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CODE FOR BUSINESS DEVELOPMENT BOARDS 1993 (NO. 2)

BUSINESS DEVELOPMENT BOARDS ACT 1991
CODE FOR BUSINESS DEVELOPMENT BOARDS 1993 (NO.2)

Pursuant to section 7 of the Business Development Boards Act 1991 the Minister of Business Development hereby prescribes the following code.

CODE

1. **Title and commencement** - (1) This code may be cited as the Code for Business Development Boards 1993 (No.2).
 (2) This code shall come into force on the sixth day of August 1993.
2. **Definitions** - In this code, unless the context otherwise requires -
 "Government's Enterprise Assistance Package" means the Government's economic, business and employment initiatives delivered by a range of agencies; and
 "Business Development Programme schemes" means the Business Development Investigation Grant (BDIG), the Expert Assistance Grant Scheme (EAGS) and the Enterprise Growth Development Scheme (EGDS); and
 "Minister" means the Minister of Business Development.

PART I
GOALS OF THE BOARDS

3. **Goals of Business Development Boards** - The goals of each Business Development Board are -
 (a) To encourage the establishment of viable new business enterprises; and
 (b) To encourage the expansion of viable existing business enterprises; and
 (c) To contribute to increasing employment.

PART II
ACTIVITIES BOARDS ARE TO UNDERTAKE

4. **Activities** - The activities each Board is to undertake are -
 (a) To provide advice to the Minister relating to business development in its region in accordance with clause 5 of this code; and
 (b) To ensure that Business Development Board services are available in its region in accordance with clause 6 of this code; and
 (c) To ensure that information on the Government's Enterprise Assistance Package is effectively promoted and publicly available; and
 (d) To ensure that the Business Development Programme is effectively promoted and the public has ready access to the programme; and
 (e) To administer the Business Development Programme schemes in accordance with the procedures specified in the Schedule to this code; and
 (f) To encourage and promote business development in its region.

5. **Advice to the Minister** - (1) Each Board is required to advise the Minister, on at least a monthly basis, in relation to -

- (a) Significant business developments in its region; and
 - (b) Significant matters affecting business development in its region; and
 - (c) The broad range of issues which impact on its region's development; and
 - (d) As part of monitoring the mainstreamed Mana programmes, it should provide information on any significant work being undertaken to advance Maori business development in its region. This will include:
 - (i) any work designed to develop and maintain close contact with Maori and Maori groups. The Board should outline the outcome that this work is expected to contribute to; and
 - (ii) the number of enquiries made by persons identifying themselves as non-Maori or Maori (including Maori individuals or businesses under Maori ownership) on the services provided by the Board and assistance available for business. The Board should endeavour to supply this information on the basis of:
 - number of enquiries by non-Maoris;
 - number of enquiries by Maoris;
 - breakdown of Maori enquiries by tribal affiliation;
 - gender breakdown;
 - how contact was made with the Board (ie phone, visit, letter, fax, etc);
 - type of information/advice sought (eg on Government's Enterprise Assistance Package, on Business Development Programme schemes, general business start-up advice, finance, staffing/labour, accounting, legal, etc).
- (2) The Chairperson of each Board shall forward two copies of each monthly report to the Minister.

6. **Business Development Board services** - Each Board is responsible for ensuring that in its region -

- (a) Information on the Government's Enterprise Assistance Package is effectively promoted and publicly available; and
- (b) Information on the Business Development Programme schemes is publicly available; and
- (c) Clients needs are quickly assessed and that contact is facilitated with the appropriate agencies in the private or public sectors.

PART III
RULES AND GUIDELINES

7. **Liaison with Maori** - (1) Each Board shall establish and maintain contact with the appropriate local Maori organisations.

(2) Each Board is to liaise with these groups in undertaking the activities specified in clause 4 of this code.

(3) When preparing its Annual Report to the Minister, each Board is required to include a separate section reporting on the delivery of Board services to Maori, including the grant schemes. Each Board shall include -

- (a) details on the steps that have been taken to further develop relationships with Maori; and
- (b) details on how the services provided by the Board have contributed to any increased participation by Maori in business and any increase in job opportunities for Maori.

8. Liaison with other agencies - In carrying out the activities specified in clause 4 of this code each Board shall liaise with business groups, sector groups, government departments and agencies, and ethnic groups in its region.

9. Board minutes - (1) The minutes of each meeting of each Board are to be kept in a book specially reserved for that purpose.

(2) The minutes are to be certified as correct by the Chairperson, or deputy Chairperson, and agreed by the Board as a true and accurate record.

(3) The Chairperson shall forward two copies of the minutes of each meeting of the Board to the Minister before any subsequent meeting of the Board.

10. Charging of fees - Boards shall not charge fees for undertaking any of the activities specified in clause 4(a) to (e) of this code.

11. Approval of expenditure - All expenditure must be approved by the Board.

12. Financial statement - (1) Each Board shall prepare a monthly financial statement.

(2) The statement shall show the Board's current financial position.

(3) The statement shall be sent to the Minister each month along with the monthly minutes (clause 9 refers).

13. Support for domestic industry in purchasing - Each Board shall follow the Government's public sector agencies purchasing requirements as notified to it from time to time.

14. Revocation - The Code for Business Development Boards 1992 dated 25 February 1992 and published in the Gazette of 27 February 1992 commencing at page 513 is hereby revoked.

15. Transition - Notwithstanding clause 14 of this code, all applications for grants under the Business Development Programme schemes that are received by a Board before the day on which this code comes into force, or any letters of intent lodged with a Board before the day on which this code comes into force, shall be processed by the Board according to the 25 February 1992 code.

SCHEDULE

Clause 4(e)

BUSINESS DEVELOPMENT PROGRAMME SCHEMES

1. Forms

The forms provided at the end of this schedule are to be used without amendment or variation by each Board in relation to the Board's administration of the Business Development Programme schemes.

2. Procedures for Receiving Applications

Applications can only be accepted if they are made on the prescribed standard application forms. Potential applicants should be advised that they have the option of either:

- (a) Lodging a letter of intent followed by lodging an application; or
- (b) Lodging an application.

An original of the application form is required in each case, but photocopied or faxed supporting documents are acceptable. Applicants can initially fax their application to the Board but must then send in the original application within seven working days of the date of the faxed copy.

All parts of the application form must be completed and the acknowledgement/declaration section must be signed and dated.

3. Letters of Intent

Letters of intent are valid for a period of 90 days from the date the letter is received by the appropriate Business Development Board. Verbal notifications of intent are not acceptable under the schemes. Letters of intent cannot be renewed.

4. Procedures for Considering Applications

On receiving an application and/or letter of intent, each Board must:

- (a) Stamp the application and/or letter of intent with the date it is received; and
- (b) Enter application details onto a register; and
- (c) Allocate a number to it; and
- (d) Acknowledge receipt of the application in writing within five working days of receipt.

The register (4b refers) must include the following:

- registration number
- applicant's name
- note whether an applicant identifies as Maori or under Maori ownership
- tribal affiliations of Maori applicants (if supplied by applicants)
- gender of applicants
- applicant's address
- applicant's business phone number and fax number (if applicable)
- name of contact person
- scheme applied under
- amount applied for
- date received
- decision, if approved, amount approved
- decision date
- date of decision letter

5. Decision-Making

The Board cannot delegate the decision making responsibility to any individual/group of individuals, to any Board staff, nor to a Board subcommittee. The Board may, however, delegate the reporting function to a subcommittee or to its staff.

If this function is delegated then whoever reports on the application may be present and participate in any discussion on the application but cannot vote on the decision to be taken.

Once a decision is made, this should be recorded in both the Board's minutes and the register (4b refers).

Boards may approve applications under all schemes on a stage by stage basis with the movement to the next stage dependent upon the successful completion of the earlier stage; each such stage will be considered in its own right.

Each applicant is to be advised of the Board's decision in writing within 5 working days of the decision having been made. The prescribed standard approval letters are to be used for all grant approvals.

6. On-going Monitoring of Approved Projects

Each Board should monitor the progress of projects and offer further assistance if necessary.

7. Payment of Claims

The only bases on which claims can be paid out are:

- (a) On matching original receipts to original invoices; or on an accountant's certification of costs paid; this must be from an independent accountant (ie not the applicant's in-house accountant) in public practice and must match expenditure to the approved qualifying costs (the cost of obtaining such a certification is a qualifying cost of the schemes); and
- (b) If the prescribed standard claim and report forms have been used by the claimant.

If claimants wish to have their original receipts and invoices returned to them copies of these must be retained by the Board along with a statement noting that the originals were sighted, copied and returned to the claimant. This statement must be dated and signed.

Where claims are made in respect of payments by credit card, the following evidence of payment should be provided by the claimant:

- charge docket
- statement showing the charge
- following statement showing the payment

Claimants should be advised, in writing, of what expenditure has been authorised for payment and what has not been accepted for payment. This letter should be copied to the Finance Section, Ministry of Commerce along with an instruction to make the payment; the Ministry will make payments within 5 working days of receipt of this instruction.

The prescribed Accounts Payable Form shall be completed for each claim.

Board managers are able to authorise payments.

8. Overexpenditure by Claimants and Reallocation of Grants

Once a grant has been approved and accepted for a particular amount, that amount may not be increased neither can new categories of expenditure be introduced. Boards may, however, consider requests for reallocation of expenditure between approved items in both the BDIG and EGDS.

In considering such requests, Boards must ensure that the overexpenditure has occurred because of unforeseen circumstances that are beyond the applicant's control. In all such cases a report shall be prepared and a recommendation made. Boards have a choice as to the procedure they wish to follow in considering such requests - either the Chairperson makes the decision or the Board follows the same procedure as that followed for the original decision. This procedure does not have to be followed in cases where the reallocation request involves less than a 10% movement of expenditure from one approved item to another; in such cases, the person processing the claim can automatically make such a change, however, the amount reallocated cannot exceed the total grant approved.

9. Approval Times and Time Extensions

Grants may only be approved for one year under each scheme. The year is to take effect from the date of approval.

Requests for time extensions must be made in writing to the Board by the applicant. The maximum extension which can be approved to a grant recipient is three months in total. Any further extension requests can only be considered and approved by the Minister. Such further extensions shall only be approved in exceptional circumstances. Applicants should lodge a written request with the Minister before their grant expires outlining the circumstances outside their control which have led to their request.

Boards cannot consider extension requests for grants that have expired.

Boards have the same choice in terms of the decision-making procedure they wish to follow for considering such requests as for reallocation approvals.

10. Register of Final Reports

Each Board is required to keep a Register of Final Reports. Each time it receives a Final Report, which must be in the prescribed standard format, it should forward a copy of it to the Ministry. The Ministry will keep a master list of all such reports. The information in these will be used by the Ministry as a basis for reporting on the schemes to the Minister, to the Government, and to other Boards at not less than once per quarter.

11. Definition of Applicant's Qualifying Costs for all Three Schemes

For the purposes of determining applicant's qualifying costs "applicant" means not only the person submitting the application but shall include:

- that applicant's employees
- employees of subsidiary/associate/parent companies
- immediate family members
- those with any pecuniary interest in the project

12. Consideration of all Eligible Applications

All applications meeting the relevant scheme's criteria must be considered by the Board.

13. Appeals

The Minister is the appeal authority. In considering appeals the Minister will instruct the Ministry to evaluate each appeal and make a recommendation to him or her.

The relevant Board must comply with all requests by the Ministry for information relating to the processing of the application to which the appeal relates. The procedure to be followed is:

- Ministry to request relevant file from the relevant Board within 2 working days of appeal referral from the Minister;
- file to be submitted to the Ministry by the relevant Board within 5 working days of receipt of request;
- Ministry to draft Ministerial report within 5 working days of receipt of file and fax this to the relevant Board for comment;
- relevant Board to provide its written comments (by fax or post) within 5 working days of receipt of the draft report;
- Ministry to finalise report, taking Board's comments into account, and forward report to the Minister within 2 working days of receipt of Board's comments;
- advise relevant Board of Minister's decision and return file within 5 working days of decision date.

Appeals will only be considered if they are received by the Minister within 2 months of the date of the relevant decision letter from the relevant Board; Boards must advise grant applicants of this timeframe in their decision letters.

14. Transfer of Grants

Boards are able to consider requests for the transfer of approved grants to another party. Boards have the same choice in terms of the decision making procedure they wish to follow for such requests as for the reallocation and time extension approvals. In approving such transfers Boards will need to obtain, in writing, the agreement of the original recipient to transfer to the new recipient and the new grant recipient's written acknowledgement that the grant is accepted on its original conditions. A copy of the grant transfer approval will need to be sent to the Ministry along with the appropriate claim payment instruction.

15. Information on Grant Approvals

Information on grant approvals may be made publicly available by the Board. This covers: grant recipient; region; amount of grant; and a general statement on target area or activity assisted.

This information may be made public anytime after the Board's written approval. In addition, the outcome of the project or activity assisted can be made available six months after the final report has been received by the Board. Prior to that time requests for information will be dealt with under the Official Information Act.

16. Statistics on Applications

Each Board shall supply the Ministry with weekly statistical details on the number and value of BDIG, EAGS and EGDS applications submitted, approved, declined, on hand or withdrawn by applicants and details of undisbursed commitments. These statistics shall be broken down into 2 categories - applicants identifying themselves as Maori or under Maori ownership and those for non-Maori applicants. These statistics are to be further broken down by gender (all applications including those submitted by non-Maori) and tribal affiliations (where this information has been supplied.)

Within 5 working days of the end of each month each Board shall provide a copy of their Business Development Grant Scheme database, by disk, to the Ministry for the purposes of statistical analysis.

The Ministry's minimum statistical requirements shall be met by Boards.

17. Business Development Investigation Grant

Scheme Philosophy

The BDIG scheme provides assistance to investigate the feasibility and/or viability of new projects. It does not provide assistance to establish businesses.

The overall aim of the scheme is to ensure that business ideas/proposals are thoroughly researched. Once an applicant has done this they should be better placed to obtain commercial funding to establish their business.

The scheme has been designed to stimulate innovative and economically viable businesses throughout New Zealand; businesses which will fully realise the potential of the resources and development opportunities of each region.

Assistance available

The scheme is available throughout New Zealand and offers 50 percent of approved investigation costs to a maximum grant of \$20,000 per project; previous assistance under the now terminated New Business and Regional Development Investigation Grant schemes is to be taken into account in determining a project's maximum grant.

Any individual, business or organisation resident in New Zealand and registered for either income tax or GST purposes (ie based in New Zealand for the purposes of tax) is eligible to apply.

Eligibility criteria

To be eligible for assistance, a project must meet two criteria:

- 1 It must be a lawful activity; and

- 2 The activity must be new to the region in that its technical feasibility and/or commercial viability has yet to be established in the region.

Qualifying Costs

Costs which directly relate to the investigation may qualify. These include:

- Fees of professional advisors hired for the investigation (legal, accounting, engineering, marketing etc)
- Tolls, fax and postage costs
- Power which is separately metered
- Cost of hiring or leasing of plant and equipment
- Pilot plant costs
- Trial planting costs
- Overseas and domestic travel and accommodation costs - up to a maximum of \$10,000 thereby giving a maximum grant component of \$5,000
- Materials for construction of prototypes
- NZ provisional patent applications and searches.

Note: Overseas travel is only available for projects which involve the investigation of technology transfer to New Zealand.

