

## **IOWA STATE UNIVERSITY SUBCONTRACT**

This agreement (hereinafter "Subcontract") is entered into by and between Iowa State University, with a mailing address of Office of Sponsored Programs Administration, 1138 Pearson Hall, Ames, Iowa 50011, an agency of the State of Iowa (hereinafter "ISU"), and

Western Iowa Tech Community College  
(“Subcontractor”)

4647 Stone Ave, Sioux City, Iowa 51106  
(mailing address)

### **BACKGROUND**

The Board of Regents, State of Iowa, has received an appropriation and allocated funds to Iowa State University under the Regents Innovation Fund. Funding is provided to the state board of regents for institutions of higher learning (ISU among others) for specific activities. Regulations governing these funds may be found in Iowa house file 2460, Section 10 part 3.a. referred to as the Prime Agreement, deemed incorporated into and made an integral part of this agreement. (hereinafter referred to as Prime Agreement/Award, Exhibit A).

ISU desires to have Subcontractor conduct the Program in connection with ISU Prime Agreement with Board of Regents, State of Iowa for program capacity building infrastructure in areas related to technology commercialization, marketing and business development efforts in areas related to technology commercialization, entrepreneurship, and business growth, and infrastructure projects and programs needed to assist in the implementation of activities under chapter 262B of the Code of Iowa as specified in 2012 Iowa Acts, House File 604 Section 30.

Therefore, the parties agree as follows:

This Subcontract constitutes the entire agreement between the parties hereto, and supersedes any and all previous agreements between the parties. In consideration of the mutual promises hereinafter contained, the parties agree that this Subcontract will be performed in accordance with the following conditions:

### **GENERAL CONDITIONS**

#### **I. SCOPE OF WORK**

Accomplishment of the Project entitled Regents Innovation Fund. Project is further described in Exhibit B (Special Conditions), Exhibit C (Regional Center Budget), and Exhibit D (SBDC Financial Report) attached hereto, deemed incorporated into and made an integral part of this Subcontract. None of the

stated work for the Project shall be further subcontracted without prior written approval of the SBDC State Director.

## II. PERFORMANCE PERIOD

The performance period of the Subcontract will extend from July 1, 2014 through June 30, 2015 unless amended by written mutual agreement. No expenses will be reimbursed which are incurred prior to the effective date or subsequent to the termination date. Whenever the Subcontractor knows or reasonably should know that any actual or potential condition due to circumstances beyond its control is delaying or threatens to delay the timely performance of the work under the Project, the Subcontractor shall immediately give the SBDC State Director written notice to that effect.

## III. ESTIMATED COST AND EXPENDITURE LIMITATION

ISU will reimburse the Subcontractor for actual expenses incurred under the Subcontract, but not to exceed \$7,000 unless amended by written mutual agreement. This is the maximum amount that the Subcontractor is authorized to expend or have committed for this Project and is subject to the availability of funding from the Board of Regents, State of Iowa. ISU shall not be obligated to pay Subcontractor for any costs incurred in excess of this obligated amount.

The Subcontractor shall provide \$7,000 of matching funds, from its own sources or obtained from outside sources. Match will be reported on a monthly basis (see Section IV. B.) and will be verifiable actual match contributed to the SBDC program.

## IV. ALLOWABLE COST AND PAYMENT

A. Cost Reimbursement. ISU will reimburse the Subcontractor for costs incurred in the performance of this Subcontract, provided that:

1. The total of such costs does not exceed the allowable cost as provided in Article III herein.
  2. The allowability of costs chargeable to this agreement shall be in accordance with Exhibit A. Subcontractor's normal policies governing salaries, wages and fringe benefits shall apply to all its employees paid from this agreement. Subcontractor's published policy on travel and travel reimbursement shall apply to all costs for travel and transportation charged to this agreement. When policies conflict with Prime Agreement, the more restrictive rules will apply. If a policy does not exist, OMB Circular A21 or A110 must be followed.
15. One half of the total costs submitted shall be from cash match dollars obtained from local sources.

