

Frequently Asked Questions

Here are some answers to some frequently asked questions regarding the **Open 4 Business** competition:

1. What types of expenses can the award funding go toward?

Funding may be used for expenses related to business operations identified in the application narrative, budget for project expenditures form and pitch contest. This may include equipment, advertising, marketing, inventory, signage, minor interior renovations, etc. It should NOT be used for employee salaries, day-to-day expenses such as utilities, façade improvements or major structural work (the Façade/DTR/MSI Challenge Grant programs already cover this).

2. Can a business start now?

No, they cannot. Expenses deemed eligible for reimbursement are those that occur following the receipt of a signed award letter and the grant agreement/contract signed by both the grantee (local Main Street program) and IEDA. Regional winners will be announced on or before June 24, the state winner will be announced on August 2, with an award letter following shortly thereafter.

3. Should the pitch include how the business would use the \$8,000 or the \$20,000?

The pitch for the sub-state competition should include how they would use the sub-state prize of \$8,000. Sub-state winners will need to revise their pitch for the state contest to describe how they would use the \$20,000 state award. Sub-state winners will have a coach to assist them in this process as they prepare for the state contest. Businesses should let the judges know exactly how they would use the prize money. Focus on how the award funds will help the business grow.

4. Where will our community go for the sub-state competition?

Communities will be assigned to one of the sub-state competition sites once we know how many entries there are. Distance to each of the sub-state sites will be the first consideration to keep travel to less than two hours. Even distribution of the number of applicants will also be a consideration. In an effort to be as fair as possible, no business will pitch in their home community.

5. How many judges are there?

There will be three (3) judges at the sub-state contest and five (5) at the state contest. One judge from each sub-state contest will serve on the state judging panel.

6. Who can watch the pitches?

The sub-state pitches are closed to the general public. Local program directors are welcome and encouraged to watch their local businesses. Each business may also invite friends and family to watch their pitch if they choose. The state pitch contest will be open to the public.

7. Is there a cash match required?

Yes. A 25% cash match is required. Applicants should tailor their sub-state contest pitches based on a \$10,000 project. (\$8,000 contest award funds and \$2,000 match by the local business). Judges will consider how private business funds are leveraged and how state funds will help grow the business. Sub-state winners will need to revise their budget/pitch to include a \$25,000 project for the state contest. (\$20,000 contest award funds and \$5,000 local business match)

8. How long will the business have to use the funds?

The business will have one year from the award date of the executed contract to submit receipts for reimbursement of funds related to the scope of work identified in their application and pitch. These items should be included on the *Budget for Project Expenditures* form included with the application.

9. How does the business get the money if they win?

This program will be handled similar to Challenge Grant awards. Payment shall be made on a reimbursement basis. Funds will be awarded to the local Main Street program (grantee) on behalf of the business (beneficiary). Please work with the local business to keep detailed invoices that include receipts/proof of payment (copies of the front and back of checks) for items eligible for reimbursement. Two project draws may be made; one at mid-point (up to 60% of grant) and one at completion of project (within 60 days of contract expiration). The local Main Street program submits a formal letter (on program letterhead) to IEDA requesting reimbursement of eligible expenses, along with detailed invoices and proof of payment for said expenses. The amount of the request cannot exceed the total of receipts in the request. Expenses must occur prior to the project completion date as defined in the executed contract. Payment is made to the local Main Street program (grantee) who then pays the business (beneficiary).

Consider these items:

- Review the judges score sheet as this is what they will be judged on. Make sure the pitch includes information in all of these areas.
- Review the questions asked in the Financial Information section of the application.
- Businesses must have some “skin in the game”. If they can’t open or operate without the award funds, they will not score well. They should research items they would purchase and have cost estimates for those items included in the application. Be specific. **A 25% cash match is required.**
- If the business is doing a Power Point presentation that includes video, please make sure it is embedded in the presentation. We cannot guarantee wi-fi connections to avoid buffering of live stream video.

We look forward to hearing about all the business opportunities our communities have!

For additional information please contact:

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