													0.00	0.00
													0.00	0.00
													0.00	0.00

Appendix F4 - Project Financial Summary

Project Number	Company/Project Name	BFTDA State Funds	Use of BFTDA Returns	Private Sector			University			Non-Profit	Federal	Other	Non-State Funds Total	Grand Total
				Cash	Equipment	In-Kind	Cash	Equipment	In-Kind					
													0.00	0.00
Program 1 Subtotal		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of Projects =		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Program 2

													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
Program 2 Subtotal		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of Projects =		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Program 3

													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
Program 3 Subtotal		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of Projects =		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Program 4

													0.00	0.00
													0.00	0.00

Appendix F4 - Project Financial Summary

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

Appendix F4 - Project Financial Summary

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

Appendix F4 - Project Financial Summary

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

Appendix F4 - Project Financial Summary

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

Appendix F4 - Project Financial Summary

Project Number (Where Applicable)	Company/Project Name	BFTDA State Funds	Use of BFTDA Returns	Private Sector			University			Non-Profit	Federal	Other	Non-State Funds Total	Grand Total
				Cash	Equipment	In-Kind	Cash	Equipment	In-Kind					
Management & Administration														
													0.00	0.00
													0.00	0.00
Management & Administration Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Appendix F5 - Returns on Investments

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

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

Appendix F6 - PROJECT SUMMARY REPORT

1. **PROJECT #:**
2. **PROJECT TITLE:**
3. **PROJECT YEAR:**
4. **PROJECT CATEGORY:**
5. **FOR R&D:**
 - a. **TECHNOLOGY AREA:** Computers
 - b. **TYPE OF AWARD:** Payback ___ Grant ___ Other
 - c. **PROJECT GOAL:** Prd-Dev ___ Prc-Dev ___ Other
 - d. **TARGET INDUSTRY:**
6. **FUNDING:**

BFP: Awarded: \$	Expended: \$
Total Project Cost: Budgeted: \$	Expended: \$
7. **PROJECT PRIMARILY BENEFITS:**
 - A. Minority Co. ___ Women-owned Co. ___
Persons Qualified under Americans with Disabilities Act ___
 - B. Project is located in:
Keystone Innovation Zone (KIZ) _____
Keystone Opportunity Zone (KOZ) _____
Other Special Emphasis Development Area _____
8. **PRIMARY PRIVATE SPONSOR(S):**

Co. Name:	Startup Year:
Co. Address:	# Employees in Pa:
City/State/Zip:	# Employees Worldwide:
County:	Minority Owned:
Phone:	Women Owned:
FED ID #	New BFP Participant:
NAIC:	
9. **UNIVERSITY SPONSOR(S):**

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

11. DESCRIPTION OF PROJECT:

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

12. MARKET NEED:

13. ANTICIPATED RESULTS OF PROJECT/FINAL OUTCOME:

Appendix F7 - Overall Program Summary

Project Number	Company Name	Contact Person	Address	County	BFTP Funds	Project Total Funds	Brief Project Description

Appendix F8 - Items of Assets and Holdings

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

Appendix F8 - Outstanding Equity (as of 6/30/XX)

Company	Project Number	Investment Amount	Shares
Totals:		\$0	0

Appendix F9 - Board of Directors Contact List

Quorum=

Name	Address	Phone	Email	Private Sector

Appendix F9 - Board Officers, Corporate Officers and Committee Members

Board Officers	Title

Corporate Officers	Title

XXXX Committee	Quorum =

XXXX Committee	Quorum =

Other (please specify)	Quorum =

Appendix F10 - Full Center Staff Listing

Name	Job Title	Direct Line	E-Mail	Areas of Expertise	Program Responsibilities

* Partially funded through BFTP Challenge Grant funding

** No funding from BFTP Challenge Grant funding

Appendix F11 - Funding Status Report

Available Set-Aside	Amount
Set-Aside as of 7/1/XX	\$0

Cancelled Investments			
Project Number	Company Name		Amount
Total:			\$0

Modified Investments			
Project Number	Company Name	Original Amount	Amount of Modification
Total:			\$0

New Investments			
Project Number	Company Name		Amount
Total:			\$0

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

Appendix F12 - Overall Incubator Summary Table

Project Number	Incubator Name	Number of Tenants	Amount Invested by Center
Total Number of Incubators:			
Total Number of Tenants:			

Appendix F13 - Statement Regarding 1:1 Project Match Requirement

Partner: [Enter Partner's Name]

FY: [Enter Fiscal Year]

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

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

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

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

(Signature)

(Print Name and Title)

Appendix F14 - Companies Assisted/Funded
(In Calendar Year 20XX)

Company Name	Project Number(s) (If Applicable)	Company Received Assistance Other than Funding	Funded Company	Company New to BFTP (Assisted or Funded for the first time)	Early Stage or Startup Company (within first 3 years of Operation) Received Assistance Other than Funding for the First Time	Early Stage or Startup Company (within first 3 years of Operation) Funded for the First Time
TOTAL						

Note: A company is either a “company received assistance other than funding” or a “funded company” but not both. The same principle applies to the two early stage columns.