B. Reimbursement Vouchers.

13. The Subcontractor will submit vouchers to ISU for reimbursement monthly to the following address:

Associate State Director  
Iowa Small Business Development Center  
Iowa State University  
2321 N. Loop Dr., Ste. 202.  
Ames, IA 50010-8218

In order for the Subcontractor to receive payment, the vouchers must be prepared in the format of the blank SBDC Financial Report attached as Exhibit D unless prior approval for a different form has been given by the SBDC State Center. The Exhibit D details expenditures and match by line item.

Vouchers must be received in the SBDC State Center by the 20th of the following month. If the vouchers are not received in the SBDC State Center by the 20<sup>th</sup> of the month, the voucher will be paid in the following month. **Vouchers for the final month must be received in the SBDC State Center by July 20, 2015** and must be marked "Final" by the Subcontractor. ISU may refuse to reimburse expenditures for vouchers that are not received by the dates specified above.

2. Subcontractor's SBDC Regional Director must verify and attest by signature that the expenses shown on reimbursement vouchers are correct, allowable and for services pursuant to this Subcontract. If the SBDC Regional Director is unable or unavailable to sign as required, an Interim Signatory must be approved by the SBDC State Center.
3. Payments by ISU to Subcontractor will not be authorized by the SBDC State Center until voucher verification by SBDC Regional Director is in hand at the SBDC State Center.

C. Deviations from Budget. The Subcontractor may deviate from the approved line item budget within the following parameters.

1. Transfer of funds from one major budget line item to another that exceeds 10% of the total subcontracted budget, as specified in Article III, requires prior written approval of the SBDC Associate State Director.

Under no circumstances may the total of line items exceed the amount specified in Article III.

D. Out of State Travel. Out-of-state travel must have prior written approval (via U.S. mail or e-mail) of the SBDC Associate State Director.

E. Equipment Purchases. Equipment purchases with SBDC funds that are not specifically described in the award must be approved in writing, in advance,

by the SBDC Associate State Director, who will secure approval of ISU's Contracting Official and the SBA when required. Equipment is defined as tangible personal property with a useful life of more than one year and a unit cost of \$5,000, or the capitalization established by the contracting organization, whichever is lowest.

- F. Accounts, Audits and Records. Subcontractor shall maintain books, records, documents, and other evidence, accounting procedures, and practices, sufficient to reflect properly all direct and facilities and administration costs of whatever nature s/he claims to have incurred for the performance of this agreement. The foregoing constitutes "records" for the purposes of this clause.

Subcontractor's records shall be subject at all reasonable times to inspection and audit by ISU's authorized official; his/her authorized representatives, and/or the cognizant federal audit agency. Subcontractor shall preserve and make available its records until the expiration of five (5) years after the end of the budget period which they cover or until audit is completed and all resulting questions are resolved, whichever occurs first.

- G. Recapture of Funds. If at any time during the term of this Subcontract, Board of Regents, ISU or Subcontractor receives information that the proceeds of the Subcontract have not been or will no longer be used to further the purposes of the Program, ISU shall demand reimbursement of all or a portion of the amount of the Agreement which is no longer being used for the purposes of the Program. This recapture provision shall be made part of all agreements executed under this subcontract and may be in addition to any recapture provisions required by ISU. If Subcontract declines to demand reimbursement, ISU in its sole discretion may make demand for reimbursement consistent with the provisions of this section.

**V. ISU'S AUTHORIZED OFFICIAL**

ISU's Interim Director of Sponsored Programs Administration is Tammy Polaski. Only the Director of the Office of Sponsored Programs Administration, or her authorized representative, is authorized to amend or alter this Subcontract for ISU. Any such alterations or amendments must be approved by written mutual agreement of the parties hereto.

**VI. SUBCONTRACTOR'S PRINCIPAL INVESTIGATOR**

- A. The Subcontractor's Principal Investigator responsible for conduct of the work contemplated hereunder is Todd Rausch, SBDC Regional Director. No change of Principal Investigator (SBDC Regional Director) may be made without the prior written approval of ISU's Contracting Official and the SBDC State Director.

