**Section 545.240 Illinois Technology Enterprise Development Centers**

a) Purpose – The purpose of Illinois Technology Enterprise Development Centers is provided in Section 3004.5 of the Act. *The Department may, subject to available appropriated funds, working with the Illinois Coalition, establish one or more regional technology enterprise development centers whose mission is to assist entrepreneurs, innovators, and start-up firms in high-growth, high technology sectors in furthering the technical or managerial skills of owners; aid the ventures in locating financing; and help new companies with product development and marketing in support of new venture formation within the State* [20 ILCS 3004.5(a)].

b) Allowable Costs – Allowable costs are defined at Section 3004.5(b) of the Act. Grant funds may be used *to support the operation of technology enterprise development centers.* Grant funds *may be used to help subsidize expenses, as approved by the Department, for:*

1) *personnel;*

2) fringe benefits;

3) travel;

4) *equipment;*

5) supplies;

*6) commodities, including telecommunication or other costs;*

7) *contractual services;*

8) other *support costs;*

9) *capital improvements;* and

10) *revolving funds.*

c) Technical Assistance and Support Services – Per Section 3004.5(c) of the Act, *technology enterprise development centers may provide crucial business information at affordable prices for firms that are developing early-stage, technology-oriented manufacturing* projects *including:*

1) *general or short-term assistance, general outreach, feasibility studies for new venture formation, and research assistance for new venture creation;*

2) *innovation evaluation and market research to evaluate the viability of technology, product, or service or the market potential of technology, product, or service;*

3) *technical assistance related to management and operations and strategic partnering and assistance in the implementation of strategic manufacturing and marketing alliances;* and

4) *service in locating new technologies or technological solutions.*

d) Financial Services – Per Section 3004.5(d) and (e) of the Act, technology *enterprise development centers may provide financial services that include:*

1) *financial packaging to enhance proposals and make companies more competitive for federal or private funding;*

2) *access to private investor capital through venture capital events and regional venture capital networking programs;*

3) *management of local for-profit or limited profit seed capital funds; and*

4) *pre-seed financing to start-up technology-based businesses to commercialize new technology. Financing options* may *include:*

A) *micro-loans;*

B) *small grants; and*

C) *equity investment capital for seed funding, product commercialization and prototype development, and commercial introduction and marketing*.

e) Professional Development of ITECs – As provided in Section 3004.5(f) of the Act, *the Department may provide grant funds to support professional development and capacity building of the technology enterprise development centers within the State, as may be required for the administration, operations, research, analysis, or training of the centers*.

f) Procedures for Establishment of Centers

1) Identification of Service Regions – The Department shall designate locations in the State to be targeted for the creation of technology enterprise development centers. When making regional designations, the Department shall solicit recommendations from stakeholder groups, including the Illinois Coalition and the Illinois Technology Office, and shall consider factors, including but not limited to:

A) concentrations of high technology business establishments;

B) concentrations of entrepreneurs and innovators;

C) access to capital markets;

D) access to technical support and related service providers; and

E) proximity to universities, research facilities, and laboratories.

2) Identification of Recipients of Financial Assistance – The Department, in selecting an intermediary organization to operate a center, shall first solicit the advice of stakeholders, including the Illinois Coalition and the Illinois Technology Office. Subsequently, the Department may negotiate with an intermediary organization to receive financial assistance for the purpose of operating a technology enterprise development center. In addition to the advice of stakeholders, *in determining which applicants shall be awarded a grant, the Department shall* examine:

A) *prior compliance with loan or grant awards;*

B) *the relationship of a proposed project to the State's future economic growth;*

C) *the qualifications and expertise of organizations undertaking the effort;*

D) *the applicant's understanding of the requirements and needs of entrepreneurs, innovators, and start-up firms in high-growth, high technology sectors;*

E) *the potential of the applicant's project to provide an economic benefit of the State;*

F) *the likelihood that the project has a potential for creating new ventures in the State;* and

G) the potential of the applicant and/or its consortium to finance the regional center. [20 ILCS 700/3004.5(g)]

3) Application for Financial Assistance – The Department shall issue instructions and formats to selected applicants for the submittal of applications for financial assistance to support technology enterprise development centers. Applications shall include information such as:

A) a description of the related experience of the applicant agency;

B) a discussion of market niches served;

C) measurable objectives;

D) a description of the available services, including:

i) marketing plan to attract entrepreneurs;

ii) networking with and access to related services and providers;

iii) management consulting assistance and coaching;

iv) technology transfer services; and

v) access to venture capital;

E) an implementation schedule;

F) a description of center staffing and expertise;

G) a line item budget proposal;

H) a description of matching funds by source and amount; and

I) a description of service fee and investment policies.

4) Renewal of Awards – The Department may renew a grant award for a subsequent year for any technology enterprise development center judged to be meeting performance objectives, as evaluated by the Department under this subsection (f)(4), during the current grant period. In making determinations regarding the renewal of grant awards, the Department shall consider evaluative criteria, including but not limited to:

A) success of public relations events;

B) success in providing technical information;

C) the number of prototype project evaluations completed;

D) the number of market research assessments completed;

E) the success of management consulting assistance provided;

F) the number of projects enrolled for ongoing services;

G) the total amount of venture capital accessed for projects; and

H) the number of new ventures established and jobs created.