

# Qualified Action Plan for the State of Nebraska Business Innovation Programs

Prepared for  
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by the  
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The Department of Economic Development

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## **BUSINESS INNOVATION PROGRAMS QUALIFIED ACTION PLAN DEFINITION OF TERMS**

**Distressed Area** – a municipality, a county with a population of fewer than one hundred thousand inhabitants according to the most recent federal decennial census, an unincorporated area within a county, or a census tract in Nebraska that (a) has an unemployment rate which exceeds the statewide average unemployment rate, (b) has a per capita income below the statewide average per capita income, or (c) had a population decrease between the two most recent federal decennial censuses.

**Microenterprise** – a for-profit business entity with not more than ten full-time equivalent employees.

**Nonmetropolitan areas** – counties with fewer than one hundred thousand inhabitants according to the most recent federal decennial census.

**Prototype** – an original model on which something is patterned by a resident of Nebraska or a company located in Nebraska.

**Value-added Agriculture** – increasing the net worth of food or nonfood agricultural products by processing, alternative production and handling methods, collective marketing, or other innovative practices.

**Small business innovation** – the provision of technical resources to locally owned and operated Nebraska-based growth businesses to foster development, growth, and high wage job creation.

**SECTION ONE:  
INTRODUCTION TO THE BUSINESS INNOVATION  
PROGRAMS**

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## **EXECUTIVE SUMMARY**

The Business Innovation Act was introduced under LB 387 by the Nebraska State Legislature in January of 2011 at the request of Governor Dave Heineman. LB 387 was also part of Governor Heineman's proposed Talent and Innovation Initiative. LB 387, which was operative October 3, 2011 has been codified in the Nebraska Revised Statutes at §§81-12,152 - 81-12,167. Most recently, LB 449, which amended sections 81-12,153, 81-12,157, 81-12,158, 81-12,159, 81-12,160, 81-12,161, 81-12,162, 81-12,163, 81-12,166, was approved by Governor Ricketts on May 13, 2015.

The purpose of the Business Innovation Act, as stated in Neb. Rev. Stat. §81-12,154, is to "encourage and support the transfer of Nebraska-based technology and innovation in rural and urban areas of Nebraska in order to create high growth, high technological companies, small businesses, and microenterprises and to enhance creation of wealth and quality jobs". As required by the Business Innovation Act, the Nebraska Department of Economic Development (the Department) must develop a Qualified Action Plan for submission and approval by the Governor. The Qualified Action Plan for the Business Innovation Programs is the Department's effort at meeting this requirement. The Qualified Action Plan sets forth the activities eligible for assistance under the Business Innovation Act. These activities have been selected by the Department to further priorities which are appropriate to local conditions and the state's economy. The Department is placing an emphasis on the state's need for innovation development, increases in jobs and investment, the leveraging of funds, and industry support and participation. The activities eligible for assistance through programs implemented under the Business Innovation Act are detailed in this Qualified Action Plan.

## **PURPOSE OF THE QUALIFIED ACTION PLAN**

As previously explained, the Qualified Action Plan sets forth the activities eligible for assistance under the Business Innovation Act. The Department is placing an emphasis on the state's need for innovation development, increases in jobs and investment, the leveraging of funds, and industry support and participation. These priorities were considered in the development of criteria to be used in the selection of projects to be funded through the Business Innovation Act. Where appropriate, the criteria utilized in the selection of projects are included in the Qualified Action Plan. The state and local economic priorities are discussed in more detail in the following section.

The Department is required through the Business Innovation Act (Neb. Rev. Stat. §81-12,155) to develop a Qualified Action Plan. The statutory section requires the Department to prepare a qualified action plan and provide it to the Economic Development Commission for review. The Economic Development Commission is then to submit the qualified action plan to the Governor for approval.

LB 78 (2013) eliminated the provisions of the Nebraska statutes which authorized the Economic Development Commission. In response to this statutory change, the Qualified Action Plan will be submitted to the Director of the Department of Economic

Development for review and approval. The Director is then to submit the qualified action plan to the Governor for final approval.

