

Approved March 18, 1992  
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Representative Diane Gjerstad at  
Chairperson

3:35 ~~xxx~~ p.m. on Thursday, March 5, 1992 in room 423-S of the Capitol.

All members were present except:

Representatives Baker, and Wagon. Excused.

Committee staff present:

Lynne Holt, Legislative Research  
Betty Manning, Secretary

Conferees appearing before the committee:

Jim Beckley, Director, Trade Development Division, KDOC

Chairperson Gjerstad opened the meeting at 3:35 p.m.

She announced that flowers and a card were sent in memory of Jim Wilson's mother who passed away this week.

She also stated that she would request several bills be exempt from the program due to the deadline.

Hearings were opened on **HB 3128**, trade show promotion act, and the Chair welcomed Jim Beckley, Director, Trade Development Division, KDOC. Mr. Beckley testified in support of amending the trade show promotion act created by the 1989 legislature. There would be no increase in the costs and the allocated funding levels would not be affected. The change would be in how approved funding is distributed to Kansas companies. The legislation would increase the allowed reimbursable limit for international trade shows.

Mr. Beckley asked the committee to act favorably on this legislation as it would have a positive impact upon the marketing efforts of Kansas companies. Attachment 1.

Mr. Beckley and Secretary of Department of Commerce, Laura Nichol responded to questions from committee members.

There were no other proponents or opponents.

Hearings were closed on **HB 3128**.

Representative Chronister made a motion to amend Page 3, line 26 reducing 30% to 20% to allow only 10% on domestic trade shows. Seconded by Representative Bishop. Motion carried.

Representative Chronister made a motion to amend Page 3, lines 15 and 16 to read, "(B) the amount of \$2500 for a domestic show or \$4000 for an international trade show", and on Page 3, line 17 (C) changing the dollar amount to \$5000 and on Page 3, line 20, the dollar amount would be \$8000. Seconded by Representative Wempe. Motion carried.

Representative Chronister made a motion **HB 3128** be passed favorably as amended. Seconded by Representative Weimer. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT,  
room 423-S, Statehouse, at 3:35 ~~xxx~~ p.m. on Thursday, March 5, 1992

Chairperson Gjerstad opened discussion on **HB 2918**, an act concerning Kansas Development Finance Authority relating to issuance of bonds for certain housing development.

Representative Bishop made a motion this legislation be passed favorably. Seconded by Representative Hamm. Motion carried.

The Chair opened further discussion on **HB 2808** relating to Kansas Venture Capital, Inc. membership of the board. A copy of the attorney general's opinion on the question of whether proposed expansion of the Board of Directors of the Kansas Venture Capital, Inc. (KVC) to include the state treasurer would make records of KVC subject to Kansas Open Records Act. A copy of the opinion was distributed. Attachment 2. It was the informal opinion of the attorney general that this legislation would not make records of KVC subject to Kansas Open Records Act. Any state officer serving on KVC board pursuant to a statutory requirement could be subject to same limitations applicable to any board of directors of that corporation.

Representative Chronister made a motion to table **HB 2808**. Seconded by Representative Brown. Motion carried. Division vote called.

The Chair then opened further discussion on **ERO-23**, an act to reorganize various housing programs into a division on housing within the Kansas Department of Commerce. Discussion was held and it was determined that staff would come up with a resolution reflecting various concerns and this resolution would be looked at the early part of next week.

Representative Hamm made a motion to approve minutes of February 27, 1992. Seconded by Representative Bishop. Motion carried.

The meeting was adjourned at 4:35 p.m.



PREPARED FOR:  
HOUSE ECONOMIC DEVELOPMENT  
COMMITTEE

MARCH 5, 1992

**KAN/SAS**

*Eco-Devo  
Attach 1  
03-05-92*

**TABLE OF CONTENTS**

<b>TESTIMONY</b>	<b>Page 01</b>
By: Mr. J. Beckley	
Director, Trade Development Division	
 <b>KANSAS TRADE SHOW ASSISTANCE PROGRAM</b>	
FY 90 & 91 program results	<b>Page 05</b>
 <b>PROGRAM INFORMATION MATERIALS</b>	
Information Cover Letter	<b>Page 10</b>
Application	<b>Page 11</b>
KTSAP Guidelines	<b>Page 14</b>
Application Review Form	<b>Page 16</b>
Application Approval Letter	<b>Page 18</b>
KTSAP Agreement	<b>Page 19</b>
Form DA-146a	<b>Page 22</b>
IRS Form W-9	<b>Page 23</b>
Postshow and Six Month Evaluation Report	<b>Page 24</b>

Madame Chair, members of the committee.

Thank you for the opportunity to testify in support of amendments to the Kansas Trade Show Assistance program. Through HB3128 changes are proposed that will give the program more flexibility to assist Kansas companies in pursuing marketing opportunities.

Since I was just before you a little over a month ago, I do not want to repeat many of the details about the program, but let me highlight the program and show results of the last two fiscal years.

The program was created by the 1989 Kansas Legislature to assist Kansas businesses in the pursuit of new markets. Currently the Act allows the Secretary of Commerce to provide financial assistance to Kansas companies participating in international trade shows.

To date, over 160 Kansas companies have utilized and benefited from this program. Kansas companies have been extremely pleased with the program, and have reported many times, that without the assistance, they would have been unable to participate in an international trade show.

Pages 5 - 9 visually depict the program for FY90 and FY91:

HB3128 would expand on the success of the program by:

- 1) broadening the assistance program to allow Kansas companies to participate in selected domestic trade shows;
- 2) maintain the current limit of 50% of trade show expenses reimbursable with a \$3,500 per show cap and a \$7,000 per fiscal year per company cap for domestic trade shows;
- 3) increase the allowed reimbursable limit for international trade shows to \$4,500 per show and a \$9,000 per fiscal year per company cap;
- 4) expand the allowable freight expense limit to 80% of total freight cost for both domestic and international trade shows; and
- 5) limit the amount of domestic trade show funding to not more than 30% of the total allocated funding per fiscal year.

