



## ELIGIBLE APPLICANTS FOR A GRANT OR LOAN

This policy is intended to define the entities that may participate as applicants for a grant or loan from the READI fund.

Entities permitted by Indiana Code § 5-28-41 as applicants to the READI fund include:

- ▶ A regional development authority (RDA) including those formed under:
  - IC § 36-7.5,
  - IC § 36-7.6, and
  - IC § 36-7.7.
- ▶ A regional strategic development commission established under IC § 36-7-39.
- ▶ A qualified nonprofit organization formed to support economic development across the region, and which does not represent a single interest group or local unit(s) within a single county.
- ▶ Pre-existing nonprofit organizations may be considered a qualified nonprofit organization if it was formed to support economic development initiatives across a region, and which does not represent a single interest group or local unit(s) within a single county.<sup>1</sup>
  - A 501(c)3 would be a preferred applicant.
  - A 501(c)6 is eligible:
    - if the organization establishes appropriate firewalls between other activities (particularly political campaigning and lobbying) and participation in the READI program, and
    - commits to refraining from participation in political campaigns or lobbying activities related to READI during the term of the Indiana Economic Development Corporation's (IEDC) READI grant.
  - Management of the nonprofit organization should be led by the private sector. The IEDC's expectation is that elected officials and government employees or contractors do not serve in a director capacity within the organization.
  - If the board of an eligible, pre-existing organization does not meet these requirements, the organization may create a partnership, committee or board to which the organization's board delegates its authority for allocating READI funds.
  - Like an RDA, elected officials and government employees or contractors may retain the authority to appoint or remove members of the partnership, committee or board.
  - Further, the IEDC would not disqualify an organization from participation if the nonprofit's board, on which elected officials and government employees or contractors serve, has the authority to override an investment decision of the nonprofit or READI partnership, committee or board so long as it takes the agreement of at least 75% of the membership to do so.
- ▶ A nonprofit organization's board, or READI partnership, committee or board should not be composed of more than 15 individuals.

<sup>1</sup> The IEDC reserves the right to provide an existing non-profit organization an exception to this general rule if the organization establishes controls that ensure regional stakeholder engagement in the allocation of READI funds is guaranteed. This can include, but not be limited to, establishing a partnership, committee, or board that meets the other requirements of this policy and that is comprised of members that represent the entire region.