## **STATE AND LOCAL ECONOMIC PRIORITIES**

As part of the Qualified Action Plan, the Department of Economic Development has been directed to select priorities which are appropriate to local conditions and the state's economy. The Department is placing an emphasis on the state's need for innovation development, increases in jobs and investment, the leveraging of funds, and industry support and participation. In determining priorities, the Department has looked to numerous state resources including the Competitive Advantage Assessment and Strategy for Nebraska, which was prepared by Battelle Technology Partnership Practice available at: [http://www.neded.org/files/businessdevelopment/battelle/Main\\_Report\\_NE\\_CompetitiveAdvantageAssessment\\_v8a.pdf](http://www.neded.org/files/businessdevelopment/battelle/Main_Report_NE_CompetitiveAdvantageAssessment_v8a.pdf);

## **ALLEVIATING CHRONIC ECONOMIC DISTRESS**

The Department of Economic Development is directed through the Business Innovation Act to utilize forty percent of the funding provided through the Act for projects that "best alleviate chronic economic distress in distressed areas." Distressed areas are defined as "a municipality, a county with a population of fewer than one hundred thousand inhabitants according to the most recent federal decennial census, an unincorporated area within a county, or a census tract in Nebraska that (a) has an unemployment rate which exceeds the statewide average unemployment rate, (b) has a per capita income below the statewide average per capita income, or (c) had a population decrease between the two most recent federal decennial censuses."

A map of distressed areas within the State of Nebraska is included on Page 5.

## **ADMINISTRATION OF THE BUSINESS INNOVATION ACT**

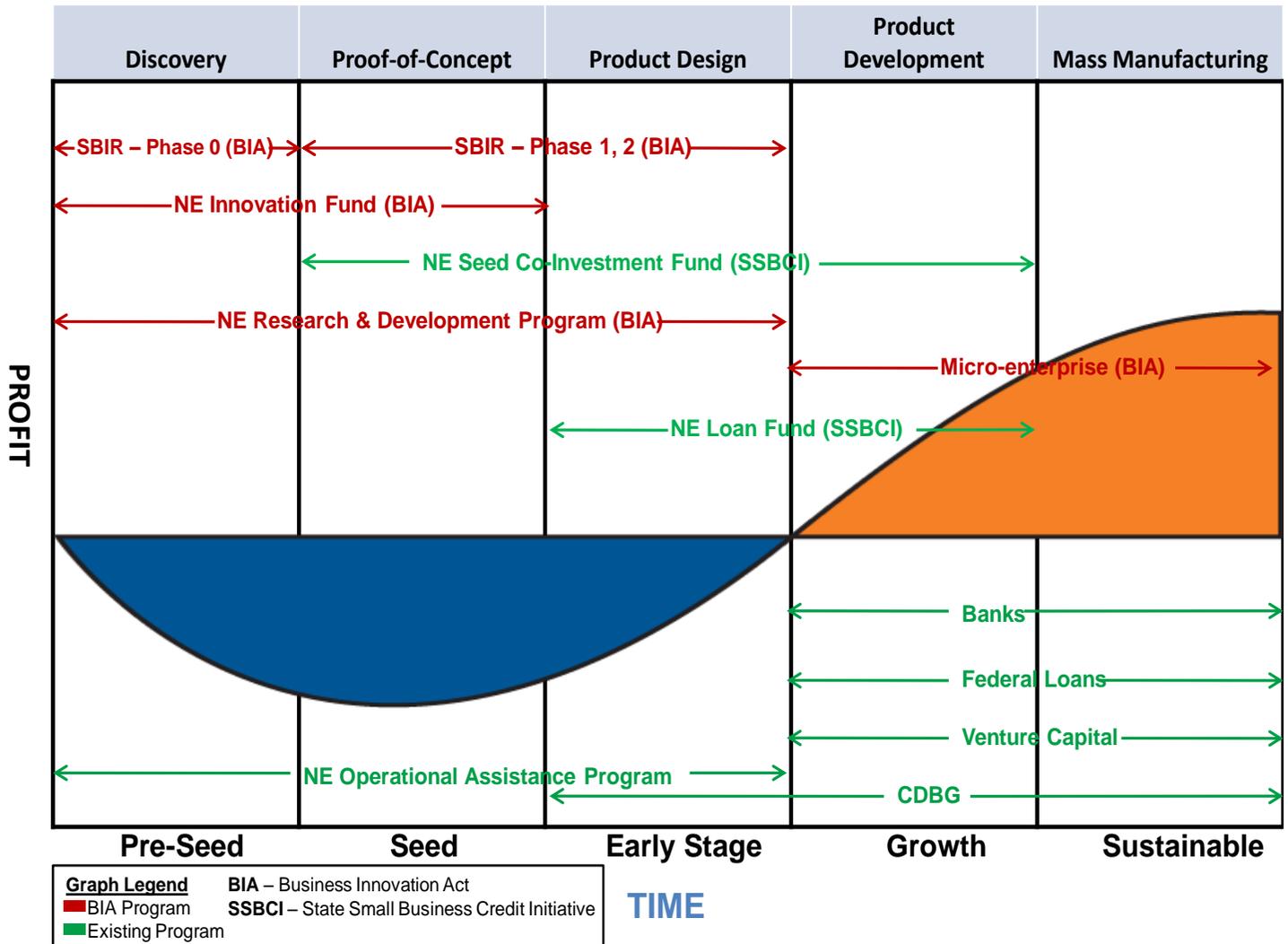
As authorized by the Business Innovation Act, the Department intends to contract with a Nebraska-based nonprofit entity for the purposes of carrying out some of the provisions of the Act. In particular, the Department intends to contract with a Nebraska-based nonprofit entity for the purposes of carrying out portions of the Nebraska Innovation Fund Program described in Section Five of the Qualified Action Plan. The Nebraska-based nonprofit entity will aid the Department in carrying out a commercialization support program which will provide services to start-up, high growth, high technology businesses to assist them through the commercialization process.