Under HB3128 no costs would increase that are related to this program and the allocated funding levels would not be effected. The proposal would only reallocate how approved funding for the program is distributed to Kansas companies.

Key points to HB3128 are:

- The Division has found that many Kansas companies do not have the ability or are not ready to expand into the international marketplace, but do have the products and/or services that could be expanded in the domestic market. One of the major

obstacles to their success in large national trade shows is the tremendous cost. These large domestic shows are truly "where the buyers are", but if a small Kansas company cannot afford the show costs they are shut out of a potentially lucrative market.

- Increasing the allowable reimbursement limits for international trade shows is needed for two reasons. First, certain international trade shows are very expensive, but by many standards they are the best shows in the world. Kansas companies that wish to participate in these top shows have found it cost prohibitive. Second, even with the proposed increase limit in the limit of freight costs going to 80% (which I will discuss next), the limit of \$3,500 would be insufficient if Kansas companies would want to take advantage of the other reimbursable trade show expenses.
  
- Expanding the reimbursement rate for freight expenses to 80% for both domestic and international trade shows encourages the companies to actually ship products to the shows. One of the primary advantages of trade shows is the fact that a company can show their product to a large number of buyers at one time. The costs to ship manufactured products is a major deterrent to company participation in trade shows. Even if companies decide to participate in the program, many do not ship their products because of the high shipping costs. Without products at the show, Kansas companies are at a disadvantage in attracting buyers.



- Lastly, the amount limited to domestic shows would be not more than 30% of the total allocation to the program. This will allow the Trade Development Division programming to continue its major emphasis toward international marketing.

The Trade Development Division is confident that HB3128 will have a positive impact upon the marketing efforts of Kansas companies. Through these sales efforts wealth, prosperity and jobs in Kansas will surely grow. We request your favorable action on this bill.

I will be pleased to respond to any questions.

# Kansas Trade Show Assistance Program

FY90 - FY91

---

Year	Number of Disbursements	KTSAP Dollars Spent*	Company Reported Sales from Show Participation	Dollar Return Ratio
FY90	36	\$ 88,916.61	\$5,092,352.00	57.27**
FY91	62	\$145,050.01	\$5,870,989.61	40.47

(5)

\* Shows Cancelled or  
Co.'s Receipts Less  
Than Estimates

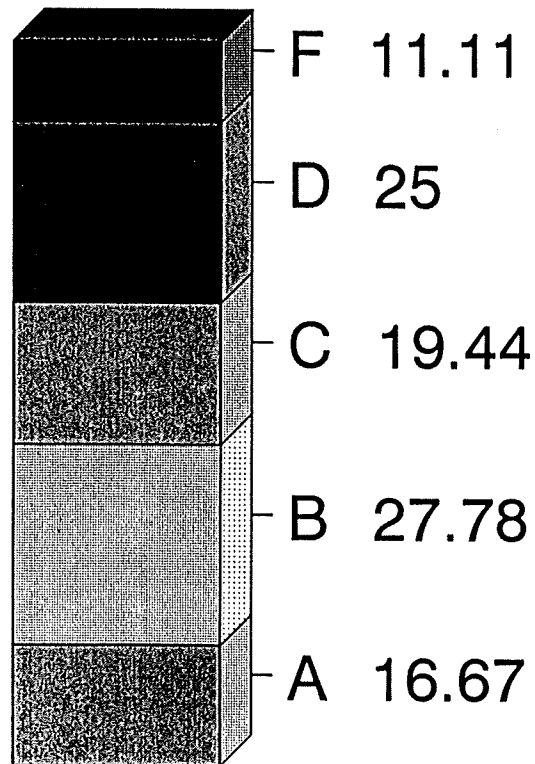
\*\* One deviation  
due to exceptionally high  
return. Actual would be Aprox.

26.76:1

Source: Kansas Company's Post-Show Reports/KTSAP Manager

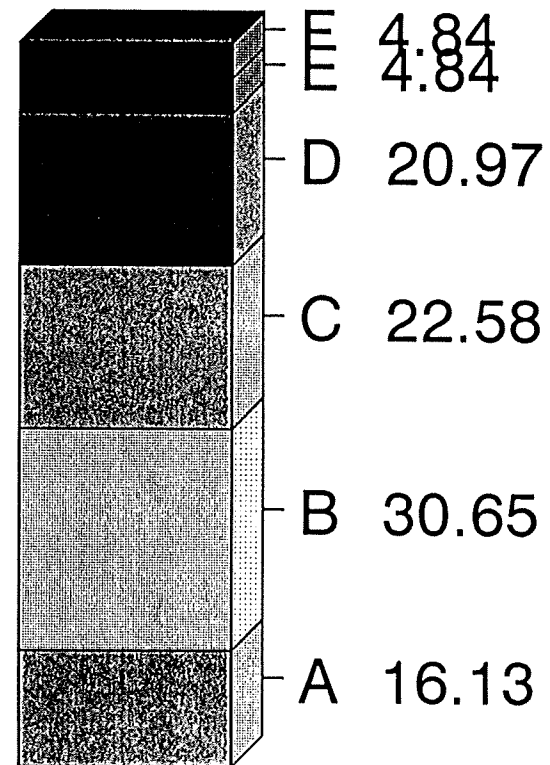
# KTSAP Participation FY 90 - FY 91

Percent of Total Participation Based on Company Size



FY 90

36 Disbursements



FY 91

62 Disbursements

Source: KTSAP Records/KTSAP Manager

# Kansas Trade Show Assistance Program

Dollar Returns by Region FY90 - FY91

---

	FY90	FY91
Germany	127.6	86.74
U.K.	68.73	12.37
Mexico	31.34	33.09
Canada	24.16	13.89
Korea	24.29	20.97
Australia	22.81	24.25
Spain	22.86	0
Netherlands	8.57	
China	2.86	
France	0	30.9
Singapore	0	17.18
Chile	0	
Thailand		84.68
UAE		23.58
Norway		88.6
Japan	0.87	0.27
Costa Rica		2.3
USSR		0
Netherland Antilles		0
Malaysia		0

