



# Ignite Erie Funding Beehive Innovation Spaces

Program Guidelines | July 2018

## **Impact Area: Small Business**

To spur small business development, build collaboration for business acceleration, and offer a broader spectrum of financing products for starting, growing, and reinventing small business.





## Section I. Introduction

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### About ECGRA

The Erie County Gaming Revenue Authority was incorporated in February 2008 in the Commonwealth of Pennsylvania to create and administer a grantmaking process for gaming funds that come from the Pennsylvania Department of Revenue. An impact investor, the ECGRA's mission is to elevate Erie County by galvanizing nonprofits and small business toward economic and community development. Since February 2008, ECGRA has invested more than \$47 million in Erie County.

### Introduction to the Beehive Concept

Beehives are physical, innovation spaces on a university campus or in a publicly accessible facility. They provide equipment, talent, and opportunities for collaboration between institutions and entrepreneurs. The substance of a Beehive is the student-driven interactions that take place between the entrepreneur and university or other institution. Students must be properly matched with the entrepreneur to solve the problem at hand. Those problems include prototype and product development, branding and communications, business intelligence and modeling, market analysis, cybersecurity, engineering, and information technology.

The Beehive concept has grown out of the Ignite Erie Industry+University initiative. This is important because the communications platform built by the Ignite Erie partners is central to Beehive success. In other words, the Beehives may exist at separate institutions, but they are required to communicate with the Ignite Erie collaborative. Civic-minded collaboration among institutions on behalf of the entrepreneur is central to the model developed by those participating stakeholders.

Another distinguishing feature of the Beehive approach is their focus on an area of strength. Every institution has a niche strength that can be aggregated into one network to transform the region's economic development system. Beehives have the potential to do that. However, the challenge will be offering a product or service that the entrepreneur wants and needs.

## Purpose of the Funding

ECGRA's strategic plan calls on investment in small business development as a key strategy in community revitalization. Beehive funding is designed to catalyze 501c3, nonprofit organizations such as universities to participate in the economic development system of Erie County. Beehive grants provide vital matching funds to encourage the development of entrepreneurial support services at local institutions that have this purpose in their mission. Beehive applicants should leverage their institutional size and scale to provide entrepreneurs with products and services that are needed to grow the Erie County economy.

Applicants should consider the following when designing a Beehive:

- **Accessibility.** The entrepreneur needs to feel welcome in accessing the space. This does not mean that the public should have unfettered access to a Beehive. Each institution will need to develop a process around access that ensures safety and security for both the entrepreneur and the institution as well as a matchmaking process to connect entrepreneurs with institutional resources that make sense. A description of that process should be publicly accessible. An example would be an intake form on a public facing website.
- **Student & community engagement.** Beehives should be considered labs for open innovation. Accessing student talent and community mentoring recognizes that entrepreneurs need resources, students need real world experience, and local mentors are available for guidance. The "open lab" concept recognizes that the research is user/entrepreneur-oriented, not driven by the university/institution. This requires institutions like universities to engage those that are interested in helping entrepreneurs solve problems. It also requires entrepreneurs capable of being assisted by institutional resources.
- **Mission-driven nonprofit.** The institution applying for the Beehive grant should be accessing these funds to help fulfill its mission of regional economic development. Beehives are not intended to compete with the services offered by the private sector. They are led by mission-driven nonprofits that have discovered a gap in the current system of offerings to entrepreneurs.

The goals of the **Beehive grants** are to:





- Create and retain jobs by supporting local entrepreneurs/industry through innovation.
- Provide institutions like universities the seed funding to launch and/or expand the services, equipment, and talent necessary to establish a Beehive on their respective campus.
- Continue the industry-university engagement that was started by the Ignite Erie collaborative in 2015.
- Further engage the universities of Erie County and other institutions in providing services necessary to assist entrepreneurs/industry in starting new businesses and expanding existing businesses.