## **BUSINESS FINANCING CONTINUUM**

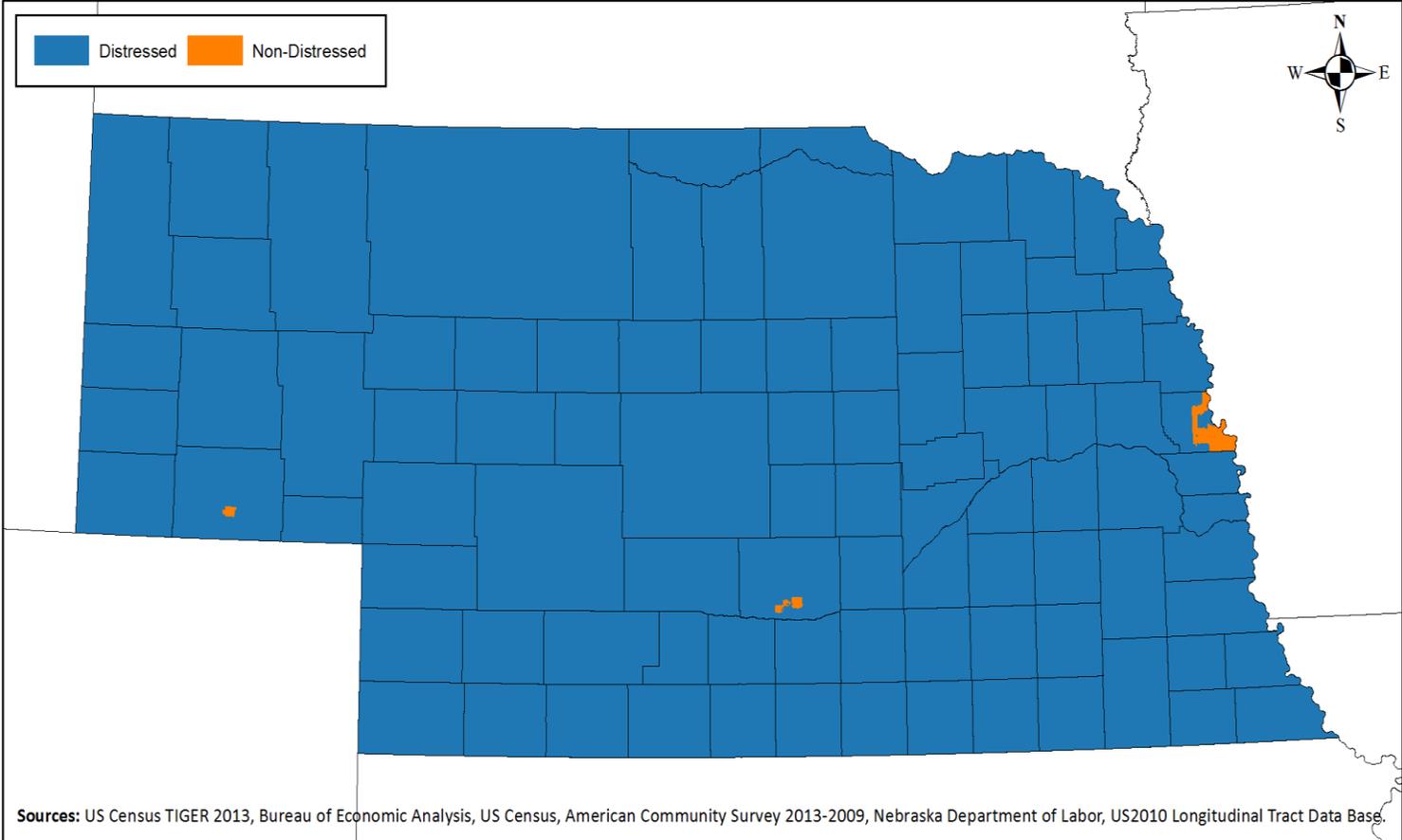
The Business Financing Continuum, shown on page 4, illustrates the process of development of a business from an idea all the way to the growth and sustainability phase. The Department intends to utilize funding from the Business Innovation Act, to provide the appropriate type of