Some qualifying costs may have a residual value applied to them. This is applicable only to items which are on a larger scale than necessary for an investigation. The value is determined by assessing the likely market value of the relevant items at the conclusion of the investigation.

Where sales are to be made during the investigation 75 percent of estimated revenue is to be deducted from eligible costs.

Where individual consultant's fees are in excess of \$5,000 (grant of \$2,500 or more sought) the applicant **MUST** attach:

- evidence that competitive bids have been sought; **OR**
- an explanation of why competitive bids have not been sought.

Note: Boards have the discretion to require applicants to provide competitive quotes for fees below this \$5,000 level; if Boards exercise this discretion they must explain their reason(s) for doing this.

Costs which Do Not Qualify

Examples of ineligible costs are:

- The applicant's own salary/wages, those of existing employees, those of subsidiary/associate/parent companies, those of immediate family members and those with a pecuniary interest in the project
- Debt servicing
- Capital items not directly associated with the investigation
- Overseas marketing costs
- The cost of setting up the substantive project

- Costs incurred before the letter of intent or grant application were made
- Costs met by other government funding

BDIG Conditions

In offering a grant to successful applicants each Board must use the prescribed approval letter that lists all 10 of the scheme's conditions.

18. Expert Assistance Grant Scheme

Scheme Philosophy

The EAGS targets established, small to medium sized businesses which compete or are able to compete internationally. It provides grants as an incentive to encourage businesses to engage consultants in key management areas where better performance will lead to sustainable improvements in efficiency and competitiveness. This in turn will result in increased profitability and growth.

Assistance Available

The scheme is available throughout New Zealand and offers 50% of the cost of a qualifying consultancy project to a maximum of \$8,000. A reduced percentage will apply where only part of a project is of a type covered by the scheme. One grant per applicant per year shall be available. The exception is the business appraisal which is available in the same year as a project in another area.

A maximum of \$20,000 per applicant per year shall apply to the combined total of grants approved under the EAGS and the EGDS. This limit is based on a July - June year.

Eligibility Criteria

Any individual, business or organisation resident in New Zealand and registered for either income tax or goods and services tax purposes (ie based in New Zealand for the purposes of tax) meeting the following four criteria is eligible to apply:

- 1 Produces goods or provides services that already compete, or show potential to compete, in both domestic and international markets. This encompasses businesses that are selling or intending to sell in overseas markets and those that are selling in competition with imports; and
- 2 Employs no less than five, and no more than 100 full time or full time equivalent staff; and
- 3 Has been trading for not less than 18 months (a business which has been in existence for this length of time, or more, but has not traded during this time would not be eligible); and
- 4 Has not previously been approved a grant towards a project in the same target area of the scheme except for a business appraisal which is available every year.

Qualifying Projects

Qualifying projects are those aimed at assisting the applicant's management to develop and implement strategies which lead to a sustainable improvement in business performance and competitiveness. Projects must incorporate a planning element and fall within one of the following target areas.

a) General Business Appraisal. This provides a general overview of the applicant's business in relation to the scheme's other target areas. This involves a comprehensive evaluation of the applicant's performance in key management areas, and recommends where the applicant would get most value from engaging further specialist assistance.

(b) Business Planning. This helps the applicant apply appropriate techniques to its business planning processes. It may help applicants to:

- understand their strengths and weaknesses, opportunities and threats
- to evaluate what business they should be in, how they should be positioned in that business, and what research and development, production and marketing is required to attain that position
- develop strategies to achieve more immediate goals and secure a sound basis for future growth.

This includes the ExcellenceNZ World Competitive Manufacturing (WCM) and World Competitive Services (WCS) approaches to business planning. It also includes the preparation of a presentation to a financial institution in cases where the overall thrust of the project is to improve the applicant's business planning processes, rather than simply to obtain a loan; the maximum grant component for the preparation of a presentation to a financial institution would be 25% of the grant for preparation of a business plan up to a maximum of \$2,000.

Assistance is not available for a plan:

- on an activity new to the business (ie a feasibility or viability study)
- which is produced in isolation.

(c) Marketing Strategy. This assists the applicant to develop an overall marketing strategy. Under the terms of the Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) assistance cannot be provided in this area for activities directed at the Australian market. Assistance is not available for aspects of marketing outside the context of an overall marketing strategy - eg an advertising or public relations campaign, a sales promotion, market research/development, a pricing strategy.

(d) Product Design. This involves comprehensively reviewing an applicant's design strategy, or developing a strategy where there is not one in place. This requires the input of research and development, production and marketing.

Assistance is not provided for design work undertaken outside the context of a comprehensive design strategy, eg:

- graphic design (logo, letterhead etc)
- product packaging design
- promotional material etc.

Where design work forms a part of the design strategy qualifying costs do not include:

- those beyond the finished artwork stage (ie production or printing)
- those associated with registering patents or trademarks.

(e) Quality. This is aimed at improving the applicant's overall approach to quality, and includes review of the quality management strategy and systems. This includes:

- the ExcellenceNZ Total Quality Management "How To" approach
- bringing quality systems up to one of three NZS 9000 series standards - 9001, 9002, 9003 (ISO 9000 series and Australian 3900 series)
- the development of a strategy to introduce, for example, TQM into the applicant's business.

This area does not provide assistance for:

- a "one-off" quality seminar or other quality programmes
- staff training programmes
- preparing or revising operating manuals
- audit and registration fees associated with accreditation to a quality standard.

(f) Operations Management. This assists the applicant to develop and implement an overall operations management strategy which will lead to increased productivity through improvements in:

- production methods, systems and techniques
- productivity improvement
- production planning and control
- inward and outward goods, including procurement, inventory management, material handling, warehousing and distribution.

Assistance is not available for:

- regular or ongoing operations management work
- projects which relate to the purchasing or testing of plant, equipment or products
- projects aimed at introducing a new product or technique
- staff training.

(g) Research and Development. This assists the applicant to develop an overall research and development strategy. This may contribute to:

- concept evaluation and screening
- project planning and monitoring
- transfer of new technology into operation
- selecting a project to carry through to commercial production.

Assistance is not available for carrying out the research and development itself.

(h) Human Resources Management. This assists the applicant to be a good employer and ensure productivity through the development of strategies and programmes which will attract, develop and retain staff, pay staff appropriately, and contribute to staff training and development.

Assistance is not available for "one-off" activities, such as staff training, recruitment, or negotiating pay rates.

(i) Financial and Information Systems. This assists the applicant to develop a financial and information systems strategy where there is not one in place, or review an existing strategy.

This involves determining information requirements and improving the use of information in the company's decision-making processes.

Assistance is not available for:

- assessing hardware requirements
- data entry and computer programming
- general accounting work (eg budgeting)
- tax consultancy
- company restructuring or takeovers
- financial services
- legal advice.

Quotes

Where individual consultant's fees are in excess of \$10,000 (grant of \$5,000 or more sought) the applicant must either:

- attach evidence to their application form that competitive quotes have been sought; or
- explain why competitive bids have not been sought.

The Business Development Board reserves the right to require:

- more detailed *Terms of Reference and/or quote*;
- further details on the nominated consultant.

Note: Boards have the discretion to require applicants to supply competitive quotes for fees below this \$10,000 level; if they do, they will note their reason(s) for this.

EAGS Conditions

In offering a grant to successful applicants each Board must use the prescribed approval letter which lists all 10 of the scheme's conditions.

19. Enterprise Growth Development Scheme

Scheme Philosophy

The scheme aims to assist businesses to improve their competitiveness - to assist them to improve performance in all areas of their business so as to become more efficient and effective in marketing their goods and services.

Assistance Available

The EGDS is available throughout New Zealand and offers a maximum grant of \$20,000 to any one applicant under this scheme or, this scheme and EAGS combined in any July-June year; it provides 50 percent of approved qualifying costs up to this maximum.

Applicants may lodge more than one application under any one of the scheme's components, but the maximum grant per component cannot be exceeded.

Under the terms of the ANZCERTA, assistance cannot be provided under this scheme for activities directed at the Australian market.

Assistance is not available for activities directed at the South African market.

The scheme offers assistance in seven areas - each of these has a maximum grant component. These are:

Component 1 : Market Research into New Markets - 50 percent of qualifying costs to a maximum grant of \$5,000.

Component 2 : Exploration Visits to New Markets - 50 percent of qualifying costs to a maximum grant of \$7,500.

Component 3 : Trade Fair Participation - 50 percent of qualifying costs to a maximum grant of \$10,000.

Component 4 : Promotion/Advertising in New Markets - 50 percent of qualifying costs to a maximum grant of \$4,000.

Component 5 : Protection of Intellectual Property Rights - 50 percent of qualifying costs to a maximum grant of \$2,000.

Component 6 : Proposal Costs for Development Projects, After Shortlisting - 50 percent of qualifying costs to a maximum grant of \$5,000.

Component 7 : Costs of Undertaking Quality Assurance Audits/Certification - 50 percent of qualifying costs to a maximum grant of \$3,500.

Eligibility Criteria

Any individual, business or organisation resident in New Zealand and registered for either income tax or goods and services tax purposes (ie based in New Zealand for the purposes of tax) meeting the following three criteria is eligible to apply:

- 1 Produces goods or provides services that already compete, or show potential to compete, in both domestic and international markets. This encompasses businesses that are selling or intending to sell in overseas markets and those that are selling in competition with imports; and
- 2 Has been trading for not less than 18 months (a business which has been in existence for this length of time, or more, but has not traded during this time would not be eligible); and
- 3 The good or service for which assistance is sought under this scheme is being produced or provided by the applicant in New Zealand.

Qualifying Costs by ComponentComponent One - Market Research into New Markets

Provides assistance to help meet the cost of employing a consultant(s) to research a new market(s). No assistance is available for travel or in-house market research.

Component Two - Exploration Visits to New Markets

Provides assistance to help meet the applicant's or up to two of the applicant's full-time salaried employees' travel costs associated with such visits. Assistance is only available for employees directly employed by the New Zealand based business; this could include an employee who is based overseas only if the employee is paid directly from New Zealand. Agent(s) can qualify under this component of the scheme only if the company itself did not undertake any overseas promotional work, or research, but they used an agent(s) to do this on their behalf.

No assistance is available for first class and business class travel; meal and accommodation costs; or for costs associated with exhibiting products at Trade Fairs.

Availability of this component is restricted to applicants who have had a grant under component one - Market Research into New Markets - or to those who can provide details of having undertaken research into the market they wish to visit.

Applications under this component must be supported by evidence of the market research undertaken and an itinerary of pre-scheduled appointments before travel is undertaken.

Component Three - Trade Fair Participation

Provides assistance to help meet the cost of the applicant's participation at Trade Fairs. Groups of individuals/businesses/organisations can apply but such applications must be made in the name of the group's co-ordinator.

Assistance is available for the costs of:

- stand hire
- design of stand
- construction of stand
- servicing the stand, ie maintaining product level and person representation for duration of the fair
- placing advertisements in catalogues, publications, etc
- promotion costs which are directly related to participation in the fair.

Assistance is provided for participation at Fairs that:

- involve participants from more than one country, (ie such participants are registered offshore);
- involve participation by no less than three such registered (offshore) participants.
- are "trade only" for no less than 50% of the fair's duration.

No assistance is available for travel, accommodation or meal costs.

Component Four : Promotion/Advertising in New Markets

Provides assistance to help meet the costs of:

- media advertising of goods and services in journals, newspapers, radio or television
- production of technical literature on the goods and services
- in-store demonstrations
- shelf-space payments
- making of videos and/or other promotional aids
- product seminars and/or demonstrations for buyers
- supplying samples to potential buyers - freight and distribution costs only
- sponsorship costs.

No assistance is available under this component for costs associated with Trade Fair participation, or for the cost of producing samples.

Component Five - Protection of Intellectual Property Rights

Provides assistance to help meet the cost of filing, granting, assignment, licensing, franchising and enforcement of intellectual property rights. This encompasses patents, designs, trade marks, copyright, plant variety rights, "know how", confidential information and trade secrets.

The specific assistance available is for:

- patents, designs, trade marks, plant variety rights: making searches, Patent Office fees, Plant Variety Rights Office fees and attorney's fees associated with Patent Office and Plant Variety Rights Office procedures
- copyright, "know how", confidential information, trade secrets: attorney's fees - for advice on protection.

Applicants for this component must identify the good/service for which assistance is sought.

No assistance is available for maintaining intellectual property rights.

Component Six - Proposal Costs for Development Projects after Shortlisting

The aim of this component is to assist short-listed applicants to prepare proposals/tenders for development projects. It is only available to those who have been notified that they are on a short-list of selected applicants and have been specifically invited to submit a proposal in response to notified Terms of Reference.

Assistance is available to help fund the cost of preparing such proposals:

- reconnaissance of the project - travel costs
- drafting and costing of the project
- physical preparation of the project.

No assistance is available for:

- meal costs

- accommodation costs
- applicant's employees salaries, subsidiary/associate/ parent companies' or individuals with a pecuniary interest, salaries; immediate family members salaries or wages
- applicant's consumables or overheads.

**Component Seven : Costs of Undertaking Quality Assurance
Audits/Certification Programmes**

The aims of this component are to help applicants to:

- improve their quality standards
- integrate quality at every stage of their business
- bring their quality standards up to one of three NZS 9000 series standards - 9001, 9002, 9003 (ISO 9000 series).

Assistance is provided to help fund the cost of:

- obtaining quality assurance certification (Quality Management Systems Certification); and
- undertaking quality audits, as part of the certification process, ie pre-assessment visit/audit, desk audit, and on-site audit.

No assistance is available for maintaining certification.

Quotes

Where individual consultant's fees (Components 1, 6 & 7) are in excess of \$5,000 (grant of \$2,500 or more sought) the applicant **MUST** attach:

- evidence that competitive bids have been sought; **OR**
- an explanation of why competitive bids have not been sought.

Note: Boards have the discretion to require applicants to provide competitive quotes for fees below this \$5,000 level; if Boards exercise this discretion they must explain their reason(s) for doing this.

EGDS Conditions

In offering a grant to successful applicants the Board must use the prescribed approval letter which lists all 9 of the scheme's conditions.

Definition of New Market - Components 1, 2 and 4

A new market is defined as a market in which the applicant's good or service - for which assistance is sought - has not been sold. If the applicant already sells any goods or services to the market for which assistance is sought, then consideration will need to be given to the broad consumer group already being serviced in determining if the new market requirement is met. Markets are considered on a country-by-country basis, except the United States of America and Canada - the United States of America is made up of six distinct markets:

- North East States
- South East States
- North West States
- South West States
- North Central States
- South Central States

Canada is made up of two distinct markets:

- West Canada (Manitoba and all provinces west thereof)
- East Canada (Ontario and all provinces east thereof)

20 Monitoring by the Ministry of Commerce

The Ministry is responsible for reporting to the Minister on the overall administration of the Business Development Programme schemes - on the Boards' implementation and interpretation of the criteria, implementation of procedures, etc. Boards shall therefore supply the Ministry with the information it requests on specific applications as well as base data on applications.

THE BUSINESS DEVELOPMENT INVESTIGATION GRANT SCHEME

What is the Business Development Investigation Grant Scheme?

The Business Development Investigation Grant (BDIG) scheme is one part of the Government's Business Development Programme.

The BDIG scheme provides grants to assist applicants investigate the feasibility and/or viability of new projects. It does not provide assistance to establish a business. The overall aim of the scheme is to ensure that business ideas/proposals are thoroughly researched. Once an applicant has done this they should be better placed to obtain commercial funding to establish their business.

