

OVERVIEW

The Small Business Energy Audit program is funded by the U.S. Department of Energy. The program provides grant funding for energy audits at multifamily housing properties to promote energy efficiency improvements.

The Iowa Energy Office, housed within the Iowa Economic Development Authority (IEDA), administers the program in conjunction with the Energy Efficiency Revolving Loan Fund (EE RLF) Capitalization Grant Program. The funding was established as part of the Infrastructure Investment and Jobs Act to provide capitalization grants to states to establish revolving loan funds. Using this funding, states can provide loans and grants for energy audits, upgrades and retrofits to increase the energy efficiency, physical comfort and air quality of existing building infrastructure. EE RLF funding is allocated through the State Energy Program (SEP).

SEP is authorized under the Energy Policy and Conservation Act, as amended (42 U.S.C. 6321 et seq.). All awards made under this program shall comply with applicable laws, including but not limited to:

- 2 CFR Part 200, as amended by 2 CFR Part 910
- IJIA Sections 40501 and 40502.

The Small Business Energy Audit program provides grant funding to qualifying projects until funds are expended. Applications must be submitted via email using the required application template.

POLICIES AND PROCEDURES

This policies and procedures handbook establishes the requirements and framework for how the Small Business Energy Audit program. This document will be reviewed and updated as needed.

Its purpose is to:

- Prepare potential applicants to participate in the program
- Provide key information for planning purposes.
- Outline administrative requirements for awardees. ovided as applicants progress through the process. Applicants are encouraged to discuss program requirements with their legal counsel and/or an experienced grant administrator prior to submitting an application. Applicants should visit IEDA's website periodically for any updates to this program handbook.

PROGRAM DETAILS

Funding Available

Grant funding is available to support the completion of energy audits at small business properties. Program awards will be made as projects are submitted that meet all programmatic requirements. Awards are dependent on the availability of remaining funds.

The total funding available for the program is \$900,000.

Iowa Program Objectives

The Small Business Energy Audit Program grants are designed to provide funding for energy audits in commercial buildings to promote energy efficiency improvements.

Eligible Applicants

Eligible applicants include businesses, nonprofits or public entities with between 1 and 50 employees.

Applicants must be applying for an audit of a commercial or mixed-use building. Eligible applicants must:

- Be in good standing with the State of Iowa and federal government;

- Be registered in SAM.gov at the time of application; and
- Be registered to do business in Iowa and able to achieve all federal workplace requirements.
- Conduct the majority of their business (earn > 50% of its revenue OR conduct >50% of transactions or services) in Iowa.

Eligible entities may submit multiple applications for consideration.

Cost Share

Eligible applicants must provide 50% cost share of the qualifying activities. Cost share must be cash investment into the project. Indirect rate reduction does not count as cost share.

Awardees who move forward with implementing any audit-recommended energy saving upgrade will be eligible to be reimbursed for their cost share. The recommended energy efficiency upgrade must occur during the contracted period. Proof of a recommended energy efficiency upgrade is required. More information about documentation is found in the Disbursement of Funds section of this document.

Eligible energy-saving upgrades may qualify for 0% interest financing through the [Iowa Energy Saving Loan Program](#).

Eligible and Ineligible Activities

Awarded applicants will be required to report on metrics and costs specific to each activity or technology in quarterly reports.

Eligible Activities

The funding provided through this program may be used to complete qualifying audits. IEDA recommends utilizing DOE's free [Audit Template](#) software to generate qualifying audit reports. If using Audit Template, auditors should utilize the

"Iowa EDA Commercial Audit Template" and select "Commercial" project type. Completed audits should aim for a level of detail between an ASHRAE Level 1 and 2 audit.