assistance to businesses depending upon the stage of the continuum they are in at the time of application for assistance. This Business Financing Continuum helps demonstrate how funding sources available within the State of Nebraska can be used create a comprehensive and unified program that can best serve Nebraska's economic climate.

# Business Financing Continuum



# MAP OF DISTRESSED AREAS



**SECTION TWO:  
ALLOCATION OF FUNDS, MONITORING STANDARDS, AND  
AMENDMENTS**

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## ALLOCATION OF FUNDS

The Business Innovation Act authorizes the distribution of \$22 million in funding per year for 2016 and 2017. Each year, the Department shall award at least \$1 million but not more than \$2 million for grants through the Microenterprise Assistance Program. The Department may award up to \$4 million per year for grants or financial assistance through each of the following programs:

- Nebraska Small Business Innovation Research/Small Business Technology Transfer Initiative
- Nebraska Innovation Fund Prototype Program
- Nebraska Innovation Fund Commercialization Program
- Nebraska Innovation Fund Research and Development Program
- Nebraska Innovation in Value-added Agriculture Program

While the Business Innovation Act authorizes the distribution of \$22 million, the legislature appropriated \$7 million in funding per year for 2016 and 2017 for the Business Innovation Act. Therefore, the Department reserves the right to award less than \$4 million per year for each of the aforementioned programs subject to department budget and available funds. The Department also reserves the right to redistribute funding between programs funded through the Business Innovation Act so long as the Department meets minimum award amounts and does not exceed the maximum amounts authorized by statute. Of each \$7 million, up to five percent (5%) can be used by the Department for the purposes of carrying out any or all of the provisions of the Business Innovation Act. Some of funds allocated for administration may be distributed to a Nebraska-based nonprofit organization selected by the Department to administer various parts of the Business Innovation Act.

### 2016-2017 Allocation

<i>Table 1</i>	<b>Business Innovation Act</b>
<b>Distribution Amount</b>	\$13,300,000 <sup>1</sup>
<b>State Administration</b>	\$700,000 <sup>2</sup> (5%)
<b>Total Allocation</b>	<b>\$14,000,000</b>

<sup>1</sup> At least forty percent, or \$5,320,000, will be used for projects that best alleviate chronic economic distress in distressed areas.

<sup>2</sup> Funds allocated for administration may be reallocated to project activities at the discretion of the Department.

## **Monitoring Standards and Procedures**

The Department of Economic Development will implement monitoring standards and procedures to ensure that all statutory and regulatory requirements are being met for activities funded through the Business Innovation Act.

The Department plans to use a combination of both off-site, or “desk” monitoring and on-site monitoring. The Department will regularly review projects to verify that they are proceeding in the manner set forth in the agreement between the grantee and the Department, and in accordance with applicable laws and regulations. The Department will also ensure that any non-profit entities used to aid in the administration of the programs carried out under the Qualified Action Plan establish and implement monitoring standards and procedures as well.

## **Amendments to the Qualified Action Plan**

The Department of Economic Development reserves the right to make changes to the Business Innovation Programs Qualified Action Plan at the Department’s discretion. In particular, the Department reserves the right to redistribute funding between activities funded through the Business Innovation Act so long as the Department does not exceed the maximum amounts authorized by statute.