The scheme has been designed to stimulate innovative and economically viable businesses throughout New Zealand; businesses which will fully realise the potential of the resources and development opportunities of each region.

The scheme is run by a New Zealand wide network of 21 Business Development Boards.

What Does The Scheme Offer?

The BDIG scheme helps with the costs of investigating the technical and commercial aspects of a new project. The scheme is available throughout New Zealand and offers 50 percent of approved investigation costs to a maximum grant of \$20,000 per project. Previous assistance under the now terminated RDIG and NBIG schemes is taken into account in determining a project's maximum grant.

Maximum benchmarks apply to horticultural and livestock investigations, these are outlined in the appendix to this pamphlet.

Who Can Apply?

Any individual, business or organisation resident in New Zealand and registered for either income tax or GST purposes (ie based in New Zealand for the purposes of tax) meeting the following criteria is eligible to apply:

- The project must be a lawful activity;
- The activity must be new to the region in that its technical feasibility and/or commercial viability has yet to be established in the region.

Assistance to local authorities is only available to help them investigate projects outside their normal scope of activities. Government departments are not eligible.

Assistance is not available for any activities directed at the Australian or South African markets.

Which Costs Qualify?

Costs which directly relate to the investigation may qualify but not costs which would be incurred by the applicant in the normal course of their business or those which relate to the establishment of the project.

Qualifying costs include:

- Fees of professional advisors hired for the investigation (legal, accounting, engineering, marketing etc)
- Tolls, fax and postage costs
- Power which is separately metered
- Cost of hiring or leasing of plant and equipment
- Pilot plant costs
- Trial planting costs
- Overseas and domestic travel and accommodation costs - up to a maximum of \$10,000 thereby giving a maximum grant component of \$5,000
- Materials for construction of prototypes.

Note: Overseas travel is only available for projects which involve the investigation of technology transfer to New Zealand.

Some qualifying costs may have a residual value applied to them. This is applicable only to items which are on a larger scale than necessary for an investigation. The value is determined by assessing the likely market value of the relevant items at the conclusion of the investigation.

Where sales are to be made during the investigation 75% of estimated revenue is deducted from eligible costs.

Where individual consultant's fees are in excess of \$5,000 (grant of \$2,500 or more sought) the applicant MUST attach:

- evidence that competitive bids have been sought; OR
- an explanation of why competitive bids have not been sought.

Note: Boards have the discretion to require applicants to provide competitive quotes for fees below this \$5,000 level; if Boards exercise this discretion they must explain their reason(s) for doing this.

Which Costs Do Not Qualify?

Examples of ineligible costs are:

- The applicant's own salary/wages/fees, those of existing employees, those of parent/subsidiary/associate companies, those of immediate family members, and those with any pecuniary interest in the project
- Debt servicing
- Capital items not directly associated with the investigation

- Overseas travel costs for marketing purposes
- The costs of setting up the project
- Costs the applicant incurred before applying for the grant.

How Do You Apply For A Grant?

There are two ways of applying for a grant, either:

- * by lodging a letter of intent, followed by lodging an application; or
- * lodging an application.

Letters of Intent:

The purpose of a letter of intent is to allow applicants sufficient time to gather the necessary information to complete their applications.

Costs incurred by the applicant prior to the date on which their letter of intent is received by the Board will be considered as retrospective, ie these costs will not be able to be considered for the grant application. However, lodging a letter of intent is no guarantee that costs incurred from the date the letter is received will be approved. Letters of intent are valid for 90 days. The validity takes effect from the date the letter is received by the Board; no extensions can be made to the validity period.

Both the Letter of Intent forms and Application forms are available from Business Development Boards. Letters of intent and applications can only be accepted if they are made on the Boards' prescribed forms. Please see page 6 for contact details.

Applications should be made to the Manager of the Business Development Board in your area. The Manager is also available to help you complete the application form.

An original of the application form is required in each case, but photocopied or faxed supporting documents are acceptable. Applicants can initially fax their application to the Board but must then send in the original application within seven working days of the date of the faxed copy.

All parts of the application form - Parts A, B, and C - must be completed.

Applications are initially assessed by the Board staff. The staff then present these to the Board for decision.

How Are Payments Made Once The Grant Has Been Approved?

The grant is paid on a reimbursement basis. Claims against it can be made any time after the applicant has confirmed, in writing, their acceptance of the written grant offer from the appropriate Board. All claims must be made to the Board by the expiry date of the grant.

There are only two bases on which payments can be made:

- 1 On the applicant forwarding original receipts matched to original invoices to the Board. These should accompany the completed claim and report forms (copies of these forms are available from the Business Development Boards) or
- 2 On the applicant supplying an Accountant's certification of costs incurred together with the completed claim and report forms. This must be from an independent Accountant in public practice (ie not in-house) and must match expenditure to the approved costs.

Claims must be made in New Zealand dollars. Where transactions in foreign currencies have occurred applicants must supply the conversion rates used.

What Conditions Does The Grant Have?

The scheme has ten standard conditions:

- 1 The applicant must notify the appropriate Board in writing of their acceptance of the grant within the time prescribed in the letter of offer; otherwise the grant offer will lapse.
- 2 Grants must be uplifted within the time specified in the approval; otherwise they will lapse.
- 3 Retrospective applications cannot be accepted.
- 4 No other government funds can be used for the balance of the costs funded under the BDIG.
- 5 The grant is only paid for approved costs on the basis of original invoices matched to original receipts. Photocopied receipts and invoices are not acceptable. The only other basis on which claims can be paid is by forwarding an Accountant's certification of costs to the Board. This must be by an independent Accountant in public practice certifying a schedule of expenditure, matching expenditure claimed to approved costs. Each claim must be made on the prescribed claim form.
- 6 The grant is to be repaid if the project proceeds outside the region within two years of approval unless, it can be shown that the activity is new to the region moved to.
- 7 A Final Report must be lodged with the Board before the grant lapse date. 10 percent of each eligible claim will be withheld and only paid out after this Final Report is received. This Final Report must be in the form prescribed by the Board at the time the grant is approved.
- 8 Information on grant approvals can be made publicly available by the Board.
- 9 Any grant approved is personal to the applicant and may not be assigned without the written authority of the Board.

10 Grants are made subject to the Board being satisfied that the information given by the applicant is true and correct and that there has not been an omission of any relevant fact nor misrepresentation made. The Board retains the right to refuse to make payments to approved applicants in cases where it determines that it has been misled by the applicant or if the applicant has been placed in receivership or declared bankrupt.

Can You Have A Time Extension To Complete The Approved Activity?

Requests for up to one three month extension only can be made to the appropriate Board. Boards cannot consider requests for grants which have lapsed.

Can You Change The Composition or Amount of an Approved Grant?

Once a grant has been approved for a particular amount that amount may not be increased. Neither can new categories of expenditure be introduced. Boards may, however, consider requests for reallocation of expenditure between approved items. In making such requests, grant claimants will have to demonstrate that the overexpenditure on specific items has occurred because of unforeseen circumstances beyond their control.

If Your Application Is Declined Can You Appeal This Decision?

Applicants are able to lodge appeals for any applications which have been declined by a Board. Such applications should be lodged directly with the Minister of Business Development. Appeals will only be considered if they are received by the Minister within two months of the date of the decline letter from the Board.

Is The Grant Taxed?

The grant is GST inclusive therefore applications should be based on GST inclusive amounts.

If the applicant is registered for GST, the GST portion of the grant (one ninth) will have to be accounted for as output tax.

Make sure that GST is included in the cost breakdown on the application form. For goods and services which do not have GST added, such as wages, provision still has to be made for GST in the application, because this has to be paid on the grant to Inland Revenue.

If the applicant is not registered for GST, they will still have to pay GST on goods and services purchased during the investigation. Make sure therefore that provision is made for this in the application.

Section 169 of the Income Tax Act 1976 deals with grants such as these. Effectively the grant is not assessable income as such but, has the effect of reducing the costs which may be claimed for income tax purposes.

WHERE ARE THE BUSINESS DEVELOPMENTS BOARDS LOCATED?

<u>Board</u>	<u>Phone</u>	<u>Fax</u>	<u>Street Address</u>	<u>Box</u>	<u>Town/City</u>
Aorangi	03 688-8106	03 688-1712	Stafford & Sefton Sts	779	Timaru
Auckland	09 308-9141	09 308-9138	47 Wakefield Street	7040	Auckland
Bay of Plenty	07 577-6000	07 577-6010	Cameron Rd & First Ave	568	Tauranga
Canterbury	03 365-1918	03 379-0697	109 Cambridge Tce	2893	Christchurch
East Coast	06 867-9744	06 867-9183	Treble Court, Peel St	517	Gisborne
Hawkes Bay	06 835-2044	06 835-4038	174 Hastings Street	1041	Napier
Kapiti/Horowhenua	06 367-9669 or 04 298-8207	06 368-1925	29 Queen Street	673	Levin
King Country-Taupo	07 878-8685	07 878-6740	King and Taupiri Sts	44	Te Kuiti
Manawatu	06 355-0195	06 355-0196	Cnr Church & Princess Sts	1846	Palmerston North
Marlborough	03 578-2313	03 578-7343	3 Main Street	652	Blenheim
Nelson Bays	03 548-8622	03 546-6455	37 Bridge Street	840	Nelson
Otago	03 477-6528	03 479-0649	282 Moray Place	5558	Dunedin
Southland	03 218-9860	03 214-4654	27 Kelvin Street	979	Invercargill
Tai Tokerau	09 438-1339	09 430-0552	Walton Plaza, Albert St	221	Whangarei
Taranaki	06 757-9993	06 758-8173	5 Queen St	349	New Plymouth
Thames/Coromandel	07 862-7423	07 862-7421	Normanby Rd	96	Paeroa
Waikato	07 834-0100	07 834-0105	Victoria & London Sts	960	Hamilton
Wairarapa	06 378-2705	06 378-9548	32 Perry St	251	Masterton
Wanganui	06 345-0949	06 345-0666	259 Victoria Ave	7045	Wanganui
Wellington	04 566-9192	04 566-9191	249 High Street	31225	Lower Hutt
West Coast	03 768-6334	03 768-5408	100 Mackay Street	361	Greymouth

FOR FURTHER DETAILED INFORMATION CONTACT YOUR LOCAL BUSINESS DEVELOPMENT BOARD

NOTE: PLEASE TREAT THIS PAMPHLET AS A GENERAL INTRODUCTION TO THE BDIG AND NOTE THAT CHANGES IN THE SCHEME CRITERIA MAY BE MADE AT ANY TIME.

APPENDIX

MAXIMUM BENCHMARKS FOR HORTICULTURAL AND LIVESTOCK INVESTIGATIONSHorticultural Crop:Trial area:

Herbs	0.1 hectare
Essential oils	1.0 hectare
Bulbs	0.1 hectare
Flowers	0.1 hectare
Avocados	0.5 hectare
Cherries	0.5 hectare
Tree fruits (stone and pip)	0.5 hectare
Nashi	0.5 hectare
Grapes	0.5 hectare
Sub-tropicals (kiwifruit/tamarillo)	0.4 hectare
Fuelwood	0.5 hectare
Vegetables - field	0.2-0.4 hectare
Nuts	1.0 hectare
Berries	0.2 hectare
All crops - glasshouse, tunnel house, etc	100 sq metres

Livestock : Technical feasibility:

Involves investigating species of breeds that are new to New Zealand or a region:

	Number of Animals
Maternal Traits and Reproductive Performance	
As a pure species or breed evaluation	50-200
As a crossbreeding programme	2-3 sires
As semen (straws)	1.5 per animal
Productive Traits (Growth, milk, fibre, pelts)	
As a pure species or breed evaluation	20-30
As a crossbreeding programme	2-3
As semen	1.5
Embryo Transfer/Semen Collection	
Embryo transfer evaluation	10-20
Semen collection, mating techniques	10-20

Commercial Feasibility:

Involves testing through the processing and manufacturing stages, through to market feasibility studies.

Product	Number of Animals
Carcass evaluation	20
Pelt evaluation	30
Milk production:	20-30 litres
- Cows	10
- Water buffalo	15
- Sheep	50-75
- Goats	30
Fibre: Craft market	20-30 kg
- Sheep	6
- Alpaca	10
- Goats: Mohair	12
- Goats: Cashmere	25
- Rabbits: Angora	25

**BUSINESS DEVELOPMENT INVESTIGATION GRANT :
LETTER OF INTENT FORM**

The purpose of a letter of intent is to allow a grant applicant sufficient time to gather the necessary information to complete their application.

Costs incurred prior to the date on which this letter is received by the Business Development Board will be considered as retrospective, ie, these costs will not be able to be considered for the grant application.

Lodging a letter of intent is no guarantee that the costs incurred from the date the letter is received will be approved.

The only basis on which claims can be paid out are:

- a on matching original receipts to original invoices or on an accountant's certification of costs paid; this must be from an independent account in public practice and must match expenditure to the approved costs; and
- b if the prescribed standard claims and report forms have been used by the claimant.

A letter of intent is valid for 90 days from the date it is received by the Business Development Board. No extensions can be made to this validity period.

Two specific information requests are made in this form - one relates to the applicant's gender and the other to their ethnicity. The only reason for seeking this information is to, firstly, monitor the growing role of women in business and, secondly, to monitor assistance to Maori - given the mainstreaming of Mana funding.

- 1 Full Name of Applicant _____
- 2 Trading Name (if different from above): _____

- 3 Postal Address: _____

- 4 Telephone: _____ Fax: _____
- 5 What is the project to be investigated and over what time-frame?

- 6 Does the applicant identify as:
 - Maori Y/N
 - under Maori ownership Y/N

If yes to either of the above, please specify the applicant's tribal affiliation(s):

- 7 What is the applicant's gender? If the applicant is not an individual but is, for example, a registered company, partnership, group of people, etc please answer this question by noting the gender of the owner, major shareholder, spokesperson, etc.

Male/Female

- 8 Signature of Applicant: _____
 Full Name (Please Print): _____
 Designation: _____
 Date: _____
- 9 BDB Receiving Officer: _____
 Date: _____

**BUSINESS DEVELOPMENT INVESTIGATION GRANT
 APPLICATION FORM**

BDB Ref: _____

Please read the pamphlet entitled "The Business Development Investigation Grant Scheme", available from Business Development Boards, before filling out this application form.

ALL parts of the application form must be completed.

Two specific information requests are made in this form - one relates to the applicant's gender and the other to their ethnicity. The only reason for seeking this information is to, firstly, monitor the growing role of women in business and, secondly, to monitor assistance to Maori - given the mainstreaming of Mana funding.

PART A - GENERAL INFORMATION

- 1 Full Name of Applicant: _____
- 2 Trading Name (if different from above): _____

- 3 Postal Address: _____

 Street Address: _____

- 4 Telephone Number: _____
 Fax Number: _____
- 5 GST Number (if registered): _____
 Date of GST Registration: _____
 IRD Number: _____
- 6 Contact: The contact person can only be:
 - a salaried employee of the applicant; or
 - a member of the organisation; or
 - the individual applicant.

Person: _____

Designation: _____

Telephone Number (if different from above): _____

7 Status of applicant:

- Registered Company
- Partnership
- Co-operative
- Individual
- Other - please specify _____

8 Does the applicant identify as:

- Maori Y/N
- under Maori ownership Y/N

If yes to either of the above, please specify the applicant's tribal affiliation(s).