Qualifying audits must:

- Be performed by a building auditor certified by a national organization such as the [Building Performance Institute](#), [RESNET](#), or the [Association of Energy Engineers](#) and demonstrating sufficient experience as an auditor. See additional list of national credentialing organizations here: [Better Buildings Initiative](#).
- Determine the overall consumption of energy of the participating facility.
- Identify and recommend lifecycle cost-effective opportunities to reduce the energy consumption of the facility of the awardee.
- Identify the period and level of peak energy demand for the participating property, and the sources of energy consumption that are contributing the most to that period of peak energy demand.
- Recommend controls and management systems to reduce or redistribute peak energy consumption.
- Estimate the total energy and cost savings potential for the participating property if all recommended upgrades and retrofits are implemented, using approved software.

Additional guidance on the audit process is available on the program website.

All eligible activity costs must be incurred by July 30, 2029.

Ineligible Activities

Funding cannot be used for activities other than qualifying energy audits.

Although unlikely, specific activities or involvement of certain entities may be deemed ineligible at the sole discretion of the Department of Energy despite funding recommendations from the Iowa Energy Office.

All activities must follow federal, state and local laws.

Eligible and Ineligible Costs

The eligible and ineligible costs listed below are not intended to be inclusive of all potential costs. Applicants are encouraged to contact IEDA when developing a program budget to discuss the eligibility of other costs.

Eligible Costs

Only expenditures directly related to the implementation of the funded grant activity will be reimbursed. Examples of eligible expenses include, but are not limited to:

- Purchase of commercially available materials and equipment related to the performance of an audit (i.e. data loggers)
- Contracted project services (i.e. audits)
- Direct administration costs

Ineligible Costs

Examples of ineligible costs include, but are not limited to:

- Purchase or rental of buildings
- Office equipment, furniture and fixtures
- Intangible assets
- International travel
- Insurance or phone expenses
- Alcoholic beverages
- Donations or contributions
- Entertainment
- Fee or profit for awardees
- Lobbying expenses
- Vendor late payment fees

TIMELINES

Applicants should contact IEDA if they have any questions regarding the timeframe and activities associated with beginning work on their project. Activities and expenses prior to an executed agreement with IEDA are at the applicant’s own risk and may conflict with federal requirements. Applicants should not begin any project activities until guidance is available post-award.

Competitive procurement and other regulations are required as described in 2 CFR 200. IEDA will provide additional guidance regarding compliance with federal regulations after an award is approved.

The listing below outlines the activities and sequence of events to complete the program’s application cycle.

Activity	Date
Opportunity posted to the IEDA website	3/2/2026
Webinar, Q&A	3/11/2026
Application period closed	5/1/2029
All projects complete (as defined below)	7/30/2029
All reports and claims submitted	7/30/2029

The program manager will host a webinar with an open question and answer period on or around March 11, 2026. All projects must be completed by May 1, 2029. A complete project is defined as having all project expenses incurred, including any expenses that will be submitted as proof of efficiency upgrade.

All reports and claims must be submitted with the required documentation by July 30, 2029. Extensions are not likely to be granted. Any substantive change to a project will require IEDA approval and may require a contract amendment. At any activity stage, IEDA reserves

the right to deny, delay or require further actions before advancement.

APPLICATION PROCESS

The application process will require the submittal of an application. The program manager will serve as the point of contact for applicants. The program manager is Molly Kiick, molly.kiick@iowaeda.com.

1. The application will be available on the IEDA program webpage.
2. The applicant will have until 5/1/2029 at 11:59 PM CST to complete and submit the application to the program manager. The applicant may request confirmation of receipt during business hours.
3. The applicant shall obtain a Unique Entity Identifier (UEI) from the System for Award Management (SAM), if not already obtained. This process may take several weeks.
4. Once an application is submitted for review, applicants will not be able to amend or correct information in the application. It is imperative that applicants review all information and ensure required attachments are included with an application before submittal.
5. All applications received will be reviewed by the program manager for eligibility and

completeness. Applications that are missing the required information or attachments will be deemed incomplete and will not be scored. Examples that could deem an application to be ineligible, incomplete or disqualified include, but are not limited to:

- Applicant is not eligible to apply.
 - Applicant activity is not eligible for award.
 - Applicant has been debarred or suspended as identified in the SAM as determined by the UEI number for the applicant.
6. IEDA may request clarifying information during its review of the application.
 7. IEDA staff will prepare funding recommendations for the agency director.
 8. Applicants selected to receive grant funds will be notified of the award decision. Applicants not selected will receive a denial letter.
 9. The IEDA will prepare and issue contracts to the selected applicants for review and signatures.