Source: Kansas Company's Post-Show Reports/KTSAP Manager

# Kansas Trade Show Assistance Program

(KTSAP) - Eligible Expenses

---

- Space or Booth Rental Fees
- Participation Fees
- Space/Booth Design and Construction
- Space/Booth Furniture or Equipment Rental
- Translator/Interpreter Fees at the Show
- Dismantling of Booth/Exhibit
- Transportation of Equipment and Exhibition Materials to and from the show
- Space/Booth Utility Costs

(8)

# Kansas Trade Show Assistance Program

(KTSAP) - Ineligible Expenses

---

- Compensation, Wages, Salary of an Employee or Agent
- Travel
- Lodging
- Meals
- Hospitality

(6)



Joan Finney, Governor

# KANSAS

DEPARTMENT OF COMMERCE  
Trade Development Division

Laura E. Nicholl  
Secretary

James E. Beckley  
Director

March 3, 1992

Dear :

Enclosed herewith is information on the Kansas Trade Show Assistance Program (KTSAP). Enclosed is an application form and all related guideline materials. If your company decides to apply for trade show assistance, the application must be post-marked, at the latest, on or before the start of the trade show. Otherwise, the application will not be considered. It is a good idea, however, to submit your application as early as possible as funding is limited.

The Department of Commerce is pleased to be able to offer this trade show assistance program. Foreign shows are one of the best ways to develop international trade opportunities, promote products and services, and make face-to-face contact with foreign buyers. By reducing some of the costs associated with these shows, it is our hope, that Kansas firms will increasingly venture into the international marketplace.

If you have any questions or need further assistance, please feel free to contact me at (913) 296-4027.

Sincerely,

Wesley Jaeger  
Manager  
Trade Show Assistance Program

enclosures

**KANSAS TRADE SHOW ASSISTANCE PROGRAM  
(KTSAP)  
APPLICATION- FY92**

This form is used by the Kansas Department of Commerce, Trade Development Division, to determine if a Kansas firm is eligible for foreign trade show direct expense reimbursement of up to one-half (1/2) and not to exceed \$3500 per show with reimbursements not to exceed \$7000 of financial assistance during a state fiscal year (July 1 to June 30). To meet the current guidelines the trade show must start before June 30, 1992. (Please type and answer every question).

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ Telex: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Title: \_\_\_\_\_

When was firm established: \_\_\_\_\_

Number of employees: \_\_\_\_\_

Annual sales for firm: \_\_\_\_\_

Percentage of sales attributable to export: \_\_\_\_\_

Countries where company has representation or where products have been sold (list country and product):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Explain your company's export knowledge and/or experience:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do you have CIF, FOB, and/or other price quotes available: \_\_\_\_\_

How would you respond to an order that exceeds your production output:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Name of trade show: \_\_\_\_\_

Trade show location and dates: \_\_\_\_\_

Have you attended this particular trade show before: \_\_\_\_\_

Percentage of Kansas content for product(s) at this show: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Names and titles of employee(s) who will attend the trade show. At least one full-time company employee/sales agent must attend the show. (attach a separate page if additional space is required):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Objectives for attending the trade show:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What is the market potential for your product in the area covered by the trade show:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Projected sales from this trade show participation: \_\_\_\_\_

Equipment/products/services to be exhibited at this show:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated trade show expenses (Please convert amounts into current U.S.\$- Exchange rate used \_\_\_\_\_ date \_\_\_\_\_):

	Company Est.	KDOC Est.
1. Booth space ( _____ square meters X cost per square meter)	\$ _____	\$ _____
2. Participation fees	\$ _____	\$ _____
3. Booth/space design and construction	\$ _____	\$ _____
4. Booth furniture or equipment rental	\$ _____	\$ _____

5. Travel or fees at the show	\$ _____	\$ _____
6. Dismantling of booth	\$ _____	\$ _____
7. Transportation of equipment and exhibition materials to and from the show	\$ _____	\$ _____
8. Booth utility costs	\$ _____	\$ _____
9. Other expenses not listed: _____	\$ _____	\$ _____
_____	\$ _____	\$ _____
<hr/>		
A. Total estimated direct expenses	\$ _____	\$ _____
B. Funding which the firm will receive to participate in the show from other trade show assistance programs or sources other than the firm	\$ _____	\$ _____
C. Line A minus line B	\$ _____	\$ _____
D. Estimated amount to be considered for reimbursement by the Department of Commerce under the Kansas Trade Show Assistance Program. (not to exceed the lesser of \$3500 or 1/2 of line C)	\$ _____	
E. Maximum amount approved by the Department. (to be filled out by Department)		\$ _____

I agree that if my application is approved, I will abide by the guidelines outlined by the Kansas Trade Show Assistance Program and will agree to enter into a written contract with the State of Kansas.

\_\_\_\_\_  
Applicant's Representative Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

Title: \_\_\_\_\_

Return to: Kansas Department of Commerce  
Trade Development Division  
400 SW 8th Street, Suite 500  
Topeka, Kansas 66603-3957  
(913) 296-4027  
FAX: 913 296-5263



Attn: Kansas Trade Show Assistance Program

**Please attach a copy of the trade show brochure and your company brochures, video, or other information or samples with this application in order to facilitate timely processing.**

- d) have English translations accompanying all non-English noted expenses
- 4. Enclose with invoice a W-9 taxpayers certification form. These will be provided by the Trade Development Division.
- 5. Proof of the official exchange rate at the time the expenses occurred and the type of currency if it is not the dollar (US\$). Proof must be provided by:
  - a) receipts given at the time of currency exchange,
  - b) published rate in the "Wall Street Journal" or other daily publication for the date the expense was incurred, or
  - c) a written quote from a bank stating exchange rate on specific date.

