

## Chapter Comm 117

### BUSINESS DEVELOPMENT INITIATIVE PROGRAM

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**Note:** Chapter DOD 17 was renumbered chapter Comm 117 under s. 13.93 (2m) (b) 1., Stats., and corrections made under s. 13.93 (2m) (b) 6. and 7., Stats., Register, June, 1997, No. 498.

**Comm 117.01 Purpose.** The purpose of this chapter is to establish a procedure for the administration of the business development initiative program as provided in s. 560.20, Stats., and funded under s. 20.143 (1) (en) and (in), Stats.

**Note:** 2001 Wis. Act 109 repealed ss. 20.143 (1) (en) and (in) and 560.20, Stats., except s. 560.20 (1) (cf) was renumbered to s. 560.17 (1) (br); s. 560.20 (3) (f) (intro.) and 4. were consolidated and renumbered to s. 560.21 (2); and s. 560.20 (3) (h) was renumbered to s. 560.21 (3).

**History:** Cr. Register, November, 1990, No. 419, eff. 12-1-90; am. Register, October, 1994, No. 466, eff. 11-1-94.

**Comm 117.02 Definitions.** In this chapter:

(2) “Department” means the department of commerce.

(2n) “Division” means the division of vocational rehabilitation in the department of workforce development.

(3) “For profit business” has the meaning given in s. 560.20 (1) (c), Stats.

**Note:** 2001 Wis. Act 109 repealed s. 560.20 (1) (c), Stats.

(4) “Liquid assets” means uncommitted cash or other personal assets that, in accordance with standard accounting practices, may be easily converted to cash.

(5) “Management assistance” has the meaning provided in s. 560.17 (1) (br), Stats.

(6) “Managerial services” means the provision of assistance to establish or improve management systems in such areas as personnel, training, inventory control, production, strategic planning, purchasing, distribution, facilities design and information systems related to a business start-up or expansion.

(7) “Minority group member” has the meaning given in s. 560.036 (1) (f), Stats.

(8) “Nonprofit organization” has the meaning given in s. 560.20 (1) (d), Stats.

**Note:** 2001 Wis. Act 109 repealed s. 560.20 (1) (d), Stats.

(9) “Person with severe disabilities” has the meaning given in s. 560.20 (1) (e), Stats.

**Note:** 2001 Wis. Act 109 repealed s. 560.20 (1) (e), Stats.

(10) “Small business” has the meaning given in s. 560.20 (1) (f), Stats.

**Note:** 2001 Wis. Act 109 repealed s. 560.20 (1) (f), Stats.

(11) “Technical assistance” includes each of the items listed in s. 560.20 (1) (g) 1. to 4., Stats.

**Note:** 2001 Wis. Act 109 repealed s. 560.20 (1) (g), Stats.

**History:** Cr. Register, November, 1990, No. 419, eff. 12-1-90; cr. (2n), Register, July, 1993, No. 451, eff. 8-1-93; r. (3), renum. (4) and (5) to be (3) and (4), cr. (5), Register, October, 1994, No. 466, eff. 11-1-94; r. (1), Register, January, 1996, No. 481, eff. 2-1-96; correction in (5) made under s. 13.93 (2m) (b) 7., Stats. Register June 2005 No. 594.

**Comm 117.03 Distribution of funds.** From the appropriation under s. 20.143 (1) (en) and (in), Stats., the department may expend up to \$25,000 for technical assistance grants made under s. Comm 117.045.

**Note:** 2001 Wis. Act 109 repealed s. 20.143 (1) (en) and (in), Stats.

**History:** Cr. Register, November, 1990, No. 419, eff. 12-1-90; am. Register, July, 1993, No. 451, eff. 8-1-93; r. and recr. Register, January, 1994, No. 457, eff. 2-1-94; r. and recr. Register, October, 1994, No. 466, eff. 11-1-94.

**Comm 117.04 Technical assistance and technical assistance grants.** (1) The department shall make an application manual available to all eligible applicants.

(2) The department shall provide technical assistance or technical assistance grants to individuals, small businesses or non-profit organizations in accordance with the provisions of this chapter for the purpose of developing and planning the start-up or expansion of a for-profit business that is or will be located in this state.