Appendix F15 - Mid-Year Impact

Data Source		January 1 – June 30, 20XX
	Actual number of companies assisted (business/technical assistance and funding)	
Q1b (yes)	Projected number of new companies formed*	
Q18	Projected funds leveraged-Public*	
Q18	Projected funds leveraged-Private*	
Q7	Projected jobs created*	
Q9	Projected jobs retained*	
*From impact surveys		

Appendix F16 - Impact

Data Source		Calendar Year 20XX** Projected Goals Presented to the BFTDA Board on XX/XX/XX	Calendar Year 20XX*** Achievements	Calendar Year 20XX**** Achievements
F14	Companies Assisted			
Q6	Jobs Created			
Q8	Jobs Retained			
Q16	Leverage* (attributed)			
	Public			
	Private			
Q17	Leverage* (unattributed)			
Q1a (no)	New Company Formation			
Q4	Revenue Earned			
Q10	New Products Commercialized (See attached)			
Q11	New Internal Processes Implemented (See attached)			
Q12	RDT&E Expenditures			
Q13	Patents and Software Copyrights Awarded			
Q14	Licenses Granted to other PA Companies			
Q15	Licensing Revenue Earned			

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

** Calendar year in which BFTDA presentation is being done

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

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

Appendix F17 – Companies Surveyed

Company Name	Project Number(s) (If Applicable)	Last Year Project was Active	Responded with Impact	Responded with No Impact	Did not Respond
TOTAL					

Overall Response Rate _____%



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
HARRISBURG, PA 17120

OFFICE OF SECRETARY

May 21, 2010

Mr. Terence A. Singer
Director, Statewide Affairs
Ben Franklin Technology Partners
1010 North Seventh Street, Suite 307
Harrisburg, PA 17102

Dear Mr. Singer:

This letter is to confirm auditing requirements as discussed in the April 26, 2010 meeting between the Ben Franklin Technology Partners and DCED. All relevant documents (contract, program guidelines) will be updated as necessary. At the time when an audit is due to the department, the below guidance will govern. These requirements will apply to the following contracts:

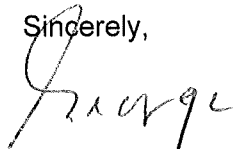
Partner	Challenge Grant	AEDP Grant
Central and Northern	C000046510	C000045073
Northeast	C000046511	C000045075
Southeastern	C000046508	C000045074
Innovation Works	C000046509	C000045076

1. Upon completion of the above listed grants, a project audit will be due to DCED no later than 120 days after the expiration of the contract.
2. A 1:1 match ratio for the funds awarded by the partners to other entities will be required per the legislation.
3. "Company match" can be in the form of cash, equipment and in-kind contributions.
4. Each partner shall continue to collect appropriate expenditure documentation and must certify that the company has met the match requirement; the definition of documentation includes but is not intended to be limited to:
 - a. cash: invoices, receipts, etc.;
 - b. equipment: receipts or documentation of the value at the actual rental cost or fair rental value for the geographic location;
 - c. in-kind: time sheets or written verification of the services performed.

Mr. Terence A. Singer
May 21, 2010
Page Two

5. The project audit must include all funds received and expended under the contract and the auditor must verify that the required private matching funds have been certified by the sub-recipient's CEO or authorized representative.
6. Each partner shall use its best effort to achieve a 1:1 match from private sector sources for each individual project. In the instances where a 1:1 match cannot be achieved on an individual project and written justification has been provided to the BFTDA, the partner may aggregate all match received from all projects in order to achieve an overall 1:1 match ratio.
7. The project audit must contain a separate schedule listing each sub-recipient's name, amount and date paid and verification of match.
8. As the standard audit protocol does not include a specific practice involving confirmation of professional service contract deliverables, the partners will contract with their auditors to conduct a separate review to confirm the deliverables of all professional service contracts exceeding \$50,000. The results of this review will be shared with DCED.

Sincerely,



George E. Cornelius
Secretary

cc: Ms. Jill Busch
Ms. Nadine Ibberson
Ms. Wendy Sweigart
Mr. Bryce Marezki
Mr. John Sider
Mr. Chris Dwyer