Reimbursement will not be made to a Kansas firm under the following conditions:

1. The applicant has received a total of \$7000 in reimbursements from the KTSAP during any state fiscal year (July 1 to June 30).
2. Products or services promoted at the show have not originated within the State or products have not been manufactured or have not received value added processing in Kansas.
3. If after sixty (60) days after the last day of the trade show the Trade Development Division has not received the proper reimbursement paperwork and/or has not received all required documentation to date.
4. Company fails to participate in the trade show specified, thus not complying with the statutory requirement concerning reimbursement.

At any time after a company application has been approved and changes in plans occur, the Trade Development Division must be notified.

Because of limited funding, it is possible that the number of Kansas companies applying for this assistance program could exceed the amount of funds available. The committee will reserve the right to limit the percentage and amount of funding.

For further information or clarification on the Kansas Trade Show Assistance Program please contact:

Kansas Department of Commerce  
 Trade Development Division  
 400 SW 8th Street, Suite 500  
 Topeka, Kansas 66603-3957

Tel: (913) 296-4027  
 Fax: (913) 296-5263  
 Telex: 4931494 KS

## KANSAS TRADE SHOW ASSISTANCE PROGRAM (KTSAP) GUIDELINES- FY92

### EXPENSES

Under the KTSAP the Trade Development Division of the Kansas Department of Commerce will reimburse a successful applicant up to one-half (1/2) of the approved expenses directly attributable to the applicant's participation in the trade show not to exceed \$3500 per show and no more than \$7000 in total financial assistance during a state fiscal year (July 1 to June 30). The KTSAP reimbursement will occur at the conclusion of the trade show and after all documentation and official paid receipts are turned into the Department.

Direct expenses available for reimbursement include only those expenses attributable to promoting Kansas products or services as outlined later.

The following foreign trade show expenses, within reason, are examples of direct expenses that the Department of Commerce would consider for reimbursement:

1. Space rental fees
2. Participation fees
3. Booth/space design and construction
4. Booth furniture or equipment rental
5. Translator fees at the show
6. Dismantling of booth
7. Transportation of equipment and exhibition materials to and from the show
8. Booth utility costs

Examples of expenses which are not eligible for reimbursement are:

1. Compensation, wages, salary of an employee/sales agent of a Kansas firm
2. Travel
3. Lodging
4. Meals

Funds received by the firm to participate in the foreign trade show from a trade show promotion program other than the KTSAP must be deducted from the direct expense eligible under the KTSAP.

### ELIGIBILITY

Kansas companies which are eligible to receive a reimbursement are those businesses with services (including engineering, design, architectural) originating within the State (excluding banks, freight forwarders, export management

companies) or products manufactured or which receive value added processing in Kansas.

In addition to the above requirements, the business must:

1. Be targeting a new market for their product(s) or service(s), or
2. Wanting to locate an agent, representative or distributor, or
3. Wanting to introduce a new product into an established market.

## QUALIFICATION

Firms must be qualified by the KTSAP Overview Committee in order to receive reimbursement. To qualify, the company must complete the following steps:

1. The firm shall agree to have a full-time company employee/sales agent at the trade show.
2. The foreign trade show starting dates must fall between July 1, 1991 and June 30, 1992.
3. The firm must apply before the date of the trade show. Because funds are limited, it is recommended that company's apply not less than three (3) months prior to the date of the foreign trade show.
4. The firm should demonstrate knowledge of a demand for its products in the location of the show.
5. Submit to the Trade Development Division the KTSAP application and, if requested, provide additional information on said application to the Division.
6. Agree to provide the Trade Development Division a post-show report and a six (6) month follow-up report as to the effectiveness of the participation in the show in enhancing export opportunities and sales. The post-show report is to be submitted with the expense receipts. These reports will allow the Trade Development Division to judge the effectiveness of the program and insure its continued funding by the State.

## ACCEPTANCE

The KTSAP overview committee will review the application upon receipt and once the application is approved the company will be eligible to receive reimbursement funding from the KTSAP.

The company will be sent the following:

1. Acknowledgement of participation
2. Contractual agreement to execute and return
3. Any additional information as may be required by the Department

## REIMBURSEMENT

Selection of applicants is at the discretion of the Kansas Trade Show Assistance Program (KTSAP) Overview Committee based on the criteria for eligibility as previously outlined. Successful applicants will enter into an agreement for reimbursement with the Trade Development Division.

Following the trade show the applicant should request reimbursement by:

1. Providing the Trade Development Division with a completed, initial trade show report that documents the firm's participation at the show including the number of leads generated, agents/representatives/distributors signed, sales figures on or off-the-floor as well as the firm's objectives.
2. Provide on company letterhead an invoice listing each reimbursable expense. With each expense state:
  - a) date expense occurred
  - b) vendor paid
  - c) dollar (US\$) amount paid
  - d) description of why vendor was paid

After listing expenses total the dollar amount.

3. Attach to invoice all official paid receipts documenting reimbursable expenses as a result of show participation. The documentation of the original receipts must (all original receipts will be returned, if requested):
  - a) be signed by the payee
  - b) indicate the dollar (US\$) amount paid
  - c) not be altered in the dollar amount
  - d) indicate the purpose of payment
  - e) give name of the payor
  - f) give date of payment
  - g) have English translations accompanying all non-English noted expenses
  - h) be legible

All preprinted or standardized receipts must:

- a) give name of payee
- b) indicate dollar (US\$) amount
- c) indicate purpose of expense

Kansas Trade Show Assistance Program  
(KTSAP)  
Application Review  
FY92

Company Name: \_\_\_\_\_

Show: \_\_\_\_\_

Product: \_\_\_\_\_

Reviewed by KTSAP Overview Committee\*: March 3, 1992

The following criteria are used by the Trade Development Division Overview Committee for evaluating applications for funding under the Kansas Trade Show Assistance Program (KTSAP). Applicants who attain a threshold of eighty percentage points or more will be recommended to the Secretary for funding. In the case of limited funding, when applications, which have met the eighty percent threshold, exceed available funding, applicants' total points will be used to determine which applicants would be recommended for funding to the Secretary for approval.