IEDA may, but is not required to, contact applicants for more information on any concerns regarding eligibility prior to denial. All criteria must be met for consideration of award.

Application Evaluation Criteria

- Application is complete and submitted to program manager by the applicable deadline;
- Applicant is eligible for the program;
- Applicant demonstrates willingness to comply with 2 CFR 200;
- Applicant certifies willingness to conform to all applicable state, local and federal laws and regulations.
- Applicant commits to reporting on all applicable metrics in the Reporting section of this document;
- 50% cost share is secured;
- Funding request meets eligible project and eligible cost requirements; and

- Project will be completed by July 30, 2029. Project completion is defined in the Timeline section of this document.

Each applicant must provide clear and detailed answers to each application question.

AWARD SELECTION AND AGREEMENTS

Notification of a selected application does not guarantee funding. The U.S. Department of Energy (DOE) requires IEDA submit a Subrecipient Change Notification before execution of a contract. DOE's review may take up to 30 days. During this time, the DOE completes due diligence measures and can deny any prospective awardee based on its findings.

IEDA reserves the right to negotiate financial assistance with applicants regarding the award amount and associated scope of work. IEDA is not required to fund all eligible applications up to \$900,000 in this funding opportunity. Any remaining funds may be used to support this program or another SEP approved activity.

Awardees will not be able to begin work on their project prior to an executed agreement with IEDA. The award agreement between IEDA and awardees will include Special Terms and Conditions as part of the flow-down requirements from IEDA's assistance agreement with DOE, which must be incorporated into any sub-agreements the awardee utilizes to implement the project.

At the time of executing the award agreement, the awardee must fulfill the first executive compensation reporting requirement per the [Federal Funding Accountability and Transparent Act Subaward Reporting System](#).

ADMINISTRATIVE TASKS

At the time of application, applicants must identify who will be responsible for ongoing reporting to IEDA, compliance with federal requirements, and managing other administrative tasks for the award. If an award is made, awardees can then identify an existing service provider or staff person, or plan to procure these services. If the awardee intends to procure for this service, procurement must adhere to federal procurement requirements in 2 CFR 200, and procurement and contract execution must occur before other project expenses can be reimbursed unless otherwise approved by IEDA to proceed. Awardees are also encouraged to consult with their legal counsel regarding compliance with the award agreement and federal requirements.

The administrative tasks consist of the following responsibilities, including but not limited to:

1. Coordinate day-to-day activities associated with the award and be a primary point of contact with IEDA.
2. Manage any immediate post-award activities including, but not limited to procurement, completion of policies and required documents, and establishment of recordkeeping procedures.
3. Maintain the IowaGrants.gov account utilized for reporting, submitting required documents and status updates, and reimbursement claims.
4. Complete quarterly reporting.

5. Submit reimbursement requests to IEDA, including collecting and submitting source documentation such as invoices, compliance certifications, and other information required by IEDA or DOE.
6. Monitor project activities and integrate procedures to ensure compliance with all program requirements. This includes, but is not limited to, following 2 CFR 200 (procurement, audit), National Environmental Policy Act (NEPA), Section 106 of the National Historic Preservation Act (Section 106), Build America Buy America Act (BABA) and Davis Bacon Act compliance.
7. Provide project updates at the request of IEDA and DOE. Project administrators are encouraged to contact IEDA with any issues or questions to ensure the project moves forward successfully.
8. Ensure all costs are incurred prior to July 20, 2029, and final claims are submitted by July 30, 2029. Project administrators will also assist with submitting amendment requests to IEDA.

Management guides are available from IEDA upon request, including links to further training and resources on federal requirements, instructions for completing necessary procedures like IowaGrants.gov claims, and templates and sample forms for record-keeping.