9 What is the applicant's gender? If the applicant is not an individual but is, for example, a registered company, partnership, group of people, etc please answer this question by noting the gender of the owner, major shareholder, spokesperson, etc.

Male/Female

If the applicant is not currently trading and has no recent trading history, proceed to question 17.

10 Detail the name and address of any subsidiary/associate/parent companies/organisations.

11 When did the applicant commence active trading? ___/19__

12 Describe the goods/services provided by the applicant.

13 Where, by location, does the applicant produce these goods/services?

14 Where, by location, does the applicant sell these goods/services?

	<u>Totals</u>	<u>Maori</u>	<u>Non-Maori</u>
15 How many staff are employed?	Full-time: _____	_____	_____
	Part-time: _____	_____	_____
	Seasonal: _____	_____	_____

16 Turnover: Last Financial Year Previous Year
 Ending ___/19__

Gross turnover: \$ _____ \$ _____

Export turnover: \$ _____ \$ _____

17 Has the applicant, its parent, subsidiary or associate companies/organisations previously been approved for any grant by the Ministry of Commerce or a Business Development Board within the last five years? YES / NO

- If YES, for each grant specify the:
- scheme name;
 - recipient name;
 - project;
 - date of approval;

18 How will the applicant fund their portion of the costs involved in this investigation?

PART B: INVESTIGATION DETAILS

1 Describe the business project to be investigated.

2 Describe how this project is new to the region.

3 Has the applicant carried out any preliminary work on the investigation to date?
YES / NO

- If YES, specify:
- what was done;
 - when it was done;
 - what the outcome was.

4 How is the investigation going to be carried out? If there are a number of steps, please identify these, eg development of marketing plan; prototype development; financial analysis; etc.

5 Where, by location, will the investigation be carried out?

6 Is the applicant using any consultants, eg marketing consultant, solicitor, accountant, engineer, etc, for any part of the investigation? YES / NO

If YES, for each consultant specify their:

- name;
- trading name;
- business address.

Where individual consultant's fees are in excess of \$5,000 (grant of \$2,500 or more sought) the applicant **MUST** attach:

- evidence that competitive bids have been sought; OR
- an explanation of why competitive bids have not been sought.

Note: Boards have the discretion to require applicants to supply competitive quotes for fees below this \$5,000 level; if they do, they will note their reason(s) for this.

7 When will the investigation be completed?

8 How many new jobs does the applicant anticipate creating if the project is successful?

Full-time: _____

Part-time: _____

Seasonal: _____

Cost Breakdown of the Investigation

Provide a breakdown of the costs for which assistance is sought (Refer to the attached example); if travel is involved, fill out the travel worksheet as well.
Be sure to include GST in each cost item.
Residual values and expected revenue must be taken into account in assessing total qualifying costs.

<u>ITEM</u>	<u>COST \$</u>
TOTAL COST	\$
GRANT SOUGHT (50% of costs, Maximum \$20,000)	\$

ADDITIONAL NOTESSTAGING OF AN INVESTIGATION

Please note that if the proposed project for investigation is to be staged, no commitment can be given by the Board on the approval of subsequent stages. Requests for approval of subsequent stages will be considered at the time of these applications in the context of the grant policy and criteria applying at that time.

GST

If the applicant is registered for GST, the GST portion of the grant (one ninth) will have to be accounted for as output tax. Make sure that GST is included in the cost breakdown on the application form.

For goods and services which do not have GST added, such as wages, provision still has to be made for GST in the application, because this has to be paid on the grant to Inland Revenue.

If the applicant is not registered, the applicant will still have to pay GST on goods and services purchased during the investigation. Make sure therefore that provision is made for this in the application.

Note that it is necessary to declare the grant in the applicant's tax return, but not as assessable income. However, if the applicant claims for expenditure related to the grant, the applicant is required to deduct the grant from this.

RESIDUAL VALUE

Residual value should be applied to any item which is larger scale than is necessary for an investigation. The amount to be deducted **should be equivalent to the market value of the item at the conclusion of the investigation** - eg if someone wanted to build a packing shed as opposed to hiring/leasing space, then this would have residual value applied because it is clearly on a scale bigger than necessary for the investigation.

SALES REVENUE

75 percent of expected sales revenue is to be deducted from eligible costs.

EXAMPLE OF COST BREAKDOWN

ITEM	COST \$
<u>Professional Fees</u>	
ABC Consultants (Specify individually and itemise services and fees)	X
123 Accountants (Specify individually and itemise services and fees)	X
DEF Solicitors (Specify individually and itemise services and fees)	X
456 Marketing (Specify individually and itemise services and fees)	X
<u>Prototype/Other Investigation Costs</u>	
Contract labour (applicant's own costs do not qualify; specify number of hours and \$X (per hour))	X
Machinery time (Number of hours at \$X per hour)	X
Materials (Itemised)	X
<u>Travel</u>	
Accommodation (Number of nights and where)	X
Meals	X
Own Vehicle (Places to be visited and mileage @ .25 cents/kilometre)	X
Airfares	X
Other Transport (Taxis, rental cars, etc)	X
<u>Administration</u>	
Tolls, postage, fax, photocopies, etc.	X
TOTAL COST	X
GRANT SOUGHT (50% of costs, maximum \$20,000)	X

BDIG TRAVEL WORKSHEET

To assist with your budget preparation complete this worksheet and enter the final totals on page 6 of the application form (Cost Breakdown of the Investigation) then attach this sheet to your application form.

Note: **Mileage Rate:** Is 25 cents per kilometre.

The maximum total value of travel (including accommodation and meals) **payable** is \$5,000).

FROM	TO	TO SEE	DISTANCE Km	\$ (Kms at .25c)	ACCOMM (y nights x rate)	MEALS (y Days x rate)
TOTAL					TOTAL	TOTAL

PART C: DECLARATION AND ACKNOWLEDGEMENT

Declaration

The applicant declares that:

- 1 The assistance sought does not relate to expenditure which has been incurred prior to applying for this grant either by:
 - the lodging of this application; OR
 - the lodging of a letter of intent
 with the _____ Business Development Board.
- 2 The balance of costs applied for is not being funded from any other Government source.
- 3 I/we have read the pamphlet entitled "The Business Development Investigation Grant Scheme" which outlines the scheme's procedures, conditions and criteria and I/we understand and agree to these.
- 4 The information contained in this application is true and correct and that there has been no omission of any relevant fact nor any misrepresentation made.

Acknowledgement

The applicant acknowledges that, if a grant is approved, the _____ Business Development Board can release the:

- name of the grant recipient;
 - amount of the grant;
 - general statement on the activity for which assistance was approved; and
 - the region to which the grant relates;
- any time after approval, AND
- six months after the applicant's report is received the Board may release the outcome of the activity assisted.

Only the applicant can sign this form.

Signature: _____

Name: _____

Designation: _____

Date: _____

Date

Dear

**BUSINESS DEVELOPMENT INVESTIGATION GRANT
REGISTRATION NUMBER: _____**

I am pleased to inform you that the Board has approved a BDIG of \$ _____ to assist _____

in investigating the _____

QUALIFYING COSTS

The qualifying costs of the grant are as follows:

_____ etc

CONDITIONS OF GRANT

The scheme has ten standards conditions:

- 1 The applicant has 20 working days, from the date of this letter, ie _____, to accept the grant on the conditions that it is offered. If your written acceptance is not received by the Board within this period the offer of the grant will lapse.
- 2 The grant must be uplifted by _____ or else it will lapse on that date. A written request for a time extension can be considered if this is received by the Board before the grant lapse date.
- 3 Retrospective claims cannot be accepted. Costs incurred prior to _____ are not eligible for reimbursement; you cannot therefore claim such costs against the grant.
- 4 No other government funds can be used for the balance of the costs funded under BDIG.

Other government funds can only be used for costs not covered by this grant, ie you can receive funds from another government scheme for the activity as long as the costs covered by it are different from those covered by the BDIG.

5 The grant is only paid for approved costs on the basis of original invoices matched to original receipts; photocopied or faxed copies of receipts and invoices are not acceptable. The only other basis on which claims can be paid is by forwarding an Accountant's certification of costs to the Board. This must be by an independent accountant in public practice certifying a schedule of expenditure, matching expenditure claimed, to approved costs.

Please note that where hand-written receipts are provided, or where payment is noted on invoices, these must show the following:

- date of payment
- amount of payment
- signature of person receiving payment
- name of person receiving payment together with their designation

The only cost category for which you are not required to provide receipts and invoices is mileage; if you have a mileage category in your qualifying costs you must, however, supply a completed log sheet to the Board. A copy of this form is attached to this letter.

If goods or services have been paid for by credit card you must supply the original invoices for these together with the credit card statement to which these are charged to, plus a subsequent statement showing that payment has been made.

The prescribed "Claim Form", a copy of which is attached to this letter, must be completed for each claim you lodge against the grant.

6 The grant is to be repaid if the project proceeds outside the region within two years of approval unless, it can be shown that the activity is new to the region moved to.

7 A final report must be lodged with the Board before the grant lapse date specified in condition 2 of this letter. 10 percent of each eligible claim will be withheld and will only be paid out after this final report is received. Claims against the grant will only be considered if they are received by the Board before the grant's expiry date. The prescribed form shall be used by applicants in reporting on their investigations.

8 Information on grant approvals can be made publicly available by the Board. This covers:

- grant recipient; region; amount of grant) any time after
- a general statement on the scheme) approval

- outcome of the activity assisted 6 months after report received

9 Any grant approved is personal to the applicant and may not be assigned without the written authority of the Board.

10 Grants are made subject to the Board being satisfied that the information given by the applicant is true and correct and that there has not been any omission of any relevant fact or misrepresentation made. The Board retains the right to refuse to make payments to approved applicants in cases where it determines that it has been misled by the applicant or if the applicant has been placed in receivership or declared bankrupt.

IMPLICATIONS OF THE GRANT FOR TAX PURPOSES

1 The grant is GST inclusive therefore, claims should be based on GST inclusive amounts.

2 If you are registered for GST you will have to account for the GST portion of the grant as output tax.

3 Section 169 of the Income Tax Act 1976 deals with grants such as this. Effectively, the grant is not assessable income as such but, has the effect of reducing the costs which may be claimed for income tax purposes or, reducing the cost of assets for depreciation purposes.

We wish you well for the investigation.

Yours sincerely

.....
Business Development Board

BUSINESS DEVELOPMENT INVESTIGATION GRANT SCHEME
FINAL REPORT FORM

1 Registration Number: _____

2 Name: _____

3 Activity Investigated: _____

4 Investigation - Please comment briefly on the form the investigation took, noting in particular any problems experienced during the course of the investigation.

Outcomes

5	Business Start-up	Y	N
i	Has a business been established as a result of the investigation?	<input type="checkbox"/>	<input type="checkbox"/>
ii	Is a business to be established as a result of the investigation?	<input type="checkbox"/>	<input type="checkbox"/>
iii	Has an existing business been expanded as a result of the investigation?	<input type="checkbox"/>	<input type="checkbox"/>

If the answers to 5 i, ii and iii were all No please go to 7 as 6 does not apply to you.

6 **Employment**

i How many jobs did the business, or business expansion, establish? (as a result of the investigation) _____

ii Please break these down into:

	<u>Total</u>	<u>Maori</u>	<u>Non-Maori</u>
Full-time	_____	_____	_____
Part-time	_____	_____	_____
Seasonal	_____	_____	_____

iii How many additional jobs do you envisage creating over the next 12 months?

Full-time	_____
Part-time	_____
Seasonal	_____
Total	_____

7 No business start-up or expansion. Please explain briefly why a business is not to be established, or why an existing business is not to be expanded.

Signature: _____ Date: _____

Designation: _____

EXPERT ASSISTANCE GRANT SCHEME

What is the Expert Assistance Grant Scheme?

The Expert Assistance Grant Scheme (EAGS) is one part of the Government's Business Development Programme.

New Zealand business increasingly competes in a global market. The EAGS assists small to medium sized businesses seeking to improve competitiveness, and take advantage of the greater opportunities this presents. The scheme provides grants to encourage businesses to engage consultants in key management areas where better performance will lead to sustainable improvements in efficiency and competitiveness.

The Scheme is run by a New Zealand wide network of 21 Business Development Boards.

What Does The Scheme Offer?

EAGS offers 50% of the cost of a qualifying consultancy project to a maximum of \$8,000. A reduced percentage applies where only part of a project is of a type covered by the scheme.

One grant per applicant per year is available. The exception is the general business appraisal which is available in the same year as a project in another target area.

A maximum of \$20,000 per applicant in any July-June year applies for the combined total of grants approved under the EAGS and Enterprise Growth Development Scheme (EGDS).

You must apply before work starts. Grants are paid after an approved project has been completed and the consultant's fees have been paid.

Who Can Apply?

Any business resident in New Zealand and registered for either income tax or goods and services tax purposes (ie based in New Zealand for tax purposes) meeting the following four criteria is eligible to apply:

- 1 Produces goods or provides services that already compete, or show potential to compete, in both domestic and international markets. This encompasses businesses that are selling or intending to sell in overseas markets and those that are selling in competition with imports; and
- 2 Employs no less than 5, and no more than 100 full-time or full-time equivalent staff. A staff member working for a minimum of 30 hours a week represents one full time equivalent. Part-timers should be included on the basis of full-time equivalence. eg 3 part-time staff working 10 hours a week each, represent 1 full-time equivalent (working partners or directors, and employees directly employed by the business, should be included).

3 Has been trading for not less than 18 months, (a business which has been in existence for this length of time - or more - but has not traded during this time would not be eligible).

4 Has not previously been approved a grant towards a project in the same target area of the scheme except for a business appraisal which is available every year.

What Type Of Projects Qualify?

The Scheme aims to assist management to develop and implement strategies which lead to a sustainable improvement in business performance and competitiveness. The principal focus of the project must be on improving management performance and must incorporate a planning element. Only projects which fulfil these objectives qualify for a grant.

Applications must be in one of the following nine target areas.

1 General Business Appraisal

This provides a general overview of the applicant's business in relation to the scheme's other target areas. It involves a comprehensive evaluation of the applicant's performance in key management areas, and recommends where most value would be obtained from engaging further specialist assistance.

An appraisal carried out as an initial stage of further consulting work in another area (eg marketing) does not qualify in this category. However, this may form part of a qualifying project in the other area.

2 Business Planning

Assistance is available to help applicants apply appropriate techniques to their business planning processes. It may help them to:

- understand their strengths and weaknesses, opportunities and threats
- evaluate what business they should be in, how they should be positioned in that business, and what research and development, production and marketing is required to attain that position
- develop strategies to achieve more immediate goals, and secure a sound basis for future growth.

This area provides assistance for the **World Competitive Manufacturing (WCM)** and **World Competitive Services (WCS)** approach to business planning. These focus on identifying and achieving a company wide commitment to Sustainable Competitive Advantage. They involve the development through a structured planning process of manufacturing, marketing, financial, human resource and innovation strategies.

Assistance is not available for a plan:

- on an activity new to the business (eg a feasibility or viability study)
- produced in isolation, eg to secure funding from a financial institution, or support an application for a grant from another source (but see Note below)

Note: Assistance is available towards the preparation of a presentation to a financial institution aimed at securing funding, where the overall thrust of the project is to improve the applicant's business planning processes - rather than simply to obtain a loan; the maximum grant component for this is 25% of the grant for preparation of a business plan up to a maximum of \$2,000.