B. In the event that a vacancy in the SBDC Regional Director position occurs, the SBDC State Center should be notified within 10 days of the vacancy. All position descriptions and other statements of qualifications required by Subcontractor for the SBDC Regional Director shall be approved by the SBDC State Director before a search process is begun. The SBDC State Center must concur in the selection of an SBDC Regional Director.

## **VII. REPORTS**

All activity related to this subcontract must be reported in the standardized SBDC reporting system no later than the 10<sup>th</sup> day of the month following the activity.

## **VIII. TERMINATION BY ISU OR THE SUBCONTRACTOR**

If the Subcontractor determines that termination is in its best interest because of payment delays under Section IV. C., or if ISU determines that termination is in its best interest because of termination of the Prime Agreement, lack of sufficient funds, breach of subcontract or other substantial reason, then either party may terminate this Subcontract upon thirty (30) calendar days written notice to the other. Upon issuance/receipt of such notification, the Subcontractor may make no further commitments under the Subcontract and must take all responsible actions to cancel outstanding obligations. The total cost of the Subcontract shall then be negotiated between ISU and the Subcontractor. The Subcontractor shall reimburse ISU for any losses resulting from audit disallowances relating to costs originally incurred by Subcontractor. In addition, the Subcontractor shall return any remaining program income funds and any ISU equipment to ISU within 90 days of the notification.

## **IX. NONDISCRIMINATION**

Title VI of the Civil Rights Act of 1964 (Public Law 88-352; 42 USC.2000d-1) provides that no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Title IX of the Education Amendments of 1972 (Public Law 92-318; 20 USC.1681-1686), prohibits the exclusion of persons on the basis of sex from any education program or activity receiving Federal financial assistance. By acceptance of this Subcontract, the Subcontractor agrees that it will comply with the provisions stated herein.

## **X. DEBARMENT, ASSURANCES, DRUG-FREE WORKPLACE AND LOBBYING:**

Payments under this contract require that appropriate certifications for debarment, assurances, ineligibility and voluntary exclusion, drug-free workplace, and lobbying are kept on file with the SBDC State Center.

**XI. RECORDS**

The Subcontractor will maintain adequate financial records, in accordance with generally accepted expense accounting practices, to clearly and easily identify the income and expenses of the Subcontract, to describe the nature of each expense and to establish relationship to this Subcontract. All records related to the Subcontract shall be reasonably available for inspection by ISU.

Subcontractor must, if requested by the SBDC State Center, ISU, or authorized State of Iowa auditors, verify the actual expenditure of funds pledged as Cash Match (attached as Exhibit C). Match should be reported monthly on the Exhibit D form.

The records of this Subcontract will be retained for a period of five (5) years after completion of the Subcontract Performance Period. In all cases, records must be retained until resolution of any audit questions. ISU reserves the right to call for a compliance or financial audit, and application of evaluation requirements per public law 98-395.

**XII. LAW**

This Subcontract shall be governed by, and constructed in accordance with, the laws of the State of Iowa.

**XIII. CONFLICT OF INTEREST**

Subcontractor certifies that it has established a written, enforced policy on conflict of interest. In the event Subcontractor does not have such policy established, Subcontractor shall request a copy of ISU's written conflict of interest policy and Subcontractor certifies that Subcontractor shall comply with ISU's conflict of interest policy.

By acceptance of and/or performance under this Agreement, Subcontractor affirms that there exists no actual or potential conflict of interest between any Subcontractor employee, agent or officers of Subcontractor and ISU. In the event of a change in Subcontractor's private interest or service under this Agreement, that has potential for conflict of interest, Subcontractor will promptly notify ISU. No Subcontractor employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent of Subcontractor, is an employee of ISU or his/her immediately family is an employee of ISU and has a financial or other interest in the Subcontractor. If ISU is made aware of a conflict of interest in the performance of this agreement, it has the right to terminate this agreement as per the guidelines in Article VIII. This provision applies to all persons working under this agreement.