40%- SHOW APPROPRIATENESS: \_\_\_\_\_%

Items for Consideration Include:

- Show Location
- Show Timing
- Company's Product Fit
- Trade Visitors Attending Show
- Show's Reputation
- Number of Buyers Attending Show
- Show Frequency

20%- PURPOSE OF SHOW ATTENDANCE: \_\_\_\_\_%

Items for Consideration Include:

- Find New Market
- Find New Product
- Find Agent/Distributor
- Amount Company Has Researched Show
- Market Knowledge

15%- COMPANY COMMITMENT: \_\_\_\_\_%

Items for Consideration Include:

- Company Attendees at Show
- Type of Display and Materials to be Shipped
- Period of Attendance
- Company Financial Commitment

25%- PERCENTAGE OF KANSAS CONTENT: \_\_\_\_\_%

Total number of percentage points: \_\_\_\_\_%

KTSAP Overview Committee: Recommend/Not Recommend: \_\_\_\_\_

KTSAP Overview Committee: Recommended Funding Level: \_\_\_\_\_

KTSAP Overview Committee Members Reviewing Application

\_\_\_\_\_  
Deputy Secretary of Commerce Approved/Not Approved: \_\_\_\_\_

Deputy Secretary of Commerce Approved Funding Level: \_\_\_\_\_

\_\_\_\_\_  
Carole L. Morgan  
Kansas Deputy Secretary of Commerce

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

\*The KTSAP Overview Committee is comprised of professional staff members of the Kansas Department of Commerce, Trade Development Division.



Joan Finney, Governor

# KANSAS

DEPARTMENT OF COMMERCE  
Trade Development Division

Laura E. Nicholl  
Secretary

James E. Beckley  
Director

March 3, 1992

RE:

Dear :

We are delighted to inform you that your application for the Kansas Trade Show Assistance Program (KTSAP) has been approved.

The Kansas Department Of Commerce (KDOC) will reimburse your direct show expenses in an amount not to exceed \$. This amount is contingent upon your final expenses falling within the reimbursement guidelines.

Enclosed are three documents. Two (2) are copies of the Kansas Trade Show Assistance Program Agreement, one (1) is an amended copy of your original program application, and one (1) W-9 form. Please have a company officer sign both copies of the agreement (page 3 as well as the contractual Provisions attachment) and the W-9 form and return them to the Trade Development Division. These contracts will then be signed by the Secretary of Commerce and one will be returned for your records. The amended application is enclosed to reflect the KDOC Overview Committee's approval of certain line item direct expenses. It should be noted that some approved expense estimates will vary from original requests. Any calculations that the committee has used will be included for your review.

If you should have any questions or require additional clarification, please contact the Trade Development Division at (913) 296-4027.

Sincerely,

Wesley Jaeger  
Manager  
Trade Show Assistance Program

enclosures

Kansas Department of Commerce  
Trade Development Division

Kansas Trade Show Assistance Program (KTSAP)  
Trade Show Assistance Agreement  
FY92

This Trade Show Assistance Agreement, hereafter referred to as the "Agreement", is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between the Kansas Department of Commerce ("KDOC"), and \_\_\_\_\_ ("Company").

Whereas, Company has applied to KDOC for trade show assistance to undertake activities consistent with those provisions as specified under the Kansas Trade Show Assistance Program (KTSAP), and

Whereas, the KDOC and Company desire to enter into this Agreement in order to establish the amount of trade show assistance to be reimbursed for qualified direct expenses.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the KDOC and the Company hereby agree as follows:

KDOC, in reliance upon the Company's application dated \_\_\_\_\_, 19\_\_\_\_, ("Application"), which is hereby incorporated into and made a part of this contract, is attached as Attachment A, has approved a reimbursement of direct show related expenses for the show as outlined in the Application. Reimbursement will be made in conformity with the requirements and provisions of this Agreement and the Guidelines.

KDOC agrees to reimburse Company an amount not to exceed \$ \_\_\_\_\_. This amount is contingent upon the final expenses falling within the reimbursement guidelines.

1. Purpose. The purpose of this Trade Show assistance to Company is to reimburse Company for a maximum of one half (1/2) of the total approved amount of expenses, not to exceed \$3500 per show. Reimbursements during a state fiscal year (July 1-June 30) may not exceed \$7,000. Examples of eligible direct expenses attributable to the trade show are as outlined:

- A. Space rental fees
- B. Participation fees
- C. Booth/space design and construction
- D. Booth furniture or equipment rental
- E. Translator fees at the show
- F. Dismantling of booth
- G. Transportation of equipment and exhibition materials to and from the show
- H. Booth utility costs
- I. Other direct expenses eligible for reimbursement with prior approval of the KTSAP Overview Committee (if none, insert "none" in the blanks):

2. Conditions for Reimbursement. Upon completion of those activities listed in paragraph one (1) and the payment of eligible direct expenses by Company, Company will request reimbursement by:

- A. Providing the Trade Development Division with a written statement - a completed, initial trade show report - documenting the firm's success at the show including the number of leads generated, agents/representatives/distributors signed, sales figures on or off-the-floor as well as the firm's objectives.
- B. Provide on company letterhead an invoice listing each reimbursable expense. Each expense will state:
  - 1) date expense occurred
  - 2) vendor paid
  - 3) dollar (US\$) amount paid



