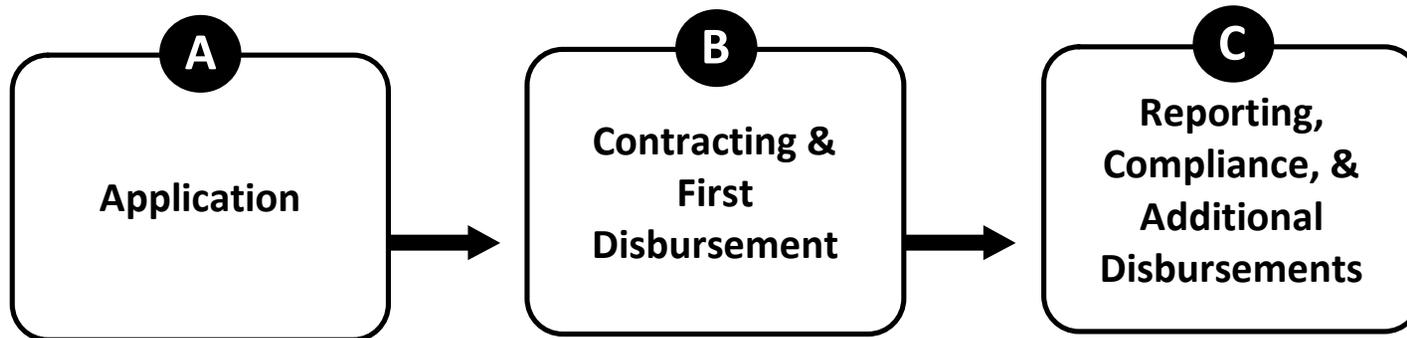




# Sub-Chapter E

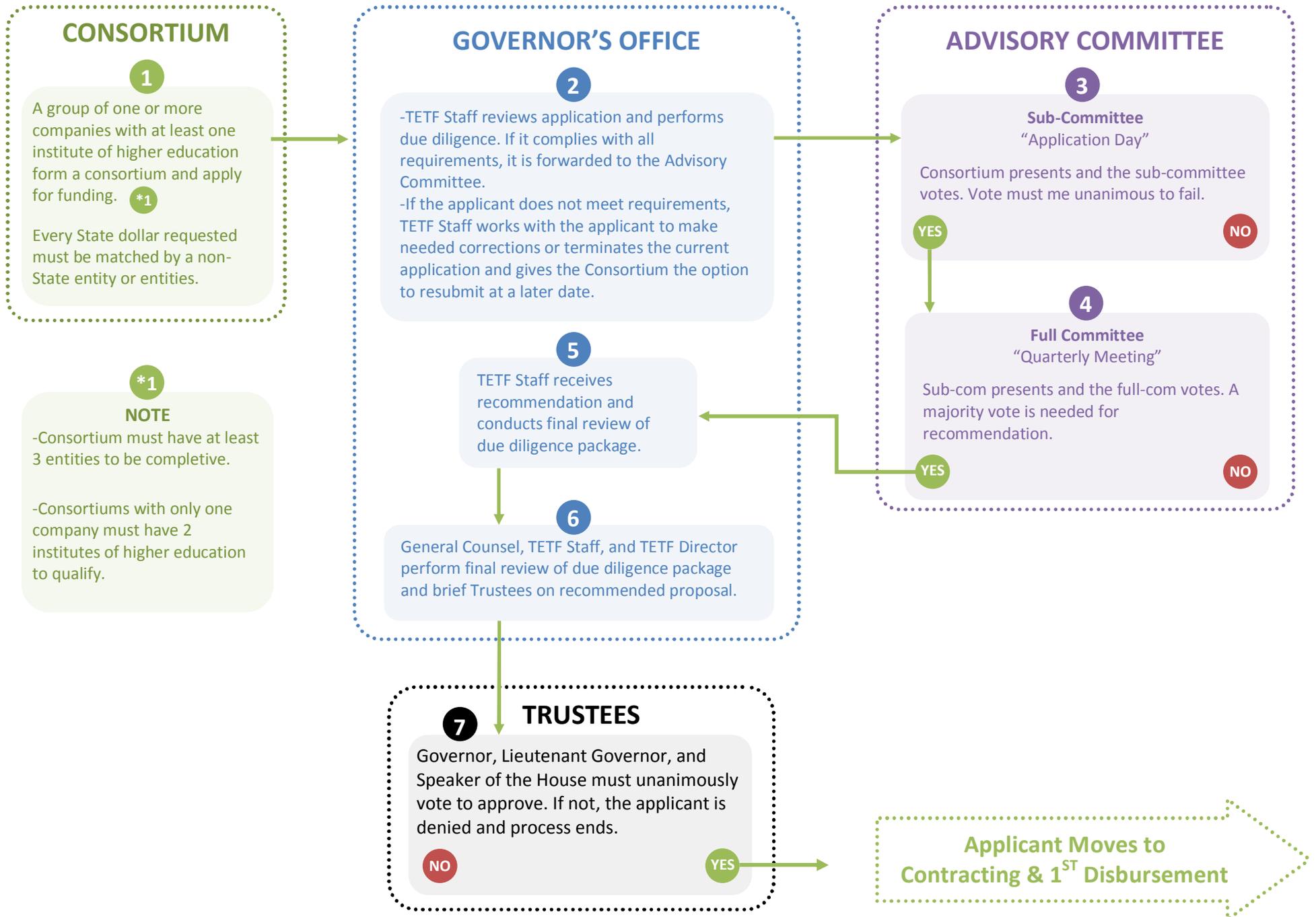
## Operational Procedure Chart



Office of the Governor  
Texas Emerging Technology Fund  
1100 San Jacinto  
Austin, Texas 78701  
(512) 463-2000

# A

## APPLICATION PROCESS



# B CONTRACTING & FIRST DISBURSEMENT

## TRUSTEES

2

Governor, Lieutenant Governor, and Speaker of the House all sign the Commitment letter and route it to TETF Staff.

YES

## COMPANY

5

If Consortium agrees to terms it signs and returns original copies to GC.

YES

If Consortium disagrees with the terms it may request a change to GC.

NO

## ADVISORY COMMITTEE

7B

Consults with TETF Director on acceptability of contract changes. Director makes decision.  
Acceptable: New contract.  
Unacceptable: Consortium can keep as is or pass.

NO

YES

## GOVERNOR'S OFFICE

1

Constituent Communication Staff and TETF Staff draft Commitment letter and route it to Trustees

3

TETF provides letter, financial terms and all other info to General Counsel and Financial Services.

4

General Counsel drafts contract, submits it to Consortium and requests accounting forms.

6A

GC receives Consortium acceptance and routes the Commitment Letter to Compliance and accounting forms to Financial Services.

6B

GC reviews requested changes by Consortium. If acceptable, GC sends it to Advisory Committee & TETF Director for approval. If not acceptable the Consortium can keep as is or pass on grant.

7A

Compliance creates contract review & assurance sheet, contract routing form, compliance checklist, and payment approval form.

8

Compliance routes all verified documentation to be approved by leadership and routes accounting forms to Financial Services, who gives Consortium a TINS number and vender status. \*

9

After approval, Compliance adds GC approved execution date to file, makes copies and routes documents to Accounts Payable. The Consortium is now under contract and is obligated to all contractual terms and conditions.

10

Accounts Payable Manager sends documentation to Comptroller who then processes request and the funds are sent to Consortium.

## CONSORTIUM

11