Extension and amendment requests must be submitted in writing along with a justification for the request. The evaluation of requests will be based on a variety of factors, including but not limited to federal requirements, funding availability, activity progress, and justification provided.

DISBURSEMENT OF FUNDS

Payments will be disbursed upon completion of project milestones and receipt of supporting documentation. The first claim may be submitted upon completion of a qualifying audit, and the second claim upon sufficient proof that a recommended upgrade was completed or equipment ordered. If the awardee decides not to complete a recommended upgrade, only the first claim will be processed.

Disbursements will be made on a reimbursement basis. Subcontractors and sub-awardees are expected to be paid upon receipt of the bill. IEDA's claim processing may take 30 to 90 days from submission.

All claims must be made through IowaGrants.gov with uploads of the following required supporting documentation:

- Signed General Accounting Expenditure (GAX) form with assigned vendor and charge codes provided by IEDA program manager.
- Itemized invoice signed by primary awardee

In addition to the required claim documentation, the following are required for the claims that will be submitted:

- Claim 1: Completed audit report and vendor invoice
- Claim 2: Proof of a recommended energy efficiency upgrade within the contracted period. invoice from a vendor for the equipment, equipment installation, or tune-up. Other methods to provide proof are subject to IEDA discretion.

Delinquent reports may cause delayed payment processing until evidence of progress is

submitted. The final payment may be postponed until all necessary reports are received. All claims must be submitted with the required documentation by July 30, 2029. Claims received after July 30, 2029, will not be processed.

REPORTING

IEDA is required to submit quarterly reports to DOE, which must include reports on active and open awards. Report dates will follow the federal fiscal year (October 1 to September 30).

Awardees are required to submit quarterly reports to IEDA with the required content. Failure to submit reports by the established deadlines may result in termination of the award agreement and repayment of grant funds. All deliverables, including the audit report, must be submitted and approved before the project can be considered closed.

Report type	Quarter Date Range	Report Due to IEDA
Quarter 1	October 1 – December 31	January 15
Quarter 2	January 1 – March 31	April 15
Quarter 3	April 1 – June 30	July 15
Quarter 4	July 1 – September 30	October 15

Reports

Reports will be submitted to IEDA via IowaGrants.gov on the dates in the chart above. These reports may include some information that was already conveyed in the initial application to

IEDA, in addition to several other topics. Each report will require the submittal of metric data, accomplishments, future goals and problems.

Awardees must report on any applicable metrics listed below:

1. Number of investment grade audits performed
2. Square footage of buildings/facilities audited
3. Auditor’s projection of energy savings
4. Number of projects started based on audits

IEDA will review the report submittal in IowaGrants.gov and correspond with the award administrator with any questions or additional information needed prior to the submittal to DOE.

MONITORING AND COMPLIANCE

Alongside the assessment of quarterly reports, IEDA will provide ongoing monitoring, oversight, and technical support throughout the award agreement period. The evaluation methods for compliance will be shared with awardees before they are implemented. As additional federal guidance is developed and disseminated, IEDA will continue to inform its awardees about pertinent updates. This may include periodic monitoring or spot-checks of certain documentation held by the awardee that correlates with federal requirements.

IEDA will help the DOE with any inquiries or follow-ups related to the quarterly reports submitted. Additionally, IEDA may carry out a site visit to check that projects were completed as planned and to confirm that the energy efficiency improvement was implemented. IEDA will inform the award administrator at least seven business days before a monitoring visit.

CLOSEOUT PROCEDURES

The success of a project is evaluated based on the agreed-upon scope of work, budget, and performance metrics. Once the final claim is processed, IEDA will perform a closeout review and audit of the project. If there are any remaining funds after the final claim and payment, those unused funds will be deobligated. After all program requirements are met, IEDA will issue a final closeout notice stating the funds were spent in accordance with the agreement. Once a closeout notice has been issued, the award status on IowaGrants.gov will be updated, disabling any further claims.

In the event an agreement is terminated, a termination notice will be issued, and award status will be updated accordingly.