4) description of why vendor was paid

C. Provide the Trade Development Division with official paid receipts documenting reimbursable expenses as a result of show participation. The documentation of the original receipts must:

- 1) be signed by the payee
- 2) indicate the dollar (US\$) amount paid
- 3) not be altered in the dollar amount
- 4) indicate the purpose of payment
- 5) give name of the payor
- 6) give date of payment
- 7) have English translations accompanying all non-English noted expenses
- 8) be legible

D. Preprinted or standardized receipts must:

- 1) give name of payee
- 2) indicate dollar (US\$) amount
- 3) indicate purpose of payment
- 4) have English translations accompanying all non-English noted expenses

E. Proof of the official exchange rate at the time the expenses were occurred and payment was made in a currency other than the dollar (US\$). Proof must be provided by:

- 1) receipts given at the time of currency exchange,
- 2) published rate in the "Wall Street Journal" or other daily publication for the date the expense was incurred, or
- 3) a written quote from a bank stating exchange rate on specific date.

F. Upon receipt of a request for reimbursement, KDOC will either remit up to the amount approved in this contract of the authorized direct expenses or notify Company in writing of the reason(s) why the request for reimbursement will not be granted.

3. KDOC shall not remit a reimbursement to Company under the following conditions:

A. Any of the conditions outlined under the qualification agreement are not met.

B. The Company has received a total of \$7000 reimbursement from the KDOC during a state fiscal year (July 1 to June 30).

C. Products or services promoted at the show have not originated within the State or products have not been manufactured or have not received value added processing in Kansas.

D. If the KDOC has not received a reimbursement request and appropriate documentation from the company on or before 60 days after last day of trade show.

E. Company fails to participate in the trade show, as specified, thus not complying with statutory requirements concerning reimbursement.

4. Reports. Along with the request for reimbursement Company shall submit to KDOC: 1) a post-show/initial report and 2) a six (6) month follow-up report as to the effectiveness of the participation in the show in enhancing its

export opportunities and sales. The post-show/initial report will be submitted with the receipts for direct expense

5. Recapture. In the event of fraud by Company or Company does not properly report expenses or does not properly report amounts received by Company from a trade show promotion other than KTSAP, the Department shall have eight (8) months from the date of payment of the request for reimbursement of expenses to recapture the total amount, or any portion thereof, paid to Company by Department.

6. Amendment. This Agreement may be amended upon consent of both parties. The amendment must be reduced to writing and signed by each party.

7. The Company agrees that the Kansas Department of Commerce, its members, officers, employees, or agents shall not be held responsible or liable to the Company for actions taken by the Company in reliance upon this agreement. Therefore, the undersigned assumes all responsibility risk of damages, losses, costs related thereto and hereby agrees to indemnify and hold harmless the Kansas Department of Commerce against any and all claims, suits, losses, damages, costs of any kind and of any nature that the Company may hereinafter suffer, incur, or pay arising out of the performance by Company at a trade show for which a direct reimbursement of expenses is contracted for with the Kansas Department of Commerce.

8. This Agreement constitutes a binding contract under Kansas law upon the KDOC and Company and is binding on all successors in interest to the Company.

The undersigned hereby certify that the information set forth in this Agreement, the application form and in any Attachment in support thereof is true, correct, and complete to the best of the applicant's knowledge and belief.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates entered below.

\_\_\_\_\_  
Company Name - (TYPE)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name - (PRINT)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

State of Kansas  
Department of Commerce  
Trade Development Division

\_\_\_\_\_  
Carole L. Morgan  
Deputy Secretary  
Kansas Department of Commerce

\_\_\_\_\_  
Date

Contractual Provisions Attachment

The provisions found in the Contractual Provision Attachment (form DA-146a), which is attached hereto and executed by the parties to this Agreement, are hereby incorporated in this contract and made a part hereof.

**CONTRACTUAL PROVISIONS ATTACHMENT**

**Important:** This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

*"The provisions found in Contractual Provisions Attachment (form DA-146a), which is attached hereto and executed by the parties to this agreement, are hereby incorporated in this contract and made a part hereof."*

The undersigned parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the \_\_\_ day of \_\_\_\_\_, 19\_\_

**1. TERMS HEREIN CONTROLLING PROVISIONS**

It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated.

**2. AGREEMENT WITH KANSAS LAW**

All contractual agreements shall be subject to, governed by, and construed according to the laws of the State of Kansas.

**3. TERMINATION DUE TO LACK OF FUNDING APPROPRIATION**

If, in the judgment of the Director of Accounts and Reports, State Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.

**4. DISCLAIMER OF LIABILITY**

Neither the State of Kansas nor any agency thereof shall hold harmless or indemnify any contractor beyond that liability incurred under the Kansas Tort Claims Act (K.S.A. 75-6101 *et seq.*)

**5. ANTI-DISCRIMINATION CLAUSE**

The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 *et seq.*) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 *et seq.*) and to not discriminate against any person who performs work hereunder, because of race, religion, color, sex, physical handicap unrelated to such person's ability to engage in this work, national origin or ancestry, or age; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such act by the Kansas Commission on Civil Rights, shall constitute a breach of the contract and it may be cancelled, terminated or suspended in whole or in part by the Director of Purchases, State Department of Administration.

Parties to this contract understand that subsections (b) through (e) of this paragraph number 5 are not applicable to a contractor who employs fewer than four employees or whose contract with this agency of the Kansas state government total less than \$5,000 during this fiscal year.

**6. ACCEPTANCE OF CONTRACT**

This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.

**7. ARBITRATION, DAMAGES, WARRANTIES**

Notwithstanding any language to the contrary, no interpretation shall be allowed to bind the State or any agency thereof has agreed to binding arbitration, or the payment of damages or penalties upon the occurrence of a contingency. Further, the State of Kansas shall not agree to pay attorney fees and late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect which attempts to exclude, modify, disclaim or otherwise attempt to limit implied warranties of merchantability and fitness for a particular purpose.

