

# BUSINESS INCUBATOR AT BRENAU UNIVERSITY



## PROCEDURES AND RULES

Purpose of this procedure: to describe the manner in which applicants to the Business Incubator will be evaluated and the decision made regarding acceptance into the Business Incubator program

Summary of changes from previous version of this procedure: not applicable

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### What does the Business Incubator do?

The Business Incubator at Brenau University (BIBU) manages a 40,000-plus-square-foot facility in Gainesville, Georgia, that is set up to provide hands-on assistance and support for startup and small enterprises, including:

- Office, manufacturing and warehouse space that may be leased in small portions as a client grows
- Shared office resources, including utilities
- Business assistance through the Business Incubator Staff which includes clerical and word-processing support
- Local business, government, technical training and academic relationships that may be brought to bear in getting incubator clients a competitive foothold
- A virtual and actual laboratory for application of theoretical concepts, access to practical business experiences and opportunities for social leadership to Brenau University MBA and other faculty and students

Business Incubator services are not without cost. However, those costs are very competitive with far more flexibility than our clientele may otherwise enjoy.

The Business Incubator's ultimate objective is to foster job growth in the region through Business Incubator clientele.

The Business Incubator is open to all qualified applicants. Qualified applicants include those who have completed an enrollment application and have submitted a business plan and accompanying financial statements.

### What does the Business Incubator not do?

The Business Incubator clientele does not extend to:

- Building general contractors
- Retail operations

The Business Incubator is not in business to provide support services for ventures that, without Business Incubator involvement, could not otherwise survive.



## How does one become an Business Incubator client?

- Complete the Enrollment Application.
- Submit a copy of their most recent business plan.
- Submit up-to-date financial statements.

## What is the process for evaluation of my application?

1. When contacted by a prospective client, BIBU determines whether the minimum criteria for consideration are met. These criteria include:
  - Receipt of a business plan
  - Tenant application — if none, provide them with a copy of our application and offer to let them complete the application on premises.
2. On receipt of the above, the administrative assistant shall verify that the application is complete and, if so, file this information and designate the status as pending. This file shall be stamped as confidential information. If the application is not complete, the administrative assistant shall either return the file to the applicant for completion or file as above with a note attached indicating what is missing and what action has been taken.
3. The Business Incubator executive director shall review the application and evaluate it thoroughly and promptly. The Business Incubator Advisory Board, at the executive director's discretion, may be consulted. The Executive Director will make a recommendation to the associate vice president for development, who, upon review and consent, will forward the application to the executive vice president and/or the president for approval, a decision to decline or a decision to hold in abeyance.
4. Applications will be evaluated based on the financial viability of the business, funding status or viability of securing required funding or compatibility with Business Incubator objectives. The following outcomes may be expected:
  - Declined — The reason for declining the application will be described together with a description of remedial action that may merit reconsideration.
  - Held in abeyance — This may be used if further information is needed from the applicant or other information source regarding the applicant or applicant's business prospect.
  - Approved
5. The applicant shall be notified in writing of: (I) the reason for the decision, (II) an alternate course of action for the applicant to take in order to be reconsidered and (III) what resources may be helpful in securing reconsideration.
6. In the event that an applicant is not accepted, the executive director shall meet with the applicant and determine a course of action. The executive director shall commit the proposed course of action to writing and include it, along with the application, in the Business Incubator files.
7. The Business Incubator shall hold applications not approved for at least two months after the application has received its disposition.



## The following rules apply to each member/tenant of the Business Incubator:

**INITIAL MOVE-IN OR RELOCATION** — Prior to occupying a suite, you must have all paperwork completed and signed, a certificate of insurance, and the security deposit and first month's rent paid. A security deposit is equal to one month's base rent and increases annually at the time of lease renewal.

**LATE FEES** — Rent is due on the first day of the month, and late after the 10th day of the month. A late fee equal to 10 percent of all the charges is assessed for payments received after the 10th day of the month and 1.5 percent each day thereafter.

**LIABILITY INSURANCE** — You must maintain liability insurance on your suite at all times. The lessee is required to have insurance and submit to Brenau a certificate of insurance upon the signing of this contract. The lessee must provide public liability insurance in the amount of not less than \$500,000 for injuries sustained by one person, \$1,000,000 for injuries to two or more people and \$100,000 for property damage coverage per occurrence, naming Brenau University Inc. as certificate holder and additional insured. Insurance must cover all dates of usage of the premises, including load-in and load-out dates.

