

## **Nebraska Department of Economic Development Nebraska Seed Investment Program Guidelines**

The Business Innovation Act (BIA) establishes a program to provide financial assistance to individuals and businesses operating in Nebraska to support proof of concept or development, technology transfer, and innovation activities that stimulate innovation driven economic growth. The maximum amount of funding for the Seed Investment Program will be \$4 million each year subject to availability.

There will be an open application cycle, and approved applications will be funded until the allocation is exhausted; however, DED reserves the right to suspend acceptance of applications depending on funding availability.

### **Seed Stage**

**Eligible Business** - Any Nebraska based corporation, Limited Liability Company, partnership, registered limited partnership, sole proprietorship, business trust, or other entity with less than 500 employees, engaged in non-retail primary industries that are adding value to products or processes in Nebraska.

**Eligible Uses of Funds** – Seed Stage funds may be used by the business to fund introduction of its own prototype or process to the market. Eligible uses of seed fund investment may include, but is not limited to:

- Working Capital
- Leasehold Improvements
- Equipment
- Job Creation
- Job Training

### **Seed Fund Provisions**

- An eligible business with up to 500 employees
- Investment must be matched at least 100%, or 25% for value-added agriculture projects, by the applicant
- Maximum funding of \$500,000 per project
- Funds must be expended within 24 months of the awarding decision

### **Seed Fund – Application Requirements**

- Complete application - attached
- Complete business plan with proof-of-concept demonstration

**Eligible matching funds** - include any non-state source which are: private foundations, federal or local governments, quasi-governmental entities, commercial lending institutions, investors, or

other sources provided they are not using funds appropriated by the Nebraska Legislature. The company's matching financing must be closed less than six (6) months before the application or within (6) months after a notice of award.

## **Project Selection**

For each application submitted, DED will perform an independent review, and at DED's discretion, may utilize the assistance of outside experts. The Department will contract with a Nebraska based nonprofit organization in order to have the nonprofit organization make investments, and administer and manage the investment process. In completing the review, DED will examine the following:

1. Whether there is a clear indication that the company has already sought private investment, or will be ready to seek private investment within the timeframe specified by the DED;
2. Whether there is evidence that the project is a platform technology and is scalable for high growth potential;
3. Whether there is verification that the applicant meets the eligibility requirements of the Commercialization program;
4. Whether there is a technology description and plan that is sufficient for external expert review;
5. Whether there is a detailed financial analysis that includes the commitment of resources by the applicant and others;
6. Whether there is sufficient detail concerning proposed project, type, and amount of work to be performed, and expected product, process, or service with estimated costs to be reflected in the negotiated contract or agreement; and
7. Whether there is a statement on the economic development potential of the project with sufficient supporting documentation.

DED may require an interview with the applicant's management to assess the management team and its business plan.

## **Application Timing and Process**

Applications will be accepted July 1, 2020 through June 30, 2021, or until all funds for the year are exhausted. Applicants must apply online at <https://opportunity.nebraska.gov/program/nebraska-seed-investment-program/> and must fully comply with all requirements within the time period specified. Applications that do not include all of the documentation or attachments specified, or that contain documents that have not been fully completed, will be considered returned to the applicant without further review. At its discretion, the DED may request supplemental materials from applicants. If the DED requests supplemental materials, it must be received within 15 days of the date of request.

## **DED PROGRAM CONTACT PERSON**

*For additional information or clarifications of this program, please direct your inquiries to:*

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