**8. REPRESENTATIVE'S AUTHORITY TO CONTRACT**

By signing this document, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this document on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.

**9. RESPONSIBILITY FOR TAXES**

The State of Kansas shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.

**10. INSURANCE**

The State of Kansas shall not be required to purchase, any insurance against loss or damage to any personal property to which this contract relates, nor shall this contract require the state to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 *et seq.*), the vendor or lessor shall bear the risk of any loss or damage to any personal property in which vendor or lessor holds title.

Vendor/Contractor:

Agency Head/Authorized Representative:

\_\_\_\_\_  
Date Signature  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signature  
\_\_\_\_\_  
Title

# Request for Taxpayer Identification Number and Certification

**Give this form  
 to the requester. Do  
 NOT send to IRS.**

Please print or type	Name (If joint names, list first and circle the name of the person or entity whose number you enter in Part I below. See instructions under "Name" if your name has changed.)	
	Address (number and street)	List account number(s) here (optional)
	City, state, and ZIP code	

**Part I Taxpayer Identification Number**

Enter your taxpayer identification number in the appropriate box. For individuals and sole proprietors, this is your social security number. For other entities, it is your employer identification number. If you do not have a number, see *How To Obtain a TIN*, below.

Social security number								

OR

Employer identification number								

**Note:** If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

**Part II For Payees Exempt From Backup Withholding (See Instructions)**

Requester's name and address (optional)

**Certification.**—Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, the acquisition or abandonment of secured property, contributions to an individual retirement arrangement (IRA), and payments other than interest and dividends).

**Certification Instructions.**—You must cross out item (2) above if you have been notified by IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. (Also see Signing the Certification under Specific Instructions, on page 2.)

Please Sign Here	Signature ►	Date ►
------------------	-------------	--------

**Instructions**

*(Section references are to the Internal Revenue Code.)*

**Purpose of Form.**—A person who is required to file an information return with IRS must obtain your correct taxpayer identification number (TIN) to report income paid to you, real estate transactions, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an individual retirement arrangement (IRA). Use Form W-9 to furnish your correct TIN to the requester (the person asking you to furnish your TIN), and, when applicable, (1) to certify that the TIN you are furnishing is correct (or that you are waiting for a number to be issued), (2) to certify that you are not subject to backup withholding, and (3) to claim exemption from backup withholding if you are an exempt payee. Furnishing your correct TIN and making the appropriate certifications will prevent certain payments from being subject to the 20% backup withholding.

**Note:** If a requester gives you a form other than a W-9 to request your TIN, you must use the requester's form.

**How To Obtain a TIN.**—If you do not have a TIN, apply for one immediately. To apply, get **Form SS-5**, Application for a Social Security Number Card (for individuals) from your local office of the Social Security Administration, or **Form SS-4**, Application for Employer Identification Number (for businesses and all other entities), from your local Internal Revenue Service office.

To complete Form W-9 if you do not have a TIN, write "Applied For" in the space for the TIN in Part I, sign and date the form, and give it to the requester. Generally, you will then have 60 days to obtain a TIN and furnish it to the requester. If the requester does not receive your TIN within 60 days, backup withholding, if applicable, will begin

and continue until you furnish your TIN to the requester. For reportable interest or dividend payments, the payer must exercise one of the following options concerning backup withholding during this 60-day period. Under option (1), a payer must backup withhold on any withdrawals you make from your account after 7 business days after the requester receives this form back from you. Under option (2), the payer must backup withhold on any reportable interest or dividend payments made to your account, regardless of whether you make any withdrawals. The backup withholding under option (2) must begin no later than 7 business days after the requester receives this form back. Under option (2) the payer is required to refund the amounts withheld if your certified TIN is received within the 60-day period and you were not subject to backup withholding during that period.

**Note:** Writing "Applied For" on the form means that you have already applied for a TIN OR that you intend to apply for one in the near future.

As soon as you receive your TIN, complete another Form W-9, include your TIN, sign and date the form, and give it to the requester.

**What Is Backup Withholding?**—Persons making certain payments to you are required to withhold and pay to IRS 20% of such payments under certain conditions. This is called "backup withholding." Payments that could be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee compensation, and certain payments from fishing boat operators, but do not include real estate transactions.

If you give the requester your correct TIN, make the appropriate certifications, and report all your taxable interest and dividends on your tax return, your payments will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

- (1) You do not furnish your TIN to the requester, or
  - (2) IRS notifies the requester that you furnished an incorrect TIN, or
  - (3) You are notified by IRS that you are subject to backup withholding because you failed to report all your interest and dividends on your tax return (for interest and dividend accounts only), or
  - (4) You fail to certify to the requester that you are not subject to backup withholding under (3) above (for interest and dividend accounts opened after 1983 only), or
  - (5) You fail to certify your TIN. This applies only to interest, dividend, broker, or barter exchange accounts opened after 1983, or broker accounts considered inactive in 1983.
- For other payments, you are subject to backup withholding only if (1) or (2) above applies.

Certain payees and payments are exempt from backup withholding and information reporting. See *Payees and Payments Exempt From Backup Withholding*, below, and *Exempt Payees and Payments under Specific Instructions*, on page 2, if you are an exempt payee.