(3) Applications for technical assistance or technical assistance grants shall be submitted according to the procedures contained in the manual and shall contain all of the following information:

(a) The ownership and ownership structure of the for-profit business that will be the beneficiary of the technical assistance or grant including identification of any person with severe disabilities involved in the ownership or management.

(b) The location of the proposed business venture.

(c) The product or service provided by the business.

(d) The market for the product or service, competition within the market and any competitive advantages of the business.

(e) An estimate of the gross revenue and profit that will be generated by the business over a period specified by the department.

(f) The process for manufacturing the product or providing the service.

(g) An estimate of the number of jobs expected to be created for persons with severe disabilities and the total number of jobs expected to be created.

(h) The agencies the applicant will utilize for referrals of persons with severe disabilities and minority group members with severe disabilities.

(i) The experience of the applicant or the small business on behalf of which application is being made, which is related to the proposed business venture.

(j) An estimate of the capital required to complete the proposed business venture.

(k) Potential sources of financing for the proposed business venture.

(L) If the applicant is a small business, the number of full-time employees of the applicant.

(m) If the applicant is a nonprofit organization, evidence of incorporation under ch. 181, Stats., or of tax exempt status under section 501 (a) of the internal revenue code.

(n) Any other information the department may require to make a determination in accordance with s. 560.20, Stats., and this chapter.

**Note:** 2001 Wis. Act 109 repealed s. 560.20, Stats.

(4) In deciding whether to provide technical assistance or make a technical assistance grant, the department shall compare

the application being considered to all of the following applications received during the previous 12 months on each of the following:

(a) The likelihood that the for-profit businesses will actually be profitable.

(b) The extent to which the expansion or creation of the for-profit businesses will increase employment in the state.

(c) The extent to which the expansion or creation of the for-profit business is expected to create employment opportunities for persons with severe disabilities and persons with severe disabilities who are minority group members.

(d) The type of technical assistance needed.

(e) The extent to which the expansion or creation of the for-profit business is expected to create business ownership or management opportunities for persons with severe disabilities and persons with severe disabilities who are minority group members.

(5) The maximum grant awarded under this section is \$15,000. A match equal to at least 25% of the grant amount is required. Up to 75% of the required match may be in the form of in-kind services. No more than 25% of the in-kind match may be provided directly by the applicant or the small business on behalf of which application is made. To be treated as in-kind match the services must be related to the success of the business start-up or expansion.

**History:** Cr. Register, November, 1990, No. 419, eff. 12-1-90; am. (3) (a), cr. (4) (e), Register, July, 1991, No. 427, eff. 8-1-91; am. (1), (3) (intro.) and (4) (intro.), Register, January, 1996, No. 481, eff. 2-1-96.

#### **Comm 117.045 Technical assistance and technical assistance grants to promote self-employment of persons with severe disabilities.**

(1) The department shall hold a continuous competition for technical assistance and technical assistance grants for division clients who are severely disabled, who have selected self-employment as a rehabilitation goal and who have been referred to the department by a division counselor. The department shall make an application manual available to all eligible applicants.

(2) The department shall provide technical assistance or technical assistance grants to individuals or small businesses in accordance with the provisions of this chapter for the purpose of developing and planning the start-up or expansion of a for-profit business that is or will be located in this state and that will provide for the self-employment of a person who has severe disabilities and who has been referred to the department by a division counselor.

(3) Applications made under this section shall be submitted on behalf of the applicant by a division counselor and shall be reviewed by the department upon receipt. Applications shall be prepared according to the procedures contained in the manual and shall contain the following information:

(a) Each of the items listed in s. Comm 117.04 (3) (a) to (g), (i) to (k) and (n).

(b) An estimate of the potential of the self-employment venture to provide for the financial self-sufficiency of the owner.

(4) In deciding whether to provide technical assistance or a technical assistance grant, the department shall compare each application to those applications previously received during the same fiscal year on each of the following:

(a) Each of the items listed in s. Comm 117.04 (4) (a) to (d).

(b) The likelihood that the self-employment venture will generate earnings to enable the owner to become financially self-sufficient.

(5) The maximum grant awarded under this section is \$3,500. Any grant made under this section requires a cash match from the division in the percentage provided in the memorandum of agreement between the department and the division that is in effect on the date the grant is awarded.