If the Department determines that it is necessary to amend the Qualified Action Plan, the proposed amendment will be submitted to the Director of the Department of Economic Development for review and approval. If approved by the Director, the proposed amendment will be made available on the Department’s website at [www.neded.org](http://www.neded.org) for a fourteen (14) day public review and comment period. At the end of the fourteen (14) days, the Department will consider any public input provided, and then the Director will issue final approval on the amendment. The Qualified Action Plan, including any amendments, will be made available on the Department’s website at: [www.neded.org](http://www.neded.org).

**SECTION THREE:  
NEBRASKA SMALL BUSINESS INNOVATION  
RESEARCH/SMALL BUSINESS TECHNOLOGY TRANSFER  
INITIATIVE**

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## **PROGRAM SUMMARY**

The Nebraska Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Initiative establishes a program to provide financial assistance to small businesses with a principal place of business in Nebraska to support applications to the federal Small Business Innovation Research/Small Business Technology Transfer program (Phase 0) and for the matching of successful federal Small Business Innovation Research/Small Business Technology Transfer program applications (Phase 1 and 2) by the State of Nebraska.

The federal Small Business Innovation Research/Small Business Technology Transfer program provides funding competitions in two phases that are relevant to the Nebraska SBIR/STTR Initiative. Phase 1- to conduct feasibility research; and Phase 2-to expand and develop Phase 1 results and develop commercially viable innovations. The federal SBIR/STTR program is administered by 11 federal agencies. Applicants for federal SBIR/STTR program funding compete by submitting proposals in response to solicitations issued by the participating federal agencies.

Small businesses apply for funding under the Nebraska SBIR/STTR Initiative by submitting an application to the Nebraska Department of Economic Development.

## **OBJECTIVES**

1. Stimulate private investment in Nebraska-based high growth companies;
2. Accelerate knowledge transfer and technological innovation, improve economic competitiveness, and spur economic growth in Nebraska-based companies;
3. Support feasibility, concept development, and commercialization activities that have clear potential to lead to scalable commercially successful products, processes, or services within a reasonable period of time;
4. Stimulate growth-oriented enterprises within Nebraska;
5. Promote commercialization activities that are market-oriented; and
6. Support small businesses.

## **GOALS**

1. To increase the number of applications for federal Phase 1 awards;
2. To increase the amount of federal research dollars received by Nebraska small businesses;
3. To increase the intensity of the research conducted under federal Phase 1 awards, making Nebraska small businesses more competitive in the competition for federal Phase 2 funds; and
4. To increase the opportunities for Phase 2 award winners to become commercially successful.

## **ELIGIBLE APPLICANTS & REQUIREMENTS**

Small businesses that qualify under the federal SBIR/STTR program for the purposes of submitting an application under the federal program are eligible to apply for funding through the Nebraska SBIR/STTR Initiative.

- **Phase 0 Program for assistance in submitting a federal SBIR/STTR application**

1. Applicant must be a for-profit small business with its principal place of business in Nebraska;
2. Applicant must submit a qualified SBIR/STTR Phase 1 proposal to a participating federal agency in response to a specific federal solicitation;
3. Applicant must meet all federal SBIR/STTR program eligibility requirements that are applicable to the relevant federal solicitation;
4. Applicant must not receive concurrent funding support from other sources that duplicates the purpose of the Nebraska Phase 0 initiative, without Department approval;
5. Applications must be received by the Department no later than 30 days before the closing date of the federal solicitation to which the applicant is applying. Any applications received by the Department less than 30 days before the submission deadline in the federal solicitation will be returned without consideration;
6. Applicant must conduct at least 51% of the activities described in the federal SBIR/STTR proposal in Nebraska, and must maintain significant Nebraska operations during the entire corresponding federal SBIR/STTR Phase 1 project, if awarded federal funding;
7. Proposals resubmitted to a federal agency, for which the applicant has already received a Department Phase 0 award for the same project, are not eligible for an additional Department Phase 0 award; and
8. Applicant must satisfy any other eligibility requirements established by the Department.

- **Phase 1 and 2 Matching Program for successful federal SBIR/STTR applications**

1. Applicant must be a for-profit small business with its principal place of business in Nebraska;
2. Applicant must meet all federal SBIR/STTR Program eligibility requirements that are applicable to the relevant federal solicitation;

3. Applicant must perform at least 51% of the activities conducted under the Phase 1 research and subsequent Phase 2 effort (if awarded), in Nebraska; and
4. Applicant must maintain significant Nebraska business operations for the duration of the Phase 1 and Phase 2 performance periods.