## **Financials**

- This grant requires 1:1 cash match
- A funding bucket of \$1,000,000 is available for the 2018 grant cycle
- A maximum of \$250,000 per application
- One application can be submitted per applicant
- Grant contracts will run three (3) years with the option to extend one (1) year

## **Targeted Economic & Community Impact.**

The intended impact of Ignite Erie Funding is to:

-  Create jobs through investments in the region's small businesses
-  Utilize small business development as a tool to catalyze new investment in inner-city neighborhoods and commercial districts suffering from blight and lack of private capital
-  Accelerate intellectual property-based products and technology transfer to companies through industry-university partnership models
-  Provide Erie companies access to new and hybrid financial products at the micro-finance, debt, and venture capital levels

## Section II. Eligibility

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### Eligible Applicant Info.

The applicant for funding shall be an IRS designed 501c3, a local government authority, municipal government, a Community Development Financing Institution, or an SBIC approved entity. The applicant must be able to provide proof that they are in good standing with their respective regulatory agency.

### Ineligible Organizations.

The organization will be deemed ineligible for funding if it is: a state or federal park; an airport or public transportation facility; a for profit; any municipality or organization that was part of the settlement agreement entered into December 13, 2010 with ECGRA; a public safety organization.

### Eligible Use of Funds.

The following are eligible uses of funds:

- |                        |                                    |
|------------------------|------------------------------------|
| 1. Personnel           | 5. Professional Consultants        |
| 2. Marketing           | 6. Supplies                        |
| 3. Construction        | 7. Equipment/Facilities            |
| 4. Contracted Services | 8. Outcomes/Measurement & Tracking |

### Ineligible Use of Funds.

Funds may not deviate from the approved grant budget without written consent from ECGRA staff.

### Geographic Focus.

The facilities and activities funded must strive to benefit and focus on innovation, entrepreneurship, and small business-based economic development in Erie County, Pennsylvania.

### Budget & Match.

Budget Form – Each application shall be complete in its entirety to be eligible. It will also demonstrate the following in the form of a budget:






1. Requested amount from ECGRA: a maximum of \$250,000 per applicant over a total of three years; there is no minimum. The total amount of funds available for the granting period is \$1,000,000.
2. Your agency's contribution in the form of cash (do not list in-kind).
3. Other agency or funder contribution - include source, cash only (do not list in-kind).
4. Total project cost – cash only (do not list in-kind).
5. A 1:1 cash match, which is required for this program. Existence of an endowment does not count toward the match. Gaming funds from other sources cannot be used toward match.

## Section III. Grant Requirements & Terms






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### Application Submission.








Each application shall be complete in its entirety to be eligible. It will also demonstrate the following in the form of a budget:

-  Requested amount from ECGRA (**a maximum of \$250,000**)
-  Your agency contribution in the form of cash or anticipated owner contribution (do not list in-kind)
-  Other agency or funder contribution – include source; cash only
-  Total project, programming, or event cost – cash only
-  A 1:1 cash match. Existence of an endowment does not count toward match. Fundraising for a previous year's project, programming, or event does not count toward match.

The following are generally considered cash-match contributions:

-  Cash contributed by your organization
-  Equipment or supplies to be purchased by your organization for project, program, or event activities
-  Personnel to be hired by the organization to help with the project, who will not be hired if the grant is not funded
-  Paying for an event brochure and/or its dissemination
-  Grants from other government agencies or foundations (not gaming funds)

The following are generally considered in-kind contributions:

-  Personnel time given to the project
-  Person on loan from another organization
-  Use of existing equipment or supplies
-  Use of existing laboratory equipment or facilities
-  Waived or unrecovered indirect cost amount
-  Office space
-  Donated materials, supplies, or labor

## Section IV. Approval Process & Terms

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### Application Assistance

Application for ECGRA grants shall be completed online at [bit.ly/ECGRAgrants](https://bit.ly/ECGRAgrants).

