

Arkansas Business and Technology Accelerator Grant Program

Section 101. Introduction.

(a) Overview.

(1) The Arkansas Business and Technology Accelerator Grant Program, provided for by Act 165 of 2017, as codified at Ark. Code Ann. § 15-3-601 et. seq., was created to stimulate innovation and growth among the state's technology businesses.

(2) The program, administered by the Division of Science and Technology of the Arkansas Economic Development Commission, may provide to eligible businesses discretionary grants of up to two hundred fifty thousand dollars (\$250,000) to sponsor business and technology programs to mentor startup companies.

(3) Objectives of the program are to:

(A) Stimulate corporate growth through the infusion of innovative:

(i) Ideas;

(ii) Products; and

(iii) Services;

(B) Create high-skilled, high-wage jobs by encouraging the development of technological products and services; and

(C) Foster economic growth by linking new ideas, products, and services by entrepreneurs and startup companies to corporate sponsors seeking the commercialization of new products and services.

Section 102. Definitions.

(1) "Business and technology accelerator" means a full-time, immersive program administered by an eligible applicant to potentially invest in, mentor, and accelerate commercial development of startup businesses;

(2) "Business and technology accelerator grant" means a discretionary grant of up to two hundred fifty thousand dollars (\$250,000) for each approved business and technology accelerator application; and

(3) "Eligible applicant" means an entity that is:

(A) Registered as a business entity in good standing with the Arkansas Secretary of State; and

(B) Principally engaged in one (1) or more of the following categories of business or industry:

(i) A manufacturer classified in sectors 31-33 of the 2012 North American Industry Classification System;

(ii) A business that:

(a) Is primarily engaged in:

(1) The design and development of prepackaged software;

(2) Digital content production and preservation;

(3) Computer processing and data preparation services; or

(4) Information retrieval services; and

(b) Derives at least seventy-five percent (75%) of its sales revenue from out of state;

(iii) An office sector business whose business operations support primary business needs, including without limitation customer service, credit accounting, telemarketing, claims processing, and other administrative functions that:

(a) Is a nonretail business; and

(b) Derives at least seventy-five percent (75%) of its sales revenue from out of state;

(iv) A national or regional corporate headquarters as classified in sector 551114 of the 2012 North American Industry Classification System;

(v) A scientific and technical services business that derives at least seventy-five percent (75%) of its sales revenue from out of state;

(vi) A firm primarily engaged in commercial, physical, and biological research as classified in code 541711 or 541712 of the 2012 North American Industry Classification System;

(vii) A firm engaged in one (1) or more of the following categories:

(a) Advanced materials and manufacturing systems;

(b) Agriculture, food processing, and environmental sciences;

(c) Biotechnology, bioengineering, and life sciences;

(d) Information technology;

(e) Transportation logistics; and

(f) Internet-enabled technology or service solution of one (1) or more of the categories described in section 102(3)(B)(vii)(a)-(e); and

(viii) A business that is primarily engaged in operating combustors and incinerators for the disposal of nonhazardous solid waste, as classified in code 562213 of the 2022 North American Industry Classification System.

Section 103. Eligibility.

(a) **Eligible applicants.** To be eligible to receive Arkansas Business and Technology Accelerator Grant Program funding, an applicant shall:

(1) Meet the definition of “eligible applicant”; and

(2) Submit a completed, signed application on forms provided by the Division of Science and Technology of the Arkansas Economic Development Commission.

(b) **Eligible costs.** The Division will review all expenditure requests prior to payment to ensure that costs are consistent with the terms and conditions of the grant agreement.

Section 104. Application process.

(a) Application submittal.

(1) To request Arkansas Business and Technology Accelerator Grant Program funds, eligible applicants shall, utilizing forms prescribed by the Division of Science and Technology of the Arkansas Economic Development Commission, submit a completed, signed application with all supporting documentation to the Division.

(2) Applications shall include:

(A) Accelerator title;

(B) Contact information;

(C) Proof of legal organization as a business entity in good standing with the Arkansas Secretary of State;

- (D) A statement of work;
- (E) The amount of funding requested; and
- (F) Start and completion dates of the project.