**XIV. PATENTS AND INVENTIONS**

Subject to any pertinent obligations to other sponsors, including the provisions of Public Laws 96-517 and 98-620, intellectual property (IP) which results from this project which is created solely by ISU employees will be owned by ISU (ISU's IP), intellectual property created solely by Subcontractor's employees will be owned by Subcontractor (Subcontractor's IP), intellectual property created jointly by ISU employees and Subcontractor's employees will be owned jointly by ISU and Subcontractor (Joint IP).

**XV. COPYRIGHTS**

Subcontractor may own copyrights in all subject writings. Copyright in all subject writing shall be subject to a nonexclusive, nontransferable, irrevocable, royalty-free license to ISU and Board of Regents, State of Iowa. All subcontracts or other arrangements entered into by Subcontractor for the purpose of developing or procuring subject writing shall specifically reference and reserve the right of ISU with respect to subject writings. Such license to ISU is only to the extent needed by ISU to fulfill its obligations to the Board of Regents, State of Iowa.

**SPECIAL CONDITIONS**

The Special Conditions attached hereto as Exhibit B and by reference incorporated herein apply to this Subcontract, and in case of any conflict between the General Conditions and the Special Conditions, the Special Conditions will prevail.

By signing below, the Subcontractor certifies that no ISU employee, their spouse, or minor child, holds an ownership interest of 5% or more in the Subcontractor's business.

**Approved and Agreed:**

**ISU**

**Subcontractor**

By: \_\_\_\_\_

By: \_\_\_\_\_

John Gilmour

Dr. Robert Rasmus

(name)

(name)

Post Award Administrator  
Office of Sponsored Programs Administration

Board President

(title)

(title)

Iowa State University  
("ISU")

Western Iowa Tech Community College  
("Subcontractor")

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(date)

EIN# (Federal Tax Identification Number)  
\_\_\_\_\_

**NOTE: PLEASE PROVIDE THE FOLLOWING INFORMATION FOR THE PERSON RESPONSIBLE FOR FISCAL MATTERS PERTAINING TO THIS AGREEMENT:**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Facsimile Number

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Electronic Mail Address



**Exhibit A**

**Consisting of:**

**House File 2460 (Excerpts Pertaining to Regents Institutions Funding)**

Sec. 10. 2013 Iowa Acts, chapter 141, section 54, subsections 2, 3, and 5, are amended to read as follows:

2. ECONOMIC DEVELOPMENT AUTHORITY

a. For the purposes of providing assistance under the high quality jobs program as described in section 15.335B:

..... \$ ~~8,450,000~~  
16,900,000

b. From the moneys appropriated in this subsection, the economic development authority may use not more than \$1,000,000 for purposes of providing infrastructure grants to mainstreet communities under the main street Iowa program.

c. As a condition of receiving moneys appropriated in this subsection, an entity shall testify upon the request of the joint appropriations subcommittee on economic development regarding the expenditure of such moneys.

3. REGENTS INSTITUTIONS

a. To the state board of regents for capacity building infrastructure in areas related to technology commercialization, marketing and business development efforts in areas related to technology commercialization, entrepreneurship, and business growth, and infrastructure projects and programs needed to assist in implementation of activities under chapter 262B:

..... \$ ~~1,500,000~~  
3,000,000

Of the moneys appropriated pursuant to this paragraph, 35 percent shall be allocated for Iowa state university, 35 percent shall be allocated for the university of Iowa, and 30 percent shall be allocated for the university of northern Iowa.

(1) The institutions shall provide a one-to-one match of additional moneys for the activities funded with moneys appropriated under this paragraph.

(2) The state board of regents shall annually submit a report by January 15 of each year to the governor, the general assembly, and the legislative services agency regarding the activities, projects, and programs funded with moneys allocated under this paragraph. The report shall be provided in an electronic format and shall include a list of metrics and criteria mutually agreed to in advance by the board of regents and the economic development authority. The metrics and criteria shall allow the governor's office and the general assembly to quantify and evaluate the progress of the board of regents institutions with regard to their activities, projects,

## EXHIBIT B

### SPECIAL CONDITIONS

1. **Funds That Qualify For Match.**

SBDC Regional Centers must obtain matching funds from non-federal sources.