Program inquiries should be directed to:

Tom Maggio  
ECGRA Grants Manager  
(814) 897-2694  
[tmaggio@ECGRA.org](mailto:tmaggio@ECGRA.org)

### Grant Application Process

Receipt: Upon submission of the application and required supporting material, ECGRA staff, working with the ECGRA board of directors' review committee, will determine eligibility.

Review: The review committee will evaluate the application and determine if it meets the required parameters outlined by the board.





Approval: ECGRA's board of directors will receive funding recommendations from the review committee.

Notification: ECGRA will notify all applicants via email.

### Contracting Process

Following approval by the ECGRA board of directors, the executive director will issue a letter of agreement to the grantee, which must be signed by an officer of the organization and returned within 30 days of the date of said letter. The agreement may detail additional requirements with which the grantee must comply, including but not limited to: project audit, financial grant closeout report, maintenance of records, public relations, and any other information the board or staff deem relevant.

The grant contract agreement and any subsequent amendments will not be executed until all the following have been resolved to the satisfaction of the executive director:

-  The grantee must follow ECGRA's policies on audits relative to the submission of closeout reports on any previous contracts with ECGRA, regardless of the program or funding source.
-  The grantee must provide all supplemental documentation requested by ECGRA.
-  The grantee must follow IRS reporting standards.
-  The grantee must be current in payment of all federal, state, and local taxes unless it has entered into an agreement satisfactory to the respective taxing authority and is fully in compliance with the terms thereof.

- 🌳 The grantee must not discriminate against any employee or against any applicant for employment because of race, religion, color, handicap, national origin, age, or sex.

After the grant agreement has been fully executed and the proper documentation provided to ECGRA, the payment to the grantee will be made by an electronic funds transfer or by check.

ECGRA will monitor the activities of the applicant and the grant contract agreement to ensure that the grantee fulfills the conditions of the grant. This may include a site visit or random audit of income and expenses. Upon request and as required by the agreement, the grantee must furnish ECGRA with all data, reports, contracts, documents, and other information relevant to the activities of the applicant.

### Contract Terms

- 🌳 Grant contracts shall be for three (3) years.
- 🌳 One (1) option to extend the terms of the contract for a period of one (1) year may be permitted by ECGRA. Detailed, written justification for the contract extension shall be submitted to ECGRA for review and consideration.
- 🌳 If the funds allocated to the applicant are not expended on or before the expiration of the grant contract, including the extension period, the unused portion of funds shall be returned to ECGRA.

### Closeout Requirements

- 🌳 All recipients of funds are required to submit an online closeout report at [bit.ly/ECGRAgrants](http://bit.ly/ECGRAgrants) quantifying the progress toward accomplishing approved deliverables.
- 🌳 Closeout reports are due no later than thirty (30) days after the contract end date.
- 🌳 Closeout presentations are due within six (6) months of contract completion.
- 🌳 All grant recipients will be required to submit financial documentation as part of the online closeout report.
- 🌳 All grant recipients will be required to present to the ECGRA board of directors.
- 🌳 **Non-compliance** with these requirements may prevent the grantee from obtaining funding or payment from any ECGRA grant program and/or funding from ECGRA's programmatic partners.
- 🌳 If it is determined that the grantee provided any material misrepresentations or that funds were used for activities not permitted under the terms of the grant contract agreement, the grant contract agreement will be considered in default and immediate repayment will be demanded. In addition, the matter may be referred to the appropriate authorities for investigation.



## Section V. 2018 Grant Schedule

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-  **Thursday, July 19, 2018** – ECGRA releases the Application and Guidelines and posts to [bit.ly/ECGRAgrants](http://bit.ly/ECGRAgrants)
-  **Thursday, September 27, 2018** – Applications must be submitted by midnight.
-  **Thursday, October 18, 2018** – ECGRA’s board of directors will make the final review and approve funding recommendations.
-  **Friday, November 16, 2018**, last day to submit signed agreement letter.
-  **Friday November 15, 2019**, last day to submit year one progress report
-  **Friday November 13, 2020**, last day to submit year two progress report
-  **Friday November 12, 2021**, last day to submit a closeout report online at [bit.ly/ECGRAgrants](http://bit.ly/ECGRAgrants).