3 Marketing

Marketing assistance is available towards developing an overall marketing strategy which will help applicants to:

- clearly understand what they are offering and how this meets the market's needs
- identify and secure effective channels of distribution to their markets
- know what buyers are willing to pay for the perceived value of the product or service being offered
- know how to effectively carry out their advertising and selling function.

Assistance is not available for aspects of marketing outside the context of an overall marketing strategy, eg:

- an advertising or public relations campaign
- a sales promotion
- market research or market development
- a pricing strategy.

Note: * Under the terms of the Australia and New Zealand Closer Economic Relations Trade Agreement (ANZCERTA), assistance cannot be provided under the scheme for export activities directed at the Australian market.

*** Assistance is not available for activities directed at the South African Market.**

4 Product Design

Specialist help is available to help applicants develop an integrated design strategy. This should involve not only a product's visual appeal but also its performance, ease of maintenance and efficiency of production. This requires the input of research and development, production and marketing. A qualifying project may involve:

- reducing manufacturing costs
- meeting changing market requirements
- improving product performance
- incorporating new techniques or technologies
- practical design work which contributes to the design of new products, or the redesign of existing products.

Assistance is not available for design work undertaken outside the context of a comprehensive design strategy. Examples are:

- graphic design, eg production of a logo, letterhead
- product packaging design
- promotional material.

Where practical design work forms a part of the design strategy qualifying costs under the scheme do not include costs:

- beyond the finished artwork stage (eg production or printing costs)
- associated with registering patents and trademarks.

5 Quality

Specialist assistance is available to review an applicant's quality management strategy and systems, and assist them to improve their overall approach to quality. Specific areas of assistance might involve one of the following:

- bringing quality systems up to one of three NZS 9000 series Standards - 9001, 9002 and 9003 (which are equivalent to the international ISO 9000 and Australian AS 3900 series)
- the development of a strategy to introduce, for example, a total quality management (TQM) system into the organisation. This would address both the quality philosophy, and the techniques which translate this philosophy into practical, cost-efficient actions at both the management and worker level
- the NIES TQM "How To" approach. This involves a set of "navigation aids" to chart an applicant's particular course of TQM development. Businesses which adopt the approach are guided through the process in a series of workshops, led by consultants licensed to deliver the programme.

Examples of costs which are not covered include:

- a "one-off" quality seminar, or other quality programmes
- staff training programmes
- preparing or revising operating manuals
- audit and registration fees associated with certification to a quality Standard. (Note, the EGDS provides assistance for such fees).

6 Operations Management

Specialist advice is available to assist applicants develop and implement an overall strategy for the operations management of their business aimed at improvements in:

- production methods, systems and techniques
- productivity improvement
- production planning and control
- inward and outward goods, including procurement, inventory management, material

handling, warehousing, distribution.

Assistance is not available for:

- regular or ongoing operations management work
- projects which relate to the purchasing or testing of plant, equipment or products
- projects aimed at introducing a new product or technique
- staff training.

7 Research and Development Management

Specialist assistance is available to help applicants develop an overall research and development strategy. This requires a clear definition of objectives, and attention to performance, timing, costs and personnel; and may contribute to:

- concept evaluation and screening
- project planning and monitoring
- the transfer of new technology into operation
- selecting a project to carry through to commercial production.

Assistance is not available for carrying out the research and development itself.

8 Human Resource Management

Human resource management assists the applicant to be a good employer and ensure productivity through the development of strategies and programmes which will:

- employ the right people
- pay them appropriately
- train and develop them
- ensure productivity.

Assistance will not be provided for "one-off" activities, such as staff training, recruitment, or negotiating pay rates.

9 Financial and Information Systems

This assists the applicant to develop a financial and information systems strategy where there is not one in place, or review an existing strategy. This involves determining information requirements and improving the use of information in the company's decision-making processes. It may assist applicants to:

- determine their information requirements
- source information more effectively
- identify appropriate application software.

Assistance is not available for:

- assessment of hardware requirements
- data entry and computer programming

- general accounting work (eg budgeting)
- tax consultancy
- company restructuring or takeovers
- financial services
- legal advice.

What Costs Qualify?

Fees paid to the nominated consultant in respect of the approved project qualify towards the calculation of the grant.

Disbursements (eg accommodation and travel) incurred by the consultant in the course of the work and included in the fees qualify. Other associated costs are not covered.

How Do You Apply For A Grant?

There are two ways of applying for a grant, either:

- * by lodging a letter of intent, followed by lodging an application; or
- * lodging an application.

Letters of Intent:

The purpose of a letter of intent is to allow applicants sufficient time to gather the necessary information to complete their applications.

Costs incurred by the applicant prior to the date on which their letter of intent is received by the Board will be considered as retrospective ie these costs will not be able to be considered for the grant application. However, lodging a letter of intent is no guarantee that costs incurred from the date the letter is received will be approved. Letters of intent are valid for 90 days. The validity takes effect from the date the letter is received by the Board; no extensions can be made to this validity period.

Both Letter of Intent and Application forms are available from Business Development Boards; Letters of intent and applications can only be accepted if they are made on the Boards' prescribed forms. Please see page 10 for contact details.

Applications should be made to the Manager of the Business Development Board in your area. The Manager is also available to help complete the application form.

An original of the application form is required in each case, but photocopied or faxed supporting documents are acceptable. Applicants can initially fax their application to the Board but must then send in the original application within seven working days of the date of the faxed copy.

All parts of the application form, Parts A, B, and C, must be completed.

Applications are initially assessed by the Board staff. The staff then present these to the Board for decision.

Engaging A Consultant?

Select the most appropriate consultant for your requirements at a price which you can afford. Terms of Reference must be drawn up, and a written quote obtained. The Business Development Board can advise on information to be included.

Terms of Reference

The Terms of Reference form the contractual basis for approval of grants under the EAGS. Approval will be made only on the basis of Terms of Reference which are sufficiently detailed to ascertain that the proposed project is one which meets the scheme's objectives. Costs relating to work not covered by the Terms of Reference but carried out as a part of the project, may be excluded from the calculation of the grant.

The Terms of Reference should provide a full description of the proposed project (e.g. scope, objectives, methodology), and the proposed timetable for the project;

For longer projects, there may be advantages if the Terms of Reference also:

- set out the project in stages. If this is not done there may be difficulty establishing a basis for part payment of the grant if the work is for any reason not completed;
- require the consultant to produce interim reports by set dates. This will allow progress to be monitored.

The Board may withhold approval where the Terms of Reference:

- are not specific to the company making the application;
- refer to previous discussion, correspondence, etc, between the parties which is not detailed.

Quotes

Where individual consultant's fees are in excess of \$10,000 (grant of \$5,000 or more sought) the applicant must either:

- attach evidence to their application form that competitive quotes have been sought;
or
- explain why competitive bids have not been sought.

The Business Development Board reserves the right to require:

- more detailed Terms of Reference and/or quote;
- further details on the nominated consultant.

Note: Boards have the discretion to require applicants to supply competitive quotes for fees below this \$10,000 level; if they do, they will note their reason(s) for this.

Assistance is not available where the consultant has a close, ongoing relationship with the business.

How Are Payments Made Once The Grant Has Been Approved?

The grant is paid on a reimbursement basis. Claims against it can be made any time after the applicant has confirmed, in writing, their acceptance of the written grant offer from the appropriate Board. All claims must be made to the Board by the expiry date of the grant.

There are only two bases on which payments can be made:

- 1 On the applicant forwarding original receipts matched to original invoices to the Board. These should accompany the completed claim and report forms (copies of these forms are available from the Business Development Boards) or
- 2 On the applicant supplying an Accountant's certification of costs incurred together with the completed claim and report forms. This must be from an independent Accountant in public practice (ie not in-house) and must match expenditure to the approved costs.

What Conditions Does The Grant Have?

The scheme has ten standard conditions:

- 1 The applicant must notify the appropriate Board in writing of their acceptance of the grant within the time prescribed in the letter of offer; otherwise the grant offer will lapse.
- 2 Grants must be uplifted within the time specified in the approval letter, otherwise they will lapse.
- 3 Retrospective costs cannot be claimed.
- 4 No other government funds may be used for the balance of the costs funded under the EAGS.
- 5 The grant is only paid for approved costs on the basis of original invoices matched to original receipts. Photocopied receipts and invoices are not acceptable. The only other basis on which claims can be paid is by forwarding an Accountant's certification of costs to the Board. This must be by an independent Accountant in public practice certifying a schedule of expenditure, matching expenditure claimed to approved costs. The claim must be made on the prescribed claim form.
- 6 The grant will not be paid until the Board receives a report on the findings of the work; the prescribed claim and report form is to be used. A copy of the consultant's report is also to be submitted.
- 7 Information on grant approvals can be made publicly available by the Board.
- 8 Any grant approved is personal to the applicant and may not be assigned without the written authority of the Board.
- 9 The project must be carried out by the nominated consultant and in accordance with the approved Terms of Reference.

10 Grants are made subject to the Board being satisfied that the information given by the applicant is true and correct and that there has not been an omission of any relevant fact nor misrepresentation made. The Board retains the right to refuse to make payments to approved applicants where it determines that it has been misled by the applicant or if the applicant has been placed in receivership or declared bankrupt.

Can You Have A Time Extension To Complete The Approved Project?

Written requests for up to one three month time extension can be made to the appropriate Board. Boards cannot consider such requests for grants which have lapsed. Such requests must be justified by the applicant.

If Your Application Is Declined Can You Appeal This Decision?

Applicants are able to lodge appeals for applications which have been declined by the Board. Such applications should be lodged directly with the Minister of Business Development. Appeals will only be considered if they are received by the Minister within two months of the date of the relevant decline letter from the relevant Board notifying the applicant that their application has been declined.

Is The Grant Taxed?

The grant is GST inclusive; and claims should therefore be based on GST inclusive amounts.

If you are registered for GST you will have to account for the GST portion of the grant as output tax.

Make sure that GST is included in the cost breakdown on the application form. For goods and services which do not have GST added, such as wages, provision still have to be made for GST in the application, because this has to be paid on the grant to Inland Revenue.

If the applicant is not registered for GST, they will still have to pay GST on goods and services purchased during the investigation. Make sure therefore that provision is made for this in the application.

Section 169 of the Income Tax Act 1976 deals with grants such as this. Effectively the grant is not assessable income as such, but has the effect of reducing the costs which may be claimed for income tax purposes.

WHERE ARE THE BUSINESS DEVELOPMENTS BOARDS LOCATED?

<u>Board</u>	<u>Phone</u>	<u>Fax</u>	<u>Street Address</u>	<u>Box</u>	<u>Town/City</u>
Aorangi	03 688-8106	03 688-1712	Stafford & Sefton Sts	779	Timaru
Auckland	09 308-9141	09 308-9138	47 Wakefield Street	7040	Auckland
Bay of Plenty	07 577-6000	07 577-6010	Cameron Rd & First Ave	568	Tauranga
Canterbury	03 365-1918	03 379-0697	109 Cambridge Tce	2893	Christchurch
East Coast	06 867-9744	06 867-9183	Treble Court, Peel St	517	Gisborne
Hawkes Bay	06 835-2044	06 835-4038	174 Hastings Street	1041	Napier
Kapiti/Horowhenua	06 367-9669 or 04 298-8207	06 368-1925	29 Queen Street	673	Levin
King Country-Taupo	07 878-8685	07 878-6740	King and Taupiri Sts	44	Te Kuiti
Manawatu	06 355-0195	06 355-0196	Cur Church & Princess Sts	1846	Palmerston North
Marlborough	03 578-2313	03 578-7343	3 Main Street	652	Blenheim
Nelson Bays	03 548-8622	03 546-6455	37 Bridge Street	840	Nelson
Otago	03 477-6528	03 479-0649	282 Moray Place	5558	Dunedin
Southland	03 218-9860	03 214-4654	27 Kelvin Street	979	Invercargill
Tai Tokerau	09 438-1339	09 430-0552	Walton Plaza, Albert St	221	Whangarei
Taranaki	06 757-9993	06 758-8173	5 Queen St	349	New Plymouth
Thames/Coromandel	07 862-7423	07 862-7421	Normanby Rd	96	Paeroa
Waikato	07 834-0100	07 834-0105	Victoria & London Sts	960	Hamilton
Wairarapa	06 378-2705	06 378-9548	32 Perry St	251	Masterton
Wanganui	06 345-0949	06 345-0666	259 Victoria Ave	7045	Wanganui
Wellington	04 566-9192	04 566-9191	249 High Street	31225	Lower Hutt
West Coast	03 768-6334	03 768-5408	100 Mackay Street	361	Greymouth

FOR FURTHER DETAILED INFORMATION CONTACT YOUR LOCAL BUSINESS DEVELOPMENT BOARD

NOTE:

PLEASE TREAT THIS PAMPHLET AS A GENERAL INTRODUCTION TO THE EAGS AND NOTE THAT CHANGES IN THE SCHEME CRITERIA MAY BE MADE AT ANY TIME.

EXPERT ASSISTANCE GRANT SCHEME

LETTER OF INTENT FORM

The purpose of a letter of intent is to allow a grant applicant sufficient time to gather the necessary information to complete their application.

Costs incurred prior to the date on which this letter is received by the Business Development Board will be considered as retrospective, ie, these costs will not be able to be considered for the grant application.

Lodging a letter of intent is no guarantee that the costs incurred from the date the letter is received will be approved.

The only basis on which claims can be paid out are:

- a on matching original receipts to original invoices; *or* on an accountant's certification of costs paid; this must be from an independent accountant in public practice and must match expenditure to the approved costs; and
- b if the prescribed standard claim and report forms have been used by the claimant.

A letter of intent is valid for 90 days from the date it is received by the Business Development Board. No extensions can be made to this validity period.

Two specific information requests are made in this form - one relates to the applicant's gender and the other to their ethnicity. The only reason for seeking this information is to, firstly, monitor the growing role of women in business and, secondly, to monitor assistance to Maori - given the mainstreaming of Mana funding.

1 Full Name of Applicant _____

2 Trading Name (if different from above): _____

3 Postal Address: _____

4 Telephone: _____ Fax: _____

5 Target area under which applicant intends to apply:

General Appraisal

Business Planning

Marketing Strategy

Product Design

Quality

Operations Management

Research and Development Management

Human Resource Management

Financial & Information Systems

6 Does the applicant identify as:

- Maori Y/N

- under Maori ownership Y/N

If yes to either of the above, please specify the applicant's tribal affiliation.

7 What is the applicant's gender? If the applicant is not an individual but is, for example, a registered company, partnership, group of people, etc please answer this question by noting the gender of the owner, major shareholder, spokesperson, etc.

Male/Female

8 Signature of Applicant: _____

Full Name (Please Print): _____

Designation: _____

Date: _____

9 BDB Receiving Officer: _____

Date: _____

**EXPERT ASSISTANCE GRANT SCHEME
APPLICATION FORM**

BDB Ref: _____

Please read the pamphlet entitled "The Expert Assistance Grant Scheme" available from Business Development Boards, before filling out this application form.

All parts of this application form must be completed.

Two specific information requests are made in this form - one relates to the applicant's gender and the other to their ethnicity. The only reason for seeking this information is to, firstly, monitor the growing role of women in business and, secondly, to monitor assistance to Maori - given the mainstreaming of Mana funding.

