

Chapter DOD 16

RURAL ECONOMIC DEVELOPMENT PROGRAM

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DOD 16.01 Purpose. The purpose of this chapter is to establish a procedure for the administration of rural economic development grants and loans by the department as provided in s. 560.17, Stats.

History: Cr. Register, June, 1990, No. 414, eff. 7-1-90

DOD 16.02 Definitions. In this chapter:

(1) "Board" has the meaning contained in s. 560.17 (1) (a), Stats.

(2) "Business" means a for-profit organization engaged in trade, commerce or industry and includes cooperatives organized under ch. 185, Stats., whether or not operated for profit.

(3) "Department" means the department of development.

(4) "Management assistance" means the provision of professional assistance to establish or improve management systems, policies or procedures in such areas as financial planning, personnel, inventory control, production planning, purchasing, bookkeeping, recordkeeping, marketing, engineering and legal services.

(5) "Professional services" has the meaning contained in s. 560.17 (1) (c), Stats.

(6) "Rural municipality" has the meaning contained in s. 560.17 (1) (d), Stats.

History: Cr. Register, June, 1990, No. 414, eff. 7-1-90

DOD 16.03 Grants and loans for professional services. (1) Rural economic development grants and loans made under this section may be for up to \$30,000. A cash or in kind match equal to not less than 25% of the funds received is required.

(2) To be eligible to apply for funding under this chapter section, a business, together with any affiliate, subsidiary or parent entity shall have fewer than 25 employes, shall be located in a rural municipality and shall be in the process of starting or expanding operations.

(3) The proceeds of a grant or loan made under this section may be used only for professional services related to the startup or expansion of the business which has made application or management assistance required for the continued operation of that business and only in accordance with the terms of the contract required under s. DOD 16.06.

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

History: Cr. Register, June, 1990, No. 414, eff. 7-1-90; am., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 16.035 Loans for working capital, employe relocation costs or fixed asset financing. (1) Loans made under this section may be for up to \$25,000. A cash or in kind match of not less than 50% of the funds received is required.

(2) To be eligible to apply for funding under this section, a business shall meet the requirements of s. DOD 16.03 (2), shall have received funding under s. DOD 16.03, with the proceeds of

such funding shall have successfully demonstrated the feasibility of the business, and shall not be able to obtain financing from any other source on reasonably equivalent terms.

(3) The proceeds of a loan made under this section may be used only for working capital, employe relocation costs or fixed asset financing related to the start up or expansion of the business for which application has been made and only in accordance with the terms of the contract required under s. DOD 16.06.

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

History: Cr. Register, January, 1994, No. 457, eff. 2-1-94; am (3), Register, January, 1996, No. 481, eff. 2-1-96.

DOD 16.04 Application procedures. (1) A business which is eligible according to s. DOD 16.03 (2), may make application to the department at any time for funding under s. DOD 16.03. A business which is eligible according to s. DOD 16.035 (2), may make application to the department at any time for funding under s. DOD 16.035.

(2) An application for a grant or loan under s. DOD 16.03 shall be in such form as the department may require and shall include all of the following:

(a) A description of the proposed business venture and its potential, including product or service to be produced or provided, a general description of the anticipated market, and a discussion of the factors which would indicate that the proposed venture is likely to succeed.

(b) An analysis of the need for professional services or management assistance proposed in the application.

(c) A specific description of the professional services, or management assistance to be provided including a timetable and budget.

(d) If the application requests funding for a feasibility study, a preliminary feasibility analysis.

(e) A written commitment from a person or persons qualified to provide the professional services or management assistance proposed in the application.

(f) A discussion of the technical and management capabilities of the applicant.

(g) Evidence of adequate financial resources to successfully complete the project.

(h) A discussion of the economic conditions of the rural municipality in which the business is or will be located.

(i) An estimate of the number of new jobs that will be created by the new or expanded business.

(j) A discussion of the beneficial services which the new or expanded business will provide to the rural municipality in which it is located.

(k) An explanation of the need for the financial assistance requested in relation to the successful startup or expansion.

(1) Any other information the department may require to enable the board to make a determination in accordance with s. 560.17, Stats., and this chapter.

(3) An application for a loan under s. DOD 16.305 shall be in such form as the department may require and shall include all of the following:

(a) An analysis of the need for fixed asset financing or operating capital proposed in the application.

(b) A business plan which includes projections for at least 2 years.

(c) Evidence of adequate financial resources to successfully operate the business.

(d) An estimate of the number of new jobs that will be created by the new or expanded business.

(e) Evidence of other funds available for the business startup or expansion at least equal to the amount being requested.

(f) Any other information the department may require to enable the board to make a determination in accordance with s. 560.17, Stats., and this chapter.

History: Cr Register, June, 1990, No. 414, eff. 7-1-90; am. (1), (2) (intro.), (b); cr. (3), Register, January, 1994, No. 457, eff. 2-1-94.

DOD 16.05 Board determination. (1) The board shall render a determination on an application at its next regularly scheduled meeting after the department determines that the application is complete.

(2) Before awarding a grant or loan under s. DOD 16.03, the board shall consider all of the following:

(a) Each of the items contained in s. 560.17 (4) (a) to (f), Stats.

(b) The viability of the proposed project.

(c) The need for the professional services or management assistance proposed to be financed by the grant or loan.

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

(e) The qualifications of the person or persons who will perform the professional services or management assistance proposed in the application.

(f) Availability of adequate financial resources to successfully complete the project including the amount being directly provided by the applicant.

(3) Before awarding a loan under s. DOD 16.035, the board shall consider all of the following:

(a) Each of the items contained in s. 560.17 (4), 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.

History: Cr Register, June, 1990, No. 414, eff. 7-1-90; am. (1), (2) (intro.), cr. (3), Register, January, 1994, No. 457, eff. 2-1-94.

DOD 16.06 Contracts. Successful applicants shall be required to enter into a contract with the department for the purposes of implementing the proposed grant or loan. The contracts shall be signed by the secretary of the department 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 business to perform its obligations under the contract. Amendments to these contracts may be adopted by the written consent of both parties.

History: Cr Register, June, 1990, No. 414, eff. 7-1-90

DOD 16.07 Reporting. Each successful applicant will be required to provide 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.

History: Cr Register, June, 1990, No. 414, eff. 7-1-90

DOD 16.08 Administration. The department shall be responsible for soliciting applications, reviewing applications, making recommendations to the board on the disposition of grants and loan applications, authorizing payments and otherwise implementing contractual obligations entailed in grants or loans made under the terms of this chapter, monitoring project activities, receiving and reviewing the financial reports and program reports submitted under s. DOD 16.07, and for collecting any repayments of grants and loans from successful applicants.

History: Cr Register, June, 1990, No. 414, eff. 7-1-90

DOD 16.09 Board operations. The board shall consider the recommendations of the department relating to grants and loans. The board shall approve an application before the department can enter into a contract for a grant or loan. The department shall maintain records of the board's proceedings and provide other staff support as may be necessary to the board.

History: Cr Register, June, 1990, No. 414, eff. 7-1-90; am., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 16.10 Application manual. The department shall prepare an application manual 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 rural economic development grant and loan applications may be obtained at no charge from the Department of Development, Bureau of Development Finance, P.O. Box 7970, Madison, WI 53707.

History: Cr Register, June, 1990, No. 414, eff. 7-1-90