#### Phase 1 Matching Applicants

1. Applicant must have received official notification of Phase 1 award by the federal SBIR/STTR agency during the Department application cycle; and
2. Applications for Phase 1 matching program funds must be received no later than 45 days after the date of notification of Phase 1 award by the federal SBIR/STTR agency. Any applications received by the Department after 45 days from the award notification by the federal agency will be returned without consideration.

#### Phase 2 Matching Applicants

1. Applicant must have successfully completed their Phase 1 effort corresponding to the federal award and have submitted a final Phase 1 report to the granting federal SBIR/STTR program agency (and to the Department, if requested by the Department);
2. Applicant must have received notification of the successful completion of the Phase 1 effort from the participating federal SBIR/STTR program agency and must submit to the Department proof that the federal SBIR/STTR Phase 2 proposal has been submitted to, and received by, the particular federal agency; and
3. Eligible costs may be incurred, award made, but the Department matching funds are not made available until federal approval of Phase 2 grant.

## **AMOUNT OF FUNDING AVAILABLE, GRANT LIMITATIONS AND MATCHING REQUIREMENTS**

The Department may award up to \$4 million per year for grants through the Nebraska SBIR/STTR Program. The Department reserves the right to award less than \$4 million per year subject to demand, department budget, and available funds. The Department also reserves the right to redistribute funding between programs funded through the Business Innovation Act so long as the Department meets minimum award amounts and does not exceed the maximum amounts authorized by statute.

Phase 0 grants will reimburse qualified applicants up to \$5,000 per project for costs incurred in preparing and submitting a federal Phase 1 proposal to a solicitation from a federal agency. Reimbursable costs include: proposal preparation consulting fees paid to others; typing/word processing services; project related supplies and postage; database search fees for project related literature search; rental space and/or equipment directly related to the preparation of the federal

proposal; and salaries of individuals who were directly involved in preparation of the Phase 1 proposal.

Phase 1 and 2 matching grants will match federal SBIR/STTR awards and will not exceed \$100,000 or 65% of the federal SBIR/STTR grant, whichever is less.

The Department will not award funding to a business for more than one project every two years. Only the Federal SBIR/STTR funding is required to match the Nebraska SBIR/STTR Initiative.

## **PROJECT SELECTION CRITERIA**

Evaluation criteria that will be considered in evaluation of applications under the Nebraska SBIR/STTR Initiative include, but are not limited to:

1. Scientific and technical merit and feasibility of the proposal; and
2. Potential for successful commercialization or federal contract of the new product or process.

## **APPLICATION TIMING AND PROCESS**

Applications will be accepted from January 1 through December 31 each calendar year under this plan or until funds are exhausted for each calendar year. Applicants must use the required forms provided and must fully comply with all requirements within the time period specified, in order to be eligible for an SBIR/STTR Phase 0, Phase 1 matching award and Phase 2 matching award. Applications that do not include ALL of the documents specified or that contain documents that have not been fully completed, will be considered incomplete and will be returned to the applicant without further review. At its discretion, The Department may request supplemental materials from the applicant and such materials must be received within 15 days of the date of the request or the application may be returned to the applicant without further review.

## **DEPARTMENT CONTACT PERSON**

For clarifications on the Nebraska SBIR/STTR Initiative, please direct your inquiries to:

Nisha Avey, Business Innovation Consultant  
Nebraska Department of Economic Development  
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PO Box 94666  
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E-mail: [nisha.avey@nebraska.gov](mailto:nisha.avey@nebraska.gov) Website: <http://www.neded.org>

**SECTION FOUR:**  
**NEBRASKA INNOVATION FUND PROTOTYPE PROGRAM**

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## **PROGRAM SUMMARY**

The Nebraska Innovation Fund (NIF) establishes a program to provide financial assistance to individuals and businesses operating in Nebraska to support proof of concept activities and commercialization of a product or process.

Innovation in value-added agriculture includes proof of concept and commercialization processes. Therefore, value-added agriculture is included in the Nebraska Innovation Fund. Agricultural cooperatives, farming and ranching operations are included as eligible applicants for value-added agriculture projects in the Nebraska Innovation Fund.

In order to apply for funding through the NIF Program, applicants must apply to the Department using the NIF application forms available from the Department.