## Appendix

### Summary of Applicable Provisions of the

#### PREVAILING WAGE ACT

43 P.S. §§ 165-1 et seq

34 Pa. Code §§ 9.101 et seq

The Prevailing Wage Act (the “Act”), 43 P.S. §§ 165-1 et seq., and the various laws and regulations governing the Act apply to Public Works projects funded by the Erie County Gaming Revenue Authority (“ECGRA”). A Public Work is defined as including construction, reconstruction, demolition, alteration and/or repair work other than maintenance work, done under contract and paid for in whole or in part out of the funds of a public body where the estimated costs of the entire project exceed \$25,000.

ECGRA fund recipients shall require their contractor, if any, and contractors shall agree to require their subcontractors, to comply with the Act and the associated laws and regulations issued pursuant thereto.

Wage rates paid workmen employed in the Work shall not be less than the rates determined in the applicable wage rate determination by the Secretary of Labor and Industry for the Commonwealth of Pennsylvania and no workmen may be employed in the Work except in accordance with the classifications in Secretary’s determination.

The recipient of ECGRA funds shall be required to obtain the aforementioned public wage minimum rate determination prior to drafting project specifications or engaging in a contract with a contractor on a Public Work project.

Workmen employed or working in the Work shall be paid unconditionally, regardless of whether a contractual relationship exists or the nature of the contractual relationship. Payments shall be at least once a week and be the full amounts due at the time of payment, computed at the rates applicable to the time worked in the appropriate classification, without deduction or rebate, on any account, either directly or indirectly, except authorized deductions.

The contractor and each subcontractor shall post, for the entire period of construction, the wage determination decisions of the Secretary, including the effective date of changes thereof, in a prominent and easily accessible place or places at the site of the Work and at the places used by

them to pay workmen their wages. The posted notice of wage rates shall comply with the requirements of the Pennsylvania Code, Title 34.

The contractor and subcontractor shall keep an accurate record showing the name, craft or classification, number of hours worked per day and the actual hourly rate of wage paid, including employee benefits, to each workman employed by him in connection with the Public Work. The record shall include deductions from each workman. The record shall be preserved for two (2) years from the date of payment and shall be open at reasonable hours to the inspection of ECGRA and to the Secretary of the Department of Labor and Industry or his authorized representatives.

Apprentices shall be limited to the numbers in accordance with a bona fide apprenticeship program registered with and approved by The Pennsylvania Apprenticeship and Training Council and only apprentices whose training and employment are in full compliance with the Apprenticeship and Training Act (43 P.S. §§ 90.1 – 90.10), as approved July 14, 1961, and the regulations issued thereto, shall be employed on the Public Work project. A workman using the tools of a craft who does not qualify as an apprentice shall be paid the rate predetermined for journeymen in that particular craft or classification.

Payment of compensation to workmen for work performed on a Public Work in a lump sum basis, or a piece work system, or a price certain for the completion of a certain amount of work, or the production of a certain result shall be deemed a violation of the Act and associated regulations, regardless of the resulting average hourly wage.

Each contractor and subcontractor shall file a statement each week and a final statement at the conclusion of the work with the recipient of ECGRA funds, under oath and in a form satisfactory to the Secretary of the Department of Labor and Industry, certifying that workmen have been paid wages pursuant to the contract and the Act, or if wages remain unpaid, to set forth the amount of wages due and owing to each workman respectively.

The provisions of the Act, and its associated regulations shall be incorporated by reference in each contract.

*This document is provided solely for informational purposes only and is not for the purpose of providing legal advice. You should contact your attorney to obtain advice with respect to compliance with the Prevailing Wage Act. Use of this document does not create an attorney-client relationship between the user and legal counsel to ECGRA.*