**BUSINESS PLAN** — You are encouraged to submit a written business plan, including a balance sheet and a profit and loss statement when available. The business plan should be updated, if necessary, when the lease is renewed annually. The Business Incubator staff is available to provide assistance.

**PARKING** — The front parking lot is reserved for business owners, visitors and customers. Office employees may park adjacent to the building on either side.

**KEYS** — One suite key and one front door key per business owner is provided. Additional keys may be requested at owner's expense. Front door keys are issued to owners only.

**SUPPORT SERVICES** — Services charged by use include clerical support; copier; fax; telephone answering service and postage (at cost). See enclosed rate sheet.

**DOOR SIGNS** — The only sign allowed will be provided to you for the outside of your suite. The initial sign will be provided by the Business Incubator. Any revisions or replacement of lost signs will be the responsibility of the client.

**CUSTODIAL SERVICE** — The common areas are cleaned daily. This service includes emptying of garbage cans, dusting and vacuuming. There is no janitorial service provided for clients. It is your responsibility to place your garbage in the dumpsters. Janitorial service for office suites may be arranged by negotiation as to price.

**SMOKING** — **NO SMOKING** is allowed inside the building or within 50 feet of the front door entrance. Please do not use the grounds as disposal areas for trash or cigarette butts.



**BUSINESS INCUBATOR TOURS** — We frequently receive requests for tours of the facility from a wide range of individuals and groups. If you locate your business here, you will become part of a “small business laboratory” and can expect to have various tour groups observing your business from time to time. We will consult with you and provide advance notice of these visits respectful of the need for research confidentiality.

**CHANGES TO SUITES** — Any physical changes, including painting, you wish to make to the suite must be submitted to the management office in writing and approved before any work is done. All work must meet the appropriate building codes, and any contractors used must provide an insurance certificate and indemnification form covering the job. Suites must be restored to their original conditions prior to your graduating from the Business Incubator unless otherwise approved by management. Your security deposit will be held if you fail to comply.

**PROGRAM INTENT** — The program at the Business Incubator is designed to help new businesses grow and prosper. We are considered a hands-on business incubator and management assistance from the Business Incubator staff, including review of business plans and financial statements, is a requirement.

**CLIENT STATUS** — Client further agrees that the Business Incubator has the right to periodically review client status and modify occupancy period based on the following guidelines:

- Client’s past compliance with terms of the lease agreement
- Client’s future performance potential in terms of employment generation
- Client’s preparation and presentation of an operating plan and cash-flow projection to chart future objective and performance targets
- Demand for space and the client’s potential compared to competing demands and availability
- Client’s need for and use of service provided by Business Incubator
- Client’s ability to stand on its own in a commercial facility
- Client’s relationship with other businesses located in the incubator

**EXIT/LAUNCH** — Client agrees to strive to achieve the following goals toward successful exit/launch from the Business Incubator:

- Complete necessary legal actions, including incorporation and protection of intellectual property via patents, trade secrets, copyrights, trademarks or otherwise.
- Obtain necessary insurance, particularly liability insurance.
- Establish an appropriate accounting and bookkeeping system.
- Establish, in addition to its original business plan, a written operating plan to be updated with financial objectives (profit and loss, cash flow and balance sheet) that will address the following areas:
  - Normal operating issues
  - Management team and work force
  - Product/service development and strategy



- Marketing plan
- Sales
- Financing needs, potential sources and strategy
- Demonstrate the potential to be a successful company by showing:
  - A viable commercial prototype
  - A successful customer test of the product
  - Sales history
  - Funding secure enough to carry the company through six months to one year of operations.

**PROGRAM AND ACTIVITIES** — Client agrees to participate in programs and activities as follows:

- Client will actively and conscientiously utilize the staff made available by the Business Incubator.
- Client will provide financial statements to Business Incubator on at least a quarterly basis.
- Client will actively participate in client networking opportunities, roundtable discussions, the annual open house and the workshops offered by the Business Incubator.

## Memorandum of understanding

Access to the resources of the Business Incubator at Brenau University and the institution's expert and professional instruction and student engagement is a form of capital that the university invests in each incubator lessee. Accordingly, the Business Incubator's executive director and lessees may discuss arrangements in regard to compensating the lessor for this investment.

## Acknowledgment

I have read and acknowledge this disclosure statement, including the memorandum of understanding, and agree to abide by the rules and regulations of the Business Incubator at Brenau University during my tenure in this facility.

**Signed:**

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

**Date:** \_\_\_\_\_