## **OBJECTIVES AND GOALS**

1. Stimulate private investment in Nebraska-based high growth companies;
2. Accelerate knowledge transfer and technological innovation, improve economic competitiveness, and spur economic growth in Nebraska-based companies;
3. Support feasibility, concept development, and commercialization activities that have clear potential to lead to scalable, commercially successful products, processes, or services within a reasonable period of time;
4. Stimulate growth-oriented enterprises within Nebraska; and
5. Support small and medium-sized companies.

## **ELIGIBLE APPLICANTS**

High growth, early-stage companies developing and commercializing a technology product, process, or service with potential to raise private capital are eligible applicants. They must also be:

- A corporation, limited liability company, partnership, registered limited partnership, sole proprietorship, business trust, or other eligible entity engaged in non-retail primary industries that are adding value to products or processes in Nebraska;
- with 500 or fewer employees; and that is
- operating within Nebraska.

## **AMOUNT OF FUNDING AVAILABLE, GRANT LIMITATIONS, AND MATCHING REQUIREMENTS**

The Department may award up to \$4 million per year for grants through the Nebraska Innovation Fund Prototype Program. The Department reserves the right to award less than \$4 million per year subject to demand, department budget, and available funds. The Department also reserves the right to redistribute funding between programs funded through the Business Innovation Act so long as the Department meets minimum award amounts and does not exceed the maximum amounts authorized by statute.

Pre-seed (Prototype) grants of up to \$150,000 per project can be awarded. Grant funds are to be used to assist with the creation of a prototype of a product stemming from research and development at a business operating in Nebraska or research at a public or private college or university in Nebraska. Applicants must provide a business plan that includes a proof-of-concept demonstration.

Applicants must provide matching funds equal to 50% of the grant amount. Eligible sources of match are funds from non-state sources, which include private foundations, federal or local government sources, quasi-governmental entities or commercial lending institutions, or any other funds whose source does not include funds appropriated by the Nebraska Legislature. Value-added agriculture grants must provide matching funds equal to 25% of the grant amount. Funds must be expended within 24 months of awarding decision.

## **PROJECT SELECTION CRITERIA**

Applicants must demonstrate that their proposed project has all of the following characteristics:

1. Significant promise of raising private investment;
2. Ability to produce a measurable result and be technologically sound;
3. Ability to lead to innovative technology or new knowledge;
4. Ability to lead to scalable, commercially successful products, processes, or services within a reasonable period of time; and
5. Significant potential for stimulating innovation-driven economic growth and a reasonable probability to enhance employment opportunities within Nebraska.

For each application submitted, the Department will perform an independent review, and at the Department's discretion, the Department may utilize the assistance of outside experts. In completing the review, the Department 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 Department;
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 NIF 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.

Applicant companies must provide the following information as it relates to the proposed project (Not all information may be applicable to each application; such applicability will be determined by the Department):

- Business Plan
- Certification that no current or prospective employee, officer, principal, director, or owner has been accused or convicted of any crime (upon request)
- Financial Statements
- Schedule of all litigation, arbitration, and governmental proceedings to which the company, or its directors, officers, or employees are or have been a party to within the last three years (if applicable)
- Current Certificate of Good Standing with the Nebraska Secretary of State
- Any License Agreements with third-parties for any Intellectual Property that the company does not own (if any)
- White-papers or drawings outlining the technology (if any)
- Proof of matching funds

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

## **APPLICATION TIMING AND PROCESS**

The Department will make application forms available for the purpose of applying for financial assistance under the NIF Program. Applications will be accepted from January 1 through December 31 of each calendar year under this plan or until funds are exhausted for the calendar year. The Department reserves the right to suspend applications until July 1<sup>st</sup> if 50% of the program funds have been awarded within the first 6 months of each calendar year.

Applicants must use the application forms provided by the Department, submit all required documentation or attachments, 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, may be returned to the applicant without further review.

At its discretion, the Department may request supplemental materials from applicants. If the Department requests supplemental materials, the Department must receive such materials within 15 days of the date of the request, or the application may be returned to the applicant without further review.

## **DEPARTMENT CONTACT PERSON**

For clarifications on the Nebraska Innovation Fund Prototype Program, please direct your inquiries to:

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Nebraska Department of Economic Development  
301 Centennial Mall South, 4<sup>th</sup> Floor  
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**SECTION FIVE:  
NEBRASKA INNOVATION FUND COMMERCIALIZATION  
PROGRAM**