PART A - GENERAL INFORMATION

- 1 Full name of applicant: _____
- 2 Trading Name (if different from above): _____

- 3 Postal Address: _____

Street Address: _____

- 4 Telephone Number: _____
Fax Number: _____
- 5 GST Number: _____
Date of GST registration: _____
IRD Number: _____
- 6 Contact: The contact person can only be:
 - a salaried employee of the applicant;
 - a member of the organisation; or
 - the individual applicant.
 Person: _____
 Designation: _____
 Telephone Number (if different from above): _____

2

- 7 Status of applicant:

<input type="checkbox"/> Registered company	<input type="checkbox"/> Individual
<input type="checkbox"/> Partnership	<input type="checkbox"/> Other - please specify
<input type="checkbox"/> Co-operative	_____

- 8 Does the applicant identify itself as:

- Maori	Y/N
- under Maori ownership	Y/N

If yes to either of the above, please specify the applicant's tribal affiliation(s).

- 9 What is the applicant's gender? If the applicant is not an individual but is, for example, a registered company, partnership, group of people, etc please answer this question by noting the gender of the owner, major shareholder, spokesperson, etc.

Male/Female

- 10 Detail the name and address of any subsidiary/associate/parent companies/organisations.

- 11 When did the applicant commence active trading? _____/19_____

- 12 Describe the goods/services provided by the applicant.

13 Where, by location, does the applicant produce these goods/services?

14 Where, by location, does the applicant sell these goods/services?

		<u>Totals</u>	<u>Maori</u>	<u>Non-Maori</u>
15	How many staff are employed? Full-time:	_____		
	Part-time:	_____		
	Seasonal:	_____		

16	Turnover	Last Financial Year Ending ____/19____	Previous Year
	Gross turnover:	\$ _____	_____
	Export turnover:	\$ _____	_____

17 Has the applicant, its parent subsidiary, or associate companies/organisations previously been approved for any grant by the Ministry of Commerce or a Business Development Board within the last five years" YES / NO

- If YES, for each grant specify the:
- scheme name;
 - recipient name;
 - project;
 - date of approval.

18 The value of the grant sought: (50% of qualifying costs, maximum grant \$8,000)
\$ _____, GST inclusive.

Note: If the applicant is registered for GST, the GST portion of the grant (one ninth) will have to be accounted for as output tax. Make sure that GST is included in the cost breakdown in the Terms of Reference. For goods and services which do not have GST added, provision still has to be made for GST because this has to be paid on the grant to Inland Revenue. If the applicant is not registered, the applicant will still have to pay GST on goods and services purchased during the consultancy project. Make sure therefore that provision is made for this in this application.

19 How will the applicant fund their portion of the costs involved in this project?

PART B - DETAILS OF THE PROPOSED PROJECT

1 Specify the target area for which assistance is sought: (Only one target area can be applied for per application).

- General Appraisal
- Business Planning
- Marketing Strategy
- Product Design
- Quality
- Operations Management
- Research & Development Management
- Human Resource Management
- Financial & Information Systems

2 The project is due to: commence on ___/___/___
be completed by ___/___/___

3 Who will be employed to undertake the project? For each consultant specify their:
- name;
- trading name;
- business address

4 Specify why each consultant has been chosen and note their particular expertise.

Where individual consultant's fees are in excess of \$10,000 (grant of \$5,000 or more sought) the applicant **MUST** attach:

- evidence that competitive bids have been sought; or
- an explanation of why competitive bids have not been sought.

Note: Boards have the discretion to require applicants to supply competitive quotes for fees below this \$10,000 level; if they do, they will note their reason(s) for this.

5 The following **MUST** accompany this form for each consultant to be used:

- a copy of the consultant's brief/terms of reference;
- a detailed cost breakdown of the work to be performed, including total cost, hourly rate and number of hours, disbursements and the time frame for their report to be presented;
- a copy of the consultant's curriculum vitae.

6 Has the applicant had previous involvement with any of the selected consultants by firms or individuals? YES / NO

If YES, give details of this.

PART C - DECLARATION AND ACKNOWLEDGEMENT

Declaration

The applicant declares that:

- 1 The assistance sought does not relate to expenditure which has been incurred prior to applying for this grant either by:
 - the lodging of this application; OR
 - the lodging of a letter of intent
 with the _____ Business Development Board.
- 2 The balance of costs applied for is not being funded from any other Government source.
- 3 I/we have read the pamphlet entitled "The Expert Assistance Grant Scheme" which outlines the scheme's procedures, conditions and criteria and I/we understand and agree to these.
- 4 The information contained in this application form is true and correct and that there has been no omission of any relevant fact or any misrepresentation made.

Acknowledgement

The applicant acknowledges that, if a grant is approved the _____ Business Development Board can release the:

- name of the grant recipient
 - amount of the grant
 - general statement on the activity for which assistance was approved; and
 - the region to which the grant relates;
- any time after approval, AND
- six months after the applicant's report is received the Board may release the outcome of the activity assisted.

Only the applicant can sign this form.

Signature: _____

Name: _____

Designation: _____

Date: _____

Date

Dear

EXPERT ASSISTANCE GRANT SCHEME REGISTRATION NUMBER: _____

I am pleased to inform you that the Board has approved an EAGS of \$_____ to assist in engaging _____ to carry out a project for your company in the _____ (target area of project) area.

Qualifying Costs

The grant will be for 50% of qualifying costs to a maximum of \$_____.

Qualifying costs are payments to the nominated consultant(s) during the period of validity of this approval, and in respect of work carried out on the approved project during the period of validity.

Disbursements (eg accommodation and travel) incurred by the consultant(s) in the course of the work during the period of validity, and included in the fees, qualify. Other associated costs are not covered.

CONDITIONS OF GRANT

The scheme has ten standards conditions:

- 1 **The applicant has 20 working days, from the date of this letter, ie _____, to accept the grant on the conditions it is offered. If your written acceptance is not received within this period the offer of the grant will lapse.**
- 2 **The grant must be uplifted by _____ or else it will lapse on that date. A written request for a time extension can be considered if this is received by the Board before the grant lapse date.**
- 3 **Retrospective claims cannot be accepted. Costs incurred prior to _____ are eligible for reimbursement; you cannot therefore claim such costs against the grant.**

4 No other government funds can be used for the balance of the costs funded under EAGS.

Other government funds can only be used for costs not covered by this grant, ie you can receive funds from another government scheme for the activity as long as the costs covered by it are different from those covered by the EAGS grant.

5 The grant is only paid for approved costs on the basis of original invoices matched to original receipts. Photocopied receipts and invoices are not acceptable. The only other basis on which claims can be paid is by forwarding an Accountant's certification of costs to the Board. This must be by an independent accountant in public practice certifying a schedule of expenditure, matching expenditure claimed to approved costs.

Please note that where hand-written receipts are provided, or where payment is noted on invoices, these must show the following:

- date of payment
- amount of payment
- signature of person receiving payment
- name of person receiving payment together with their designation

If goods or services have been paid for by credit card, you must supply the original invoices for these together with the credit card statement to which these are charged to plus a subsequent statement showing payment has been made.

The prescribed "Claim and Report Form", a copy of which is attached to this letter, must be completed for your claim.

6 The grant will not be paid until the Board receives a report on the findings of the work. Section B of the Claim and Report Form is to be used for this. A copy of the consultant's report is also to be submitted.

7 Information on grant approvals can be made publicly available by the Board - this covers:

- | | |
|---|--------------------------------|
| - grant recipient; region; amount of grant |) any time after |
| - general statement on the target area of scheme for which assistance is approved |) approval |
| |) |
| outcome of the activity assisted | 6 months after report received |

8 Any grant approved is personal to the applicant and may not be assigned without the written authority of the Board.

9 The project is carried out by the consultant(s) nominated in the application and in accordance with the *Terms of Reference*.

10 Grants are made subject to the Board being satisfied that the information given by the applicant is true and correct and that there has not been any omission of any relevant fact nor misrepresentation made. The Board retains the right to refuse to make payments to approved applicants in cases where it determines that it has been misled by the applicant or if the applicant has been placed in receivership or declared bankrupt.

IMPLICATIONS OF THE GRANT FOR TAX PURPOSES

1 The grant is GST inclusive therefore, claims should be based on GST inclusive amounts.

2 If you are registered for GST you will have to account for the GST portion of the grant as output tax.

3 Section 169 of the Income Tax Act 1976 deals with grants such as this. Effectively, the grant is not assessable income as such but, has the effect of reducing the costs which may be claimed for income tax purposes, or reducing the cost of assets for depreciation.

We wish you well for the activity to be undertaken.

Yours sincerely

.....
Business Development Board

EXPERT ASSISTANCE GRANT SCHEME - CLAIM AND REPORT FORM

SECTION A - for completion by the nominated consultant

SECTION B - for completion by the claimant

SECTION A

This section is for completion by the consultant principally responsible for carrying out the approved project for the approved company.

- 1) Name(s) of other consultant(s) involved in the project (if any):

 Role(s) of other consultant(s) in the project:

- 2) The project commenced on _____ (date).
 It was/is due to be completed on _____ (date).
 The project has run to/under/over budget.
 Give reason(s) if over or under budget:

- 3) Has the project been carried out in accordance with the Terms of Reference?
 YES/NO

If NO give details.

- 4) My total fee for the project is \$_____.
- I have received payment of this fee in full/part payment of \$_____ on _____.
- The payment I have received is in respect of ___ days/hours of my time at a daily/an hourly rate of \$_____; and ___ days/hours of other consultant(s) time at daily/hourly rate(s) of \$_____.

Disbursements of \$_____ are included in the fee. These are in respect of:

- 5) Do you have a financial interest in the project, in the business for which the project was carried out, or in a parent, associate or subsidiary of that business? YES/NO
- If YES give details

- 6 I declare that:
- * I undertake to advise the Business Development Board if I refund whole or part of the fee;
- * I understand that if incorrect or misleading information has been provided this may result in the Business Development Board withholding payment of the grant;
- * the information provided above is true and correct.

Signature: _____
Name: _____
Date: _____

THE ENTERPRISE GROWTH DEVELOPMENT SCHEME

What is the Enterprise Growth Development Scheme?

The Enterprise Growth Development Scheme (EGDS) is one part of the Government's Business Development Programme. EGDS provides grants to help businesses throughout New Zealand to become more efficient and effective in the marketing of their goods and services, in other words, it aims to improve New Zealand's competitiveness.

The Scheme is run by a New Zealand wide network of 21 Business Development Boards.

What Does the Scheme Offer?

EGDS offers a maximum grant of \$20,000 to any one applicant under this scheme or, this scheme and the Expert Assistance Grant Scheme (EAGS) combined, in any July-June year; it provides 50 percent of approved qualifying costs up to this maximum.

The scheme offers assistance in seven areas - each of these has an annual maximum grant component. These are:

- 1 Market Research into New Markets - 50 percent of qualifying costs to a maximum grant of \$5,000.
- 2 Exploration Visits to New Markets - 50 percent of qualifying costs to a maximum grant of \$7,500.
- 3 Trade Fair Participation - 50 percent of qualifying costs to a maximum grant of \$10,000.
- 4 Promotion/Advertising in New Markets - 50 percent of qualifying costs to a maximum grant of \$4,000.
- 5 Protection of Intellectual Property Rights - 50 percent of qualifying costs to a maximum grant of \$2,000.
- 6 Proposal Costs for Development Projects, After Shortlisting - 50 percent of qualifying costs to a maximum grant of \$5,000.
- 7 Costs of Undertaking Quality Assurance Audits/ Certification - 50 percent of qualifying costs to a maximum grant of \$3,500.

Applicants can lodge more than one application under any one of the Scheme's components but, the maximum grant per component cannot be exceeded.

NOTE: * Under the terms of the Australia and New Zealand Closer Economic Relations Trade Agreement (ANZCERTA), assistance cannot be provided under this scheme for activities directed to the Australian market.

* Assistance is not available for activities directed at the South African market.

Who Can Apply?

Any individual, business or organisation resident in New Zealand and registered for either income tax or goods and services tax purposes (ie based in New Zealand for the purposes of tax) meeting the following three criteria is eligible to apply:

- 1 Produces goods or provides services that already compete, or show potential to compete, in both domestic and international markets. This encompasses businesses that are selling or intending to sell in overseas markets and those that are selling in competition with imports; and
- 2 has been trading for not less than 18 months; (a business which has been in existence for this length of time, or more, but has not traded during this time would not be eligible); and
- 3 the good or service for which assistance is sought under this scheme is being produced/provided in New Zealand.

What Are Each Component's Qualifying Costs?

Component One : Market Research into New Markets (maximum of \$5,000)

The aim of this component is to help applicants define the potential for their goods and/or services in new markets - to assist them in researching these markets before undertaking any visits to these. **New markets are defined as markets in which the applicant's good or service - for which assistance is sought - has not been sold by the applicant; markets are considered on a country-by-country basis, except the United States of America and Canada - the United States of America is made up of six distinct markets:**

- North East States
- South East States
- North West States
- South West States
- North Central States,
- South Central States.

Canada is made up of 2 distinct markets:

- West Canada (Manitoba and all provinces West thereof)
- East Canada (Ontario and all provinces East thereof)

If the applicant already sells any goods or services to the market for which assistance is sought, then consideration will be given to the broad consumer group already being serviced in determining if the new market requirement is met.

This component provides assistance to help meet the cost of employing a consultant(s) to research a market(s). This can take the form of either specially commissioned market research and/or the review of existing research (this can be either New Zealand or overseas in

origin). If a consultant's cost is in excess of \$5,000 (grant of \$2,500 or more sought) the applicant must either:

- attach evidence to their application that competitive bids have been sought or
- explain why competitive bids have not been sought.

Note: Boards have the discretion to require applicants to supply competitive quotes for fees below this \$5,000 level; if they do, they will note their reason(s) for this.

No assistance is available for:

- travel;
- in-house market research (in-house research is defined as research undertaken by the applicant's salaried employees, or by subsidiary/associate/parent companies' employees or by immediate family members or by anyone with a pecuniary interest in the project).

Component Two : Exploration Visits to New Markets (maximum of \$7,500)

The aim of this component is to encourage applicants to visit new markets to explore opportunities for their goods and/or services. **The definition of new markets for Component 1 applies here.**

This component provides assistance to help meet the applicant's, or up to two of the applicant's, full-time salaried employee(s) travel costs associated with such visits. Such visits could cover:

- visits to Trade Fairs
- assessment of competing products
- identification of distribution channels, pricing levels, design and packaging requirements, etc.

Agent(s) can qualify under this Component of the scheme only if the applicant itself did not undertake any overseas promotional work or research but used the agent(s) to do this on their behalf.

No assistance is available for:

- first class and business class travel
- meal and accommodation costs
- costs associated with exhibiting products at Trade Fairs. These could however be eligible under Component 3 of the Scheme; Trade Fair Participation.

Note: i Availability of this component is restricted to those who have had a grant under component one - Market Research into New Markets - or else to those who can provide details of having independently undertaken research into the market they wish to visit.

- ii **The applicant must supply evidence of the market research undertaken, ie supply a report to the appropriate Business Development Board, together with a schedule of appointments BEFORE the travel is undertaken.**

Component Three : Trade Fair Participation (maximum of \$10,000).

The aim of this component is to assist the applicant's potential of increasing sales of their goods and/or services through exhibiting these at Trade Fairs.

