

Nebraska Department of Economic Development Nebraska Seed Investment Program Guidelines

The Business Innovation Act (BIA) establishes a program to provide financial assistance to 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 \$6 million each year subject to availability.

The Nebraska Department of Economic Development (DED) contracts with a Nebraska-based nonprofit venture capital firm who conducts due diligence and holds any investment made via the program. Invest Nebraska (www.investnebraska.com) is the under contract to provide services through June 30, 2023. Businesses interested in applying to the Seed Investment program should contact Invest Nebraska via their website.

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

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: employee wages, leasehold Improvements, equipment, marketing expenses, or other working capital.

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

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

The Department contracts with a Nebraska based nonprofit organization to place investments, administer, and manage the investment process. After due diligence has been conducted by the nonprofit organization, DED will conduct a final review of the deal documents and pitch deck/business plan prior to approving any investment.

The Department will consider the following items when considering any investment:

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 Seed investment 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. 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.

Application Timing and Process

Applications will be accepted July 1st through June 30th of each fiscal year or until all funds for the year are exhausted.

Businesses that are interested in applying for the Seed Investment program should contact Invest Nebraska directly to discuss their application process. Invest Nebraska can be contacted via their website at www.investnebraska.com.

DED Program Contact Information

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

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