**History:** Cr. Register, July, 1993, No. 451, eff. 8-1-93.

#### **Comm 117.05 Financing for working capital, fixed asset financing and management assistance.**

(1) An eligible applicant may receive up to \$30,000 in a fiscal biennium. Up to the lesser of \$5,000 or 20% of the financing to any eligible applicant may be in the form of a grant to fund activities listed in sub. (6), and the remainder shall be in the form of a loan to fund activities listed in sub. (5).

(2) A match equal to the funds received is required. The match may not include an applicant's wages, the value of personal time contributed by the applicant to the business for which application is made or any other resources not directly related to the startup or expansion of the business for which application is made.

(3) To be an eligible applicant for funding under this section an individual, small business or nonprofit organization shall meet all of the requirements of s. 560.20 (3) (a) 1. to 2., Stats., shall have received funding under s. Comm 117.04 or 117.045, shall have demonstrated with the proceeds of such funding the feasibility of the business, and shall not be able to obtain financing from any other source on reasonably equivalent terms.

**Note:** 2001 Wis. Act 109 repealed s. 560.20 (3) (a), Stats.

(4) Before awarding financing under this section, the department shall consider all of the following:

(a) Each of the considerations in s. 560.20 (3) (e), Stats.

**Note:** 2001 Wis. Act 109 repealed s. 560.20 (3) (e), Stats.

(b) The viability of the proposed business startup or expansion.

(c) The technical and management capabilities of the applicant.

(d) The availability of adequate financial resources to successfully complete the startup or expansion including the amount directly provided by the applicant.

(5) The proceeds of a loan under this section may be used only for working capital or fixed asset financing related to the start-up or expansion of the for-profit business and only in accordance with the terms of the contract required under s. Comm 117.06.

(6) The proceeds of a grant under this section may be used only for management assistance and only in accordance with the terms of the contract required under s. Comm 117.06.

(7) The terms and conditions of each loan and grant, including repayment terms, shall be determined by the department after considering the circumstances of the business for which application has been made.

**History:** Cr. Register, November, 1990, No. 419, eff. 12-1-90; r. and recr. Register, October, 1994, No. 466, eff. 11-1-94.

**Comm 117.06 Contracts.** Successful applicants for financing under this chapter shall be required to enter into a contract with the department. The contracts shall be signed by the secretary and the chief executive officer of the successful applicant, or by their authorized representatives. The department may void a contract and seek a return of any funds released under the contract for failure by the applicant to perform its obligations under the contract. Amendments to these contracts may be adopted by the written consent of both parties.

**History:** Cr. Register, November, 1990, No. 419, eff. 12-1-90; am. (1), r. (2), Register, October, 1994, No. 466, eff. 11-1-94.

**Comm 117.07 Reporting.** Each successful applicant for financing under this chapter shall provide to the department periodic financial and program reports. The financial and program reports shall be submitted to the department by a date specified in the contract. The financial and program reports become the property of the department and are open to public inspection.

**Note:** See chapter Comm 149 for additional requirements relating to (1) contracts between the Department and recipients of economic-development grants, loans or tax credits; (2) submittal of statements for such grants and loans; and (3) penalties for submitting false or misleading information, or for failing to comply with the terms of a contract.

**History:** Cr. Register, November, 1990, No. 419, eff. 12-1-90; am. (1), r. (2), Register, October, 1994, No. 466, eff. 11-1-94.

**Comm 117.08 Administration.** The department shall solicit applications, review applications, make determinations on the disposition of applications made under this chapter, authorize payments and otherwise implement contractual obligations entailed in grants and loans made under the terms of this chapter, monitor project activities, and receive and review the financial reports and program reports submitted under s. Comm 117.07.

**History:** Cr. Register, November, 1990, No. 419, eff. 12-1-90; am. Register, October, 1994, No. 466, eff. 11-1-94.

**Comm 117.09 Application manual.** The department shall prepare an application manual for activities eligible for financing under this chapter which it may update as needed. The manual shall contain the application procedures, requirements and instructions for funding under this chapter.

**Note:** Written instructions for grant and loan financing may be obtained at no charge from the Department of Commerce, Bureau of Minority Business Development, P. O. Box 7970, Madison, WI 53707.

**History:** Cr. Register, November, 1990, No. 419, eff. 12-1-90; am. Register, October, 1994, No. 466, eff. 11-1-94.