- a. Such sources can include, but are not limited to, the following: donations from banks, host institution additional cash contributions, economic development agencies, or Pappajohn Entrepreneurial Center funds.
- b. Match cannot include program income funds or host institution contributions already committed to the annual SBA contract.
- c. Compensation for services provided to the Subcontractor by the SBDC Regional Director or other paid consultants working at the Regional Director's direction, such as for teaching services, may not be used by the Subcontractor to satisfy its cash match requirements.

2. **Recording of Cash Match.**

Cash match for this subcontract is to be kept in a separate account including only cash match expenditures for this subcontract.

3. **Monthly Reporting.**

Economic Impact and counseling sessions are to be reported in the SBDC WebCats/Neoserra system by the 10<sup>th</sup> day of each month following the activity. Reporting for this subcontract will be for the 7/1/14-6/30/15 time period. Approximately 5% of the annual milestones will be applied to this subcontract for reporting to the Board of Regents.

Regents Innovation Fund  
July 1, 2014-June 30, 2015

EXHIBIT C

WIT

	REGENTS INNOVATION FUND -----	CASH MATCH -----	TOTAL FUNDS -----
SALARIES, WAGES, TUITION			
Center Director	0	0	0
Assoc. Directors	0	0	0
Branch Manager	0	0	0
Host Executive	0	0	0
Grad. Students	0	0	0
Secretarial	0	0	0
Clerical/Hourly	0	0	0
-----	-----	-----	-----
Total Employees	0	0	0
BENEFITS			
	0	0	0
CONSULTANTS	6,000	6,000	12,000
TRAVEL	1,000	1,000	2,000
PERMANENT EQUIPMENT	0	0	0
SUPPLIES	0	0	0
-----	-----	-----	-----
Sub-Total	7,000	7,000	14,000
OTHER:			
Telephone	0	0	0
Postage	0	0	0
Printing & Copying	0	0	0
Computer Service	0	0	0
Training	0	0	0
In-Service Training	0	0	0
Audits	0	0	0
Meetings	0	0	0
Research & Pubs.	0	0	0
Library	0	0	0
Facilities	0	0	0
Promotion	0	0	0
Dues	0	0	0
-----	-----	-----	-----
Total Other	0	0	0
TOTAL COSTS	7,000	7,000	14,000

**EXHIBIT D**  
**Small Business Development Center**  
**Financial Report**

CENTER NAME	CENTER LOCATION (CITY)			FOR THE PERIOD
	A. RIF Funds	B. Cash Match	D. Total Funds	COMMENTS
SALARIES, WAGES, TUITION				
Director	\$ _____	\$ _____	\$ 0.00	_____
Asst. or Assoc. Director	_____	_____	0.00	_____
Program Management	_____	_____	0.00	_____
Grad. Assistants	_____	_____	0.00	_____
Secretarial	_____	_____	0.00	_____
Clerical, Hourly	_____	_____	0.00	_____
BENEFITS	_____	_____	0.00	_____
CONSULTANTS	_____	_____	0.00	_____
TRAVEL	_____	_____	0.00	_____
PERMANENT EQUIPMENT*	_____	_____	0.00	_____
SUPPLIES	_____	_____	0.00	_____
OTHER				
Telephone	_____	_____	0.00	_____
Postage	_____	_____	0.00	_____
Printing & Copying	_____	_____	0.00	_____
Computer Service & Maintenance	_____	_____	0.00	_____
Training	_____	_____	0.00	_____
Audits	_____	_____	0.00	_____
Meetings	_____	_____	0.00	_____
Research & Publications	_____	_____	0.00	_____
Library	_____	_____	0.00	_____
Facilities	_____	_____	0.00	_____
Promotion	_____	_____	0.00	_____
Dues	_____	_____	0.00	_____
TOTAL DIRECT COSTS	0.00	0.00	0.00	_____
Total Previous Reports	_____	_____	_____	_____
TOTAL TO DATE	\$ 0.00	\$ 0.00	\$ 0.00	_____

"I certify that all expenditures are for appropriate purposes and in accordance with the agreement set forth in the application and award documents."

Signature -Regional Directo	Date
Signature -Host Institution Representativ	Date