**Payees and Payments Exempt From Backup Withholding.**—The following is a list of payees exempt from backup withholding and for which no information reporting is required. For interest and dividends, all listed payees are exempt except item (9). For broker transactions, payees listed in (1) through (13), and a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if made to payees described in items (1) through (7), except that a corporation that provides medical and health care services or bills and collects payments for such services is not exempt from backup withholding or

1-25



Joan Finney, Governor

# KANSAS

DEPARTMENT OF COMMERCE  
Trade Development Division

Laura E. Nicholl  
Secretary

James E. Beckley  
Director

March 3, 1992

RE:

Dear :

The Kansas Trade Show Assistance Program (KTSAP) Agreement requires participating firms to submit both a post-show and a six (6) month evaluation report concerning each trade show approved, attended and funded under KTSAP by the Kansas Department of Commerce (KDOC). The first part of these two reports, the post show evaluation form, is enclosed. To receive KTSAP reimbursement, this initial report must be postmarked for return no later than two (2) months from the last day of the KTSAP supported trade show. In addition, the KDOC, in order to process your application needs all invoices and/or payments for which your firm is claiming reimbursement under KTSAP.

Your evaluation reports are important; they will not only allow the Trade Development Division of the KDOC to determine the effectiveness of the KTSAP program, but they will also influence the legislature's funding and continued support of this program.

The Kansas Trade Show Assistance Program appreciates this opportunity to assist your firm in its effort to expand internationally. If we can be of further assistance or if you have any comments or suggestions, please feel free to contact the Trade Development Division at (913) 296-4027. We look forward to reading your trade show evaluations!

Sincerely,

Wesley Jaeger  
Manager  
Trade Show Assistance Program

enclosures

Kansas Department of Commerce  
Trade Development Division  
Kansas Trade Show Assistance Program

Post-Show Evaluation

1. Company Name: \_\_\_\_\_
2. Contact Person: \_\_\_\_\_
3. Show Attended: \_\_\_\_\_
4. Show Dates: \_\_\_\_\_
5. Show Location: \_\_\_\_\_
6. Exhibition Objectives and Satisfaction:

<u>Objective</u>	<u>Satisfied (Yes, No, N/A)?</u>
A. Find Sales Representative	_____
B. Find Licensee	_____
C. Find Joint Venture Partner	_____
D. Immediate Sales During Show	_____
E. Market Exposure	_____
F. Test Market	_____

7. Result of Participation in Show:

- A. Number of sales leads: \_\_\_\_\_
- B. Number of sales leads Under negotiation: \_\_\_\_\_
- C. Number of agent/representative agreements signed: \_\_\_\_\_
- D. Number of agent/representative agreements under negotiation: \_\_\_\_\_
- E. Number of licensee agreements signed: \_\_\_\_\_
- F. Number of licensee agreements under negotiation: \_\_\_\_\_
- G. Number of joint venture agreements signed: \_\_\_\_\_
- H. Number of joint venture agreements under negotiation: \_\_\_\_\_
- I. US\$ value of export sales during show: \_\_\_\_\_
- J. Estimated sales over next six months: \_\_\_\_\_





DIANE A. GJERSTAD  
 REPRESENTATIVE, NINETY-EIGHTH DISTRICT  
 SEDGWICK COUNTY  
 2701 LULU  
 WICHITA, KANSAS 67216-1237



TOPEKA

HOUSE OF  
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
 CHAIR: ECONOMIC DEVELOPMENT  
 JOINT COMMITTEE ON ECONOMIC  
 DEVELOPMENT  
 MEMBER: FEDERAL AND STATE AFFAIRS  
 LABOR AND INDUSTRY  
 SPECIAL CLAIMS AGAINST THE  
 STATE

February 12, 1992

Honorable Attorney General Bob Stephen  
 Judicial Center  
 301 S.W. 10th  
 2nd Floor  
 BUILDING MAIL

Dear Attorney General Stephen:

On February 12, the House Committee on Economic Development held hearings on 1992 H.B. 2808, which would expand the Kansas Venture Capital, Inc. (KVCII) Board to include the State Treasurer. Existing law provides for 15 board members, all from the private sector, as specified in K.S.A. 74-8203 (g).

In her testimony to the House Committee, State Treasurer Sally Thompson supported the bill, noting that it would "provide the Pooled Money Investment Board the capacity to provide oversight on behalf of the state on the public funds invested in Kansas Venture Capital." To date, the state has invested \$5 million in KVCII.

The President of KVCII, Rex E. Wiggins, opposed the bill, noting that KVCII is a federally-licensed "small business investment company" (SBIC) subject to SBA regulations. According to Mr. Wiggins, SBA regulations recognize the need for assuring portfolio companies that information provided to the SBIC remain confidential. Mr. Wiggins further noted that KVCII was advised by its counsel that "if any representative of the State of Kansas is a member of KVCII's Board of Directors, the liberal disclosure provisions of the Kansas Open Records Act ("KORA") could allow for the disclosure of confidential financial and other information, documents, trade secrets and other materials concerning KVCII's portfolio companies to virtually anyone who wanted to obtain such information." According to Mr. Wiggins, the concern of portfolio companies would be possible access of that information to the competitors of portfolio companies, which might be used to the detriment of the latter.

The questions to which I would like a response are the following:

1. Will inclusion of a public official on the Board of KVCII, such as the State Treasurer, effectuate the disclosure provisions of the Kansas Open Records Act?

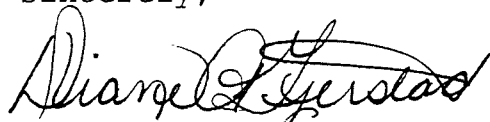
*Eco-Devo*  
*Attach 2*  
 03-05-92

2. Is there any provision that could be included in H.B. 2808 to allow a public official to serve on the KVCII Board and still exempt KVCII from the disclosure provisions of the Kansas Open Records Act?

I would appreciate as expeditious a reply to these questions as possible because Committee deliberation on this bill has been postponed until I receive your response.

To assist you and your staff, copies of the pertinent testimony, an overview of KVCII, and a copy of H.B. 2808 are enclosed with this letter.

Sincerely,



Representative Diane Gjerstad  
Chairperson  
House Committee on Economic-  
Development

Enclosures

DAG:bjm