The Consortium is contracted and has received its initial disbursement. It must report to OOG Staff after 1st 6 months and annually for five years. Reporting is due January 31 following the reporting year's end.

\*

### Required Signatures for Approval

- ✓ Compliance Staff
- ✓ Budget Director
- ✓ Chief Financial Officer
- ✓ TETF Director
- ✓ EDT Director
- ✓ General Counsel
- ✓ Chief of Staff

Moves Forward to Reporting & Compliance

# C

## REPORTING, COMPLIANCE & ADDITIONAL DISBURSEMENTS

### \*1 Required Signatures for Approval

- ✓ Compliance Staff
- ✓ Budget Director
- ✓ Chief Financial Officer
- ✓ TETF Director
- ✓ EDT Director
- ✓ General Counsel
- ✓ Chief of Staff

### \*2 NOTE

The “clawback” clause ensures the return of TETF funding, plus 5% interest compounded annually, to the State in the event of a default by the Consortium.

### GOVERNOR’S OFFICE

1

Compliance reviews all Consortium submitted reports and compares it to the contract. Site checks, investigative research, and overall due diligence are performed to ensure contractual compliance.

2B

Compliance Staff works with Consortium to get it into compliance. If unsuccessful, Compliance notifies GC and TETF Staff.

2A

Consortium is compliant and no holds are issued. Reporting is filed by Compliance Staff. If an additional disbursement is requested, it is routed for approval by leadership and is processed by Accounts Payable Manager. \*1

2C

TETF Staff and General Counsel determine if non-compliance issue triggers an Event of Default.

2D

Default Letter is issued detailing compliance issue. Compliance Staff works with Consortium to cure issue(s). If cured the Consortium is in compliance; failure to cure issue results in activation of the “clawback” clause and the return of some or all funding. \*2

YES

NO

### CONSORTIUM

3

Has fulfilled reporting obligations. Annual reporting continues for 5 years after last disbursement date. All financial changes, additional fund raising, and milestone accomplishment must be reported to OOG.

**Contract comes to term 5 years after final disbursement. All unused funds are returned to the State. The Consortium is no longer obligated to report to the State.**