This component only provides assistance to help meet the cost of applicants' participation at Trade Fairs. Groups of individuals/businesses/organisations can apply but such applications must be made in the name of the group's co-ordinator. Assistance is available for costs of:

- stand hire
- design of stand
- construction of stand
- servicing the stand, ie maintaining product level and person representation for duration of the fair
- placing advertisements in catalogues, publications, etc
- promotion costs which are directly related to participation in the fair

Assistance is provided for participation at fairs that:

- involve participants from more than one country (ie such participants are registered offshore); and
- involve participation by no less than 3 such registered (offshore) participants; and
- are "trade only" for no less than 50% of the fair's duration.

No assistance is available for:

- travel, accommodation and meal costs.

Component Four : Promotion/Advertising in New Markets (maximum of \$4,000)

The aim of this component is to assist applicants to increase the sales potential of their goods and/or services by advertising and/or promoting these. **The definition of new markets for Components 1 and 2 applies here too.**

This component provides assistance to help meet the costs of:

- media advertising of goods and services in journals, newspapers, radio or television
- production of technical literature on the goods and services
- in-store demonstrations
- shelf-space payments
- making of videos and/or other promotional aids
- product seminars and/or demonstrations for buyers
- supplying samples to potential buyers - freight and distribution costs only
- sponsorship costs.

No assistance is available for:

- costs associated with trade fair participation - these could, however, be eligible under Component 3 of the Scheme, Trade Fair Participation
- cost of producing samples.

Component Five : Protection of Intellectual Property Rights (maximum of \$2,000)

The aim of this component is to assist applicants to protect their intellectual property rights.

This component provides assistance to help meet the cost of filing, granting, assignment, licensing, franchising and enforcement of intellectual property rights. This encompasses Patents, Designs, Trade Marks, Copyright, Plant Variety Rights, "Know How", Confidential information and Trade Secrets. The specific assistance available is for:

- Patents, Designs, Trade Marks, Plant Variety Rights: making searches, Patent Office fees, Plant Variety Rights Office fees and attorneys' fees associated with Patent Office and Plant Variety Rights Office procedures
- Copyright, "Know How", Confidential Information, Trade Secrets: Attorneys' Fees - for advice on protection.

Applicants for this component must identify the good/service for which assistance is sought.

No assistance is available for the maintenance of intellectual property rights.

Component Six : Proposal Costs for Development Projects after Shortlisting (maximum of \$5,000).

The aim of this component is to assist short-listed applicants to prepare proposals/tenders for development projects. It is only available to those who have been notified that they are on a short-list of selected applicants and have been specifically invited to submit a proposal in response to notified Terms of Reference.

Assistance is available to help fund the cost of putting such proposals together:

- reconnaissance of the project - travel costs; this can incorporate travel costs associated with bringing overseas parties to New Zealand to view applicants' potential to carry out specific developmental projects;
- drafting and costing of the project. This is only available for employing outside expertise not to subsidise the applicants own costs. If such a cost is in excess of \$5,000, (grant of \$2,500 or more sought), the applicant must either:
 - attach evidence to their application that competitive bids have been sought or
 - explain why competitive bids have not been sought.

Note: Boards have the discretion to require applicants to supply competitive quotes for fees below this \$5,000 level; if they do, they will note their reason(s) for this.

- physical preparation of the project - only available for employing outside expertise, not to subsidise applicants own costs. If such a cost is in excess of \$5,000, (grant of \$2,500 or more sought), the applicant must either:
 - attach evidence to their application that competitive bids have been sought or
 - explain why competitive bids have not been sought.

Note: Applications for this component must show evidence of shortlisting - this is to be supplied by the project principal.

No assistance is available for:

- meal costs
- accommodation costs
- applicant's employees salaries, subsidiary/associate/ parent companies salaries; immediate family members salaries or wages, or those with a pecuniary interest in the project
- applicant's consumables and overheads.

Component Seven : Costs of Undertaking Quality Assurance Audits/Certification Programmes (maximum of \$3,500)

The aims of this component are to help applicants to:

- improve their quality standards
- integrate quality at every stage of their business;
- bring their quality standards up to three NZS 9000 series standards (equivalent to international ISO 9000 and Australian AS 3900 series) as local and overseas customers are increasingly requiring their suppliers to comply with these standards; **the three standards covered by the scheme are the NZS 9001, NZS 9002, and NZS 9003.**

This component provides assistance to help fund the cost of:

- obtaining quality assurance certification (Quality Management Systems Certification);
- undertaking quality audits, as part of the certification process, ie pre-assessment visit/audit, desk audit, and on-site audit.

No assistance is available for maintaining certification; assistance is only available to help fund the cost of obtaining initial certification.

How Do You Apply For A Grant?

There are two ways of applying for a grant, either:

- * by lodging a letter of intent, followed by lodging an application; or
- * lodging an application.

Letters of Intent:

The purpose of a letter of intent is to allow applicants sufficient time to gather the necessary information to complete their applications.

Costs incurred by the applicant prior to the date on which their letter of intent is received by the Board will be considered as retrospective, ie these costs will not be able to be considered for the grant application. However, lodging a letter of intent is no guarantee that costs incurred from the date the letter is received will be approved. Letters of intent are valid for 90 days. The validity takes effect from the date the letter is received by the Board; no extensions can be made to this validity period.

Both Letter of Intent forms and Application forms are available from Business Development Boards. Please see page ten for contact details. Letters of Intent and applications can only be accepted if they are made on the Boards' prescribed forms.

Applications should be made to the Manager of the Business Development Board in your area. The Manager is also available to help you complete the application form.

An original of the application form is required in each case, but photocopied or faxed supporting documents are acceptable. Applicants can initially fax their application to the Board but must then send in the original application within seven working days of the date of the faxed copy.

All parts of the application form, Parts A, B, and C, must be completed.

Applications are initially assessed by the Board staff. The staff then present these to the Board for decision.

How Are Payments Made Once The Grant Has Been Approved?

The grant is paid on a reimbursement basis. Claims against it can be made any time after the applicant has confirmed, in writing, their acceptance of the written grant offer from the appropriate Board. All claims must be made to the Board by the expiry date of the grant.

There are only two bases on which payments can be made:

- 1 On the applicant forwarding original receipts matched to original invoices to the Board; these should accompany the completed claim and report forms (copies of these forms are available from Business Development Boards) or
- 2 On the applicant supplying an Accountant's certification of costs paid together with the completed claim and report forms. This must be from an independent Accountant in public practice (ie not in-house) and must match expenditure to the approved costs.

Claims must be made in New Zealand dollars; where transactions in foreign currencies have occurred applicants must supply conversion rates used.

What Conditions Does The Grant Have?

The scheme has nine standard conditions:

- 1 The applicant must notify the appropriate Board in writing of their acceptance of the grant within the time prescribed in the letter of offer; otherwise the grant offer will lapse.
- 2 Grants must be uplifted within the time specified in the approval, otherwise they will lapse.
- 3 Retrospective claims cannot be accepted.
- 4 No other government funds can be used for the balance of the costs funded under EGDS.
- 5 The grant is only paid for approved costs on the basis of original invoices matched to original receipts. Photocopied receipts and invoices are not acceptable. The only other basis on which claims can be paid is by forwarding an Accountant's certification of costs to the Board. This must be by an independent Accountant in public practice certifying a schedule of expenditure, matching expenditure claimed to approved costs. Each claim must be made on the prescribed claim form.
- 6 The grant will not be paid until the Board receives a report on the findings of the work - this must be in the form prescribed by the Board at the time the grant is approved.
- 7 Information on grant approvals can be made publicly available by the Board.
- 8 Any grant approved is personal to the applicant and may not be assigned without the written authority of the Board.
- 9 Grants are made subject to the Board being satisfied that the information given by the applicant is true and correct and that there has not been an omission of any relevant fact nor misrepresentation made. The Board retains the right to refuse to make payments to approved applicants in cases where it determines that it has been misled by the applicant or if the applicant has been placed in receivership or declared bankrupt.

Can You Have A Time Extension To Complete The Approved Activity?

Written requests for up to one three month time extension only can be made to the appropriate Board. Boards cannot consider such requests for grants which have lapsed. Such requests must be justified by the applicant.

Can You Change The Composition Or Amount Of An Approved Grant?

Once a grant has been approved for a particular amount that amount may not be increased. Nor, may new categories of expenditure be introduced. Boards may, however, consider requests for reallocation of expenditure between approved items. In making such requests, grant claimants will have to demonstrate that the overexpenditure on specific items has occurred because of unforeseen circumstances beyond their control.

If Your Application Is Declined Can You Appeal This Decision?

Applicants are able to lodge appeals for any applications which have been declined by a Board. Such applications should be lodged directly with the Minister of Business Development. Appeals will only be considered if they are received by the Minister within two months of the date of the relevant decline letter from the relevant Board notifying the applicant that their application has been declined.

Is The Grant Taxed?

The grant is GST inclusive therefore applications should be based on GST inclusive amounts.

If the applicant is registered for GST they will have to account for the GST portion of the grant as output tax.

Make sure that GST is included in the cost breakdown on the application form. For goods and services which do not have GST added, such as wages, provision still have to be made for GST in the application, because this has to be paid on the grant to Inland Revenue.

If the applicant is not registered for GST, they will still have to pay GST on goods and services purchased during the investigation. Make sure therefore that provision is made for this in the application.

Section 169 of the Income Tax Act 1976 deals with grants such as these. Effectively the grant is not assessable income as such, but has the effect of reducing the costs which may be claimed for income tax purposes.

WHERE ARE THE BUSINESS DEVELOPMENTS BOARDS LOCATED?

<u>Board</u>	<u>Phone</u>	<u>Fax</u>	<u>Street Address</u>	<u>Box</u>	<u>Town/City</u>
Aorangi	03 688-8106	03 688-1712	Stafford & Sefton Sts	779	Timaru
Auckland	09 308-9141	09 308-9138	47 Wakefield Street	7040	Auckland
Bay of Plenty	07 577-6000	07 577-6010	Cameron Rd & First Ave	568	Tauranga
Canterbury	03 365-1918	03 379-0697	109 Cambridge Tce	2893	Christchurch
East Coast	06 867-9744	06 867-9183	Treble Court, Peel St	517	Gisborne
Hawkes Bay	06 835-2044	06 835-4038	174 Hastings Street	1041	Napier
Kapiti/Horowhenua	06 367-9669 or 04 298-8207	06 368-1925	29 Queen Street	673	Levin
King Country-Taupo	07 878-8685	07 878-6740	King and Taupiri Sts	44	Te Kuiti
Manawatu	06 355-0195	06 355-0196	Cnr Church & Princess Sts	1846	Palmerston North
Marlborough	03 578-2313	03 578-7343	3 Main Street	652	Blenheim
Nelson Bays	03 548-8622	03 546-6455	37 Bridge Street	840	Nelson
Otago	03 477-6528	03 479-0649	282 Moray Place	5558	Dunedin
Southland	03 218-9860	03 214-4654	27 Kelvin Street	979	Invercargill
Tai Tokerau	09 438-1339	09 430-0552	Walton Plaza, Albert St	221	Whangarei
Taranaki	06 757-9993	06 758-8173	5 Queen St	349	New Plymouth
Thames/Coromandel	07 862-7423	07 862-7421	Normanby Rd	96	Paeroa
Waikato	07 834-0100	07 834-0105	Victoria & London Sts	960	Hamilton
Wairarapa	06 378-2705	06 378-9548	32 Perry St	251	Masterton
Wanganui	06 345-0949	06 345-0666	259 Victoria Ave	7045	Wanganui
Wellington	04 566-9192	04 566-9191	249 High Street	31225	Lower Hutt
West Coast	03 768-6334	03 768-5408	100 Mackay Street	361	Greymouth

FOR FURTHER DETAILED INFORMATION CONTACT YOUR LOCAL BUSINESS DEVELOPMENT BOARD

NOTE: PLEASE TREAT THIS PAMPHLET AS A GENERAL INTRODUCTION TO THE EGDS AND NOTE THAT CHANGES IN THE SCHEME CRITERIA MAY BE MADE AT ANY TIME.

August 1993

ENTERPRISE GROWTH DEVELOPMENT SCHEME:

LETTER OF INTENT FORM

The purpose of a letter of intent is to allow a grant applicant sufficient time to gather the necessary information to complete their application.

Costs incurred prior to the date on which this letter is received by the Business Development Board will be considered as retrospective, ie, these costs will not be able to be considered for the grant application.

Lodging a letter of intent is no guarantee that the costs incurred from the date the letter is received will be approved.

The only basis on which claims can be paid out are:

- a on matching original receipts to original invoices or on an accountant's certification of costs paid; this must be from an independent account in public practice and must match expenditure to the approved costs; and
- b if the prescribed standard claim and report forms have been used by the claimant.

A letter of intent is valid for 90 days from the date it is received by the Business Development Board; no extensions can be made to this validity period.

Two specific information requests are made in this form - one relates to the applicant's gender and the other to their ethnicity. The only reason for seeking this information is to, firstly, monitor the growing role of women in business and, secondly, to monitor assistance to Maori - given the mainstreaming of Mana funding.

1 Full Name of Applicant _____

2 Trading Name (if different from above): _____

3 Postal Address: _____

4 Telephone: _____ Fax: _____

5 Components under which applicant intends to apply:

Component 1: Market Research in New Markets

Component 2: Exploration Visits to New Markets

Component 3: Trade Fair Participation

Component 4: Advertising/Promotion in New Markets

Component 5: Protection of Intellectual Property Rights

Component 6: Proposal Costs for Development Projects

Component 7: Quality Assurance Audits/Certification

If assistance is sought for Component 2, Exploration Visits to New Markets, evidence of market research undertaken AND an itinerary of pre-scheduled appointments MUST be provided BEFORE travel commences or this component of the application will automatically be declined.

6 Specify the markets for components 1, 2, 4 and 5; specify the Trade Fair for component 3.

7 Does the applicant identify itself as:
 - Maori Y/N
 - under Maori ownership Y/N

If yes to either of the above, please specify the applicant's tribal affiliations.

8 What is the applicant's gender? If the applicant is not an individual but is, for example, a registered company, partnership, group of people, etc please answer this question by noting the gender of the owner, major shareholder, spokesperson, etc.

Male/Female

9 Signature of Applicant: _____

Full Name (Please Print): _____

Designation: _____

Date: _____

10 BDB Receiving Officer: _____

Date: _____

**ENTERPRISE GROWTH DEVELOPMENT SCHEME
APPLICATION FORM**

BDB Ref: _____

Please read the pamphlet entitled "The Enterprise Growth Development Scheme", available from Business Development Boards, before filling out this application form.

Parts A and C must be completed along with the relevant components of Part B.

Two specific information requests are made in this form - one relates to the applicant's gender and the other to their ethnicity. The only reason for seeking this information is to, firstly, monitor the growing role of women in business and, secondly, to monitor assistance to Maori - given the mainstreaming of Mana funding.

PART A - GENERAL INFORMATION

- 1 Full Name of Applicant: _____
- 2 Trading Name (if different from above): _____
- 3 Postal Address: _____

 Street Address: _____

- 4 Telephone Number: _____
 Fax Number: _____
- 5 GST Number: _____
 Date of GST Registration: _____
 IRD Number: _____
- 6 Contact: The contact person can only be:
 - a salaried employee of the applicant; or
 - a member of the organisation); or
 - the individual applicant.
 Person: _____
 Designation: _____
 Telephone Number (if different from above): _____

2

- 7 Status of applicant:

<input type="checkbox"/> Registered company	<input type="checkbox"/> Individual
<input type="checkbox"/> Partnership	<input type="checkbox"/> Other - please specify _____
<input type="checkbox"/> Co-operative	
- 8 Does the applicant identify itself as:

- Maori	Y/N
- under Maori ownership	Y/N

If yes to either of the above, please specify the applicant's tribal affiliations.

- 9 What is the applicant's gender? If the applicant is not an individual but is, for example, a registered company, partnership, group of people, etc please answer this question by noting the gender of the owner, major shareholder, spokesperson, etc. Male/Female
- 10 Detail the name and address of any subsidiary/associate/parent companies/organisations.

- 11 When did the applicant commence active trading? ___/19___
- 12 Describe the goods/services provided by the applicant.

- 13 Where, by location, does the applicant produce these goods/services?

3

4

14 In which countries are these goods/services sold to?

	<u>Totals</u>	<u>Maori</u>	<u>Non-Maori</u>
15 How many staff are employed? Full-time:	_____		
Part-time:	_____		
Seasonal:	_____		

16 Turnover:	Last Financial Year Ending ___/19__	Previous Year
Gross turnover:	\$ _____	\$ _____
Export turnover:	\$ _____	\$ _____

17 Has the applicant, its parent, subsidiary or associate companies/organisations previously been approved for any grant by the Ministry of Commerce or a Business Development Board within the last five years? YES / NO

- If YES, for each grant specify the:
- scheme name;
 - recipient name;
 - project;
 - date of approval;

18 What component(s) is/are the applicant applying under?

- Component 1: Market Research into New Markets
- Component 2: Exploration Visits to New Markets
- Component 3: Trade Fair Participation
- Component 4: Advertising/Promotion in New Markets
- Component 5: Protection of Intellectual Property Rights
- Component 6: Proposal Costs for Development Projects
- Component 7: Quality Assurance Audits/Certification

The relevant components of Part B of the application form also need to be completed.

19 The value of the grant sought:
(50% of qualifying costs, maximum grant \$20,000)
\$ _____, GST inclusive.

Note: If the applicant is registered for GST, the GST portion of the grant (one ninth) will have to be accounted for as output tax. Make sure that GST is included in the cost breakdown section(s). For goods and services which do not have GST added, such as wages, provision still has to be made for GST in the application, because this has to be paid on the grant to Inland Revenue. If the applicant is not registered, the applicant will still have to pay GST on goods and services purchased during the investigation. Make sure therefore that provision is made for this in this application.

20 How will the applicant fund their portion of the costs involved in this activity?

PART B: COMPONENT 1 - MARKET RESEARCH INTO NEW MARKETS

1 Specify the goods or services provided by the applicant for which assistance is sought.

2 Specify each overseas market to be researched.

3 Why, in specific terms, has each market been chosen?

4 Who will be employed to undertake the research? For each consultant specify their:

- Name;
- Trading name; and
- Business address.

5 Specify why each consultant has been chosen and note their particular expertise.

Where individual consultant's fees are in excess of \$5,000 the applicant **MUST** attach:

- evidence that competitive bids have been sought; **OR**
- an explanation of why competitive bids have not been sought.

Note: Boards have the discretion to require applicants to supply competitive quotes for fees below this \$5,000 level; if they do, they will note their reason(s) for this.

6 The following **MUST** accompany this form for each consultant used:

- a copy of the consultant's brief/terms of reference;
- a detailed cost breakdown of the work to be performed, including the total cost, hourly rate and number of hours, disbursements and the time frame for their report to be presented;
- a copy of the consultant's curriculum vitae.

7 The value of the grant sought under this component:
(50% of qualifying costs, maximum grant \$5000.)

\$ _____, GST inclusive.

PART B: COMPONENT THREE - TRADE FAIR PARTICIPATION

1 Specify the goods or services provided by the applicant for which assistance is sought.

2 Detail the trade fair to be participated in:

Fair Name: _____

Location: _____

Opening Date ___/___/___ Closing Date ___/___/___

How many days will the applicant be participating? _____

The applicant **MUST** provide evidence that the Trade Fair is restricted to the "trade only" for no less than 50% of its duration.

3 Why, in specific terms, has this trade fair been chosen?

4 Specify name, designation, and reason for each of the applicant's personnel attending the trade fair.

5 Specify the categories of Trade Fair assistance sought:

For each category of assistance sought attach a detailed breakdown of the costs involved under "Details Required".

<u>Category</u>	<u>Amount</u>	<u>Details Required</u>
Stand hire	<input type="checkbox"/> \$ _____	How this is made up
Design of stand	<input type="checkbox"/> \$ _____	How this is made up
Construction of stand	<input type="checkbox"/> \$ _____	How this is made up
Servicing of stand	<input type="checkbox"/> \$ _____	How this is made up
Placing advertisements	<input type="checkbox"/> \$ _____	Placement schedule
Promotion costs	<input type="checkbox"/> \$ _____	How this is made up
Total Cost	<input type="checkbox"/> \$ _____	

6 The value of the grant sought under this component: (50% of qualifying costs, maximum grant \$10,000)

\$ _____, GST inclusive.

PART B: COMPONENT 5 - PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

1 Specify the goods or services provided by the applicant for which assistance is sought.

2 Specify each overseas market where protection is sought.

3 Specify the categories of protection sought:

Category

Patents

Trade Marks

Designs

Plant Variety Rights

Copyright

Know how

Confidential information

Trade secrets

4 For each attorney to be employed for this project, specify their:

- name;
- trading name;
- business address.

5 Provide a breakdown of the costs of which assistance is sought:

ITEM

COST \$

TOTAL COST

\$

6 The value of the grant sought under this component:
(50% of qualifying costs, maximum grant \$2000)

\$_____, GST inclusive.

**PART B: COMPONENT 6 - PROPOSAL COSTS FOR DEVELOPMENT PROJECTS,
AFTER SHORTLISTING**

1 Specify the goods or services provided by the applicant for which assistance is sought.

2 Describe the development project and specify its location.

Applicant **MUST** provide the following with this form:

- notified Terms of Reference of the project; **AND**
- evidence of shortlisting; **AND**
- a copy of the invitation to submit a proposal.

3 What form will the proposal and its presentation take?

4 For each consultant to be employed for this project, specify their:

- name;
- trading name;
- business address.

5 Specify why each consultant has been chosen and note their particular expertise.

Where individual consultant's fees are in excess of \$5000 the applicant **MUST** attach:

- evidence that competitive bids have been sought; **OR**
- an explanation of why competitive bids have not been sought.

Note: Boards have the discretion to require applicants to supply competitive quotes for fees below this \$5,000 level; if they do, they will note their reason(s) for this.

6 The following **MUST** accompany this form for each consultant used:

- a copy of the consultant's brief/terms of reference;
- a detailed cost breakdown of the work to be performed, including the total cost, hourly rate and number of hours, disbursements and the time frame for their report to be presented;
- a copy of the consultant's curriculum vitae.

7 Provide a breakdown of the costs for which assistance is sought.

<u>ITEM</u>	<u>COST \$</u>
-------------	----------------

TOTAL COST	\$ _____
------------	----------

8 The value of the grant sought under this component:
(50% of qualifying costs, maximum grant \$5000)

\$ _____, GST inclusive.

PART B: COMPONENT 7 - QUALITY ASSURANCE AUDITS/CERTIFICATION

1 Specify the goods or services provided by the applicant for which assistance is sought and the location at which certification is sought.

2 Specify what assistance is being sought.

Audit

Certification

3 Which organisation will undertake this work?

4 Provide a breakdown of the costs for which assistance is sought:

<u>ITEM</u>	<u>COST \$</u>
-------------	----------------

TOTAL COST

\$

5 The value of the grant sought under this component:
(50% of qualifying costs, maximum grant \$3500)

\$ _____, GST inclusive.

PART C: DECLARATION AND ACKNOWLEDGEMENT

Declaration

The applicant declares that:

- 1 The assistance sought does not relate to expenditure which has been incurred prior to applying for this grant either by:
 - the lodging of this application; OR
 - the lodging of a letter of intent with the _____ Business Development Board.
- 2 The balance of costs applied for is not being funded from any other Government source.
- 3 I/we have read the pamphlet entitled "The Enterprise Growth Development Scheme" which outlines the Scheme's procedures, conditions and criteria and I/we understand and agree to these.
- 4 The information contained in this application is true and correct and that there has been no omission of any relevant fact or any misrepresentation made.

Acknowledgement

The applicant acknowledges that, if a grant is approved, the _____ Business Development Board can release the:

- name of the grant recipient;
 - amount of the grant;
 - general statement on the activity for which assistance was approved; and
 - the region to which the grant relates;
- any time after approval, AND
- six months after the applicant's report is received the Board may release the outcome of the activity assisted.

Only the applicant can sign this form.

Signature: _____

Name: _____

Designation: _____

Date: _____

Date

Dear

ENTERPRISE GROWTH DEVELOPMENT SCHEME REGISTRATION NUMBER:

I am pleased to inform you that the Board has approved an EGDS grant of \$_____ to assist _____

QUALIFYING COSTS

The qualifying costs of the grant are as follows:

etc

CONDITIONS OF GRANT

The scheme has nine standards conditions:

- 1 **The applicant has 20 working days, from the date of this letter, to accept the grant on the conditions it is offered. If your written acceptance is not received within this period the offer of the grant will lapse.**
- 2 **The grant must be uplifted by _____ or it will lapse on that date. A written request for a time extension can be considered if this is received by the Board before the grant lapse date.**
- 3 **Retrospective claims cannot be accepted. Costs incurred prior to _____ are not eligible for reimbursement; you cannot therefore claim such costs against the grant.**
- 4 **No other government funds can be used for the balance of the costs funded under EGDS.**

Other government funds can only be used for costs not covered by this grant, ie you can receive funds from another government scheme for the activity as long as the costs covered by it are different to those covered by the EGDS Grant.

5 The grant is only paid for approved costs on the basis of original invoices matched to original receipts, photocopied receipts and invoices are not acceptable. The only other basis on which claims can be paid is by forwarding an Accountant's certification of costs to the Board. This must be by an independent accountant in public practice certifying a schedule of expenditure, matching expenditure claimed to approved costs.

Please note that where hand-written receipts are provided, or where payment is noted on invoices, these must show the following:

- date of payment
- amount of payment
- signature of person receiving payment
- name of person receiving payment together with their designation

The only cost category for which you are not required to provide receipts and invoices is mileage; if you have a mileage category in your qualifying costs you must, however, supply a completed log sheet to the Board - a copy of this form is attached to this letter.

If goods or services have been paid for by credit card, you must supply the original invoices for these together with the credit card statement to which these are charged to plus a subsequent statement showing that payment has been made.

The prescribed "Claim Form", a copy of which is attached to this letter, must be completed for each claim you lodge against the grant.

6 The grant will not be paid until the Board receives a report on the finding of the work. The reporting form(s) attached to this letter is(are) to be used.

A summarised version of your report will be made freely available, on request, six months after receipt of the report.

7 Information on grant approvals can be made publicly available by the Board. This covers:

- grant recipient; region; amount of grant) any time after
- general statement on the component of the scheme) approval
- for which assistance is approved)
- outcome of the activity assisted) 6 months after report received

8 Any grant approved is personal to the applicant and may not be assigned without the written authority of the Board.

9 Grants are made subject to the Board being satisfied that the information given by the applicant is true and correct and that there has not been an omission of any relevant fact or misrepresentation made. The Board retains the right to refuse to make payments to approved applicants in cases where it determines that it has been misled by the applicant or if the applicant has been placed in receivership or declared bankrupt.

LOG SHEET : FOR MILEAGE

Date	Travelled From	Travelled To	Reason for Travel	Distance KM	\$ Value of Each Trip

**ENTERPRISE GROWTH DEVELOPMENT SCHEME:
FINAL REPORT FORM 1 :
COMPONENT 1 - MARKET RESEARCH INTO NEW MARKETS**

NOTE: Any variation to the market researched or consultant used, as compared with that outlined in your application form, must be explained. If variations have occurred, the Board is not obliged to accept your claim.

Registration Number _____

1 Which market(s) was (were) researched?

2 Who was employed to undertake the research?

3 What action does the applicant intend taking as a result of this research?

4 Please explain any variation to the market researched or consultant used on a separate sheet of paper.

Name _____

Designation _____

Signature _____

Date _____

ENTERPRISE GROWTH DEVELOPMENT SCHEME:
FINAL REPORT FORM 2 :
COMPONENT 2 - EXPLORATION VISITS TO NEW MARKETS

Registration Number _____

1 Which market(s) was (were) visited and when?

2 Who participated in the visit? By name and designation.

3 If those who participated in the visit were not the people specified in your application form, you must explain why these changes occurred. You should note that the Board is not obliged to accept the claim if any variation has occurred.

4 Please outline the calls made on this visit, comparing these with the pre-scheduled calls outlined in your application form. **NB:** If the calls undertaken were different from those scheduled, please explain why. You should note that the Board is not obliged to accept the claim if any variation has occurred.

Y N

5 Did you receive an order?

If yes, please state the value of this in NZ\$ _____

6 What action does the recipient take as a result of the visit?

Name _____

Designation _____

Signature _____

Date _____

**ENTERPRISE GROWTH DEVELOPMENT SCHEME:
FINAL REPORT FORM 4 : COMPONENT 4 - PROMOTION/ADVERTISING
IN NEW MARKETS**

**ENTERPRISE GROWTH DEVELOPMENT SCHEME:
FINAL REPORT FORM 5 : COMPONENT 5 PROTECTION OF
INTELLECTUAL PROPERTY RIGHTS**

Registration Number _____

Registration Number _____

1 In which market did the promotion/advertising take place?

2 What form did the promotion/advertising take?

3 If the promotion/advertising is different from that specified in the application form and/or the market is different, you must explain why. You should note that the Board is not obliged to accept the claim if any variation has occurred.

4 Please state the responses received to date.

5 What action des the claimant intend to take as a result of the promotion/advertising?

Name _____

Designation _____

Signature _____

Date _____

1 Please outline the specific protection sought; noting in particular how close you are to obtaining this protection.

2 Any variation to the protection reported on and that outlined in your application must be explained. You should note that if such a variation has occurred, the Board is not obliged to accept your claim.

Name _____

Designation _____

Signature _____

Date _____

CROWN

**ACCOUNTS PAYABLE
INVOICE APPROVAL/INPUT FORM**

7/93

MINISTRY OF COMMERCE
Te Manatū Tauhokohoko

FOR PAYMENTS ON BEHALF OF THE CROWN

FORM NO: CRN-AP03

GRANT RECIPIENT :

DATE : (DD/MM/YY)

CLAIM NUMBER :

REGISTRATION NUMBER :

GL CODE :

Insert applicable GL code

- 6101572 - BDIG
- 6101538 - EAGS
- 6101515 - EGDS

AMOUNT :

\$

PREPARED BY : DATE :

APPROVED BY : DATE :

FOR FINANCE USE ONLY

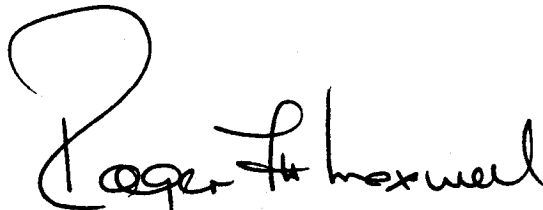
DATE RECEIVED IN FINANCE :

SUPPLIER CODE :

CHECKED BY : DATE :

DATE PAID : CHEQUE NUMBER :

Dated at Wellington this 6 day of August 1993



Hon Roger F H Maxwell
Minister of Business Development