(b) Application review and approval. No grant offer shall be made by the Director of the Arkansas Economic Development Commission to an applicant until the Division has completed the following review and approval process:

(1) The Division shall conduct a preliminary review of each application, in order of receipt, to confirm that it:

- (A) Was submitted by an eligible applicant;
- (B) Is for a targeted business activity consistent with program objectives; and
- (C) Is complete, including all required attachments;

(2)(A) At its discretion, the Division may request supplemental materials from the applicant.

(B) All supplemental materials must be received at least forty-five (45) days prior to the next scheduled meeting of the Board of Directors of the Division of Science and Technology of the Arkansas Economic Development Commission;

(3) All applications meeting preliminary review requirements shall be forwarded to the board at least thirty (30) days prior to its next scheduled meeting;

(4) The Board shall:

- (A) Review each application in accordance with program rules; and
- (B) Forward, for each application reviewed, a recommendation to approve or disapprove the application to the Director of the Division of Science and Technology of the Arkansas Economic Development Commission;

(5) The Director of the Division of Science and Technology shall review each application in accordance with program rules and the advice and recommendation of the Commercialization Committee of the board;

(6) Upon completion of review, the Director of the Division of Science and Technology will provide preliminary funding recommendations to the Director of the Arkansas Economic Development Commission; and

(7)(A) The Director of the Arkansas Economic Development Commission, after reviewing the recommendations, will specify which applicants may receive grants.

A. Unsuccessful applicants will be notified in writing by the Director.

(C) Approved applicants will be required to execute a grant agreement outlining the amount, terms, and conditions of the grant.

Section 105. Grant agreements.

(a)(1) Arkansas Business and Technology Accelerator Grant Program grants may be awarded at the discretion of the Director of the Arkansas Economic Development Commission.

(2) Grant agreements shall specify:

- (A) The eligibility date for incurring project costs;
- (B) Terms and conditions of the grant;
- (C) The amount of approved costs; and
- (D) The process by which grant funds shall be invoiced and disbursed to the

grantee.

(b) The amount of the grant shall be discretionary and may be for amounts less than requested.

(c) Grants may be funded from any source of funds allocated to the program.

(d) Grants will be executed according to the following process:

(1) Two (2) original copies of the grant agreement will be prepared by the Director of the Division of Science and Technology of the Arkansas Economic Development Commission and forwarded to the grantee for signature and return;

(2) Upon receipt of the signed grant agreements from the grantee, the Director of the Division of Science and Technology will prepare an approval letter and forward the grant agreements and the approval letter to the Director of the Arkansas Economic Development Commission for signature; and

(3)(A) One (1) original copy of the grant agreement will be forwarded to the grantee with the signed approval letter.

(B) One (1) original copy of the grant agreement will be retained by the Director of the Division of Science and Technology.

(e) Any material change to the scope of the project is subject to prior approval by the Director of the Arkansas Economic Development Commission.

Section 106. Confidential information.

(a) Applications submitted to the Division of Science and Technology of the Arkansas Economic Development Commission are subject to the Freedom of Information Act of 1967, Arkansas Code § 25-19-101 et seq.

(b) To the extent an applicant believes that information in an application is confidential or otherwise exempt under the Freedom of Information Act of 1967, Arkansas Code § 25-19-101 et seq., the applicant shall specifically designate in writing the information the applicant believes to be confidential or exempt and the basis for the confidentiality or exemption on that portion of the application in which the information appears.

Section 107. Reimbursement.

(a) Disbursements of Arkansas Business and Technology Accelerator Grant Program funds shall be made on a reimbursable basis, payable when invoices and financial reports are submitted to the Division of Science and Technology of the Arkansas Economic Development Commission.

Section 108. Final report.

(a) Grantees shall submit final reports, upon full expenditure of Arkansas Business and Technology Accelerator Grant Program funds, in accordance with terms specified in the grant agreement.

(b) Reports shall:

(1) Include a one-page nonproprietary executive summary describing the impact and positive effect of the receipt of program funds;

(2) Document final expenditure of grant funds;

(3) Provide an updated status of the project;

(4) Summarize economic effects of the program on job creation, project commercialization, and patent applications filed or approved subsequent to grant award; and

(5) Certify that all grant terms and conditions were met.

- (c) If a grantee fails to provide the required final report stated in this section they may be:
- (A) Ineligible to receive further Arkansas Business and Technology Accelerator Grant Program awards; and
 - (B) Subject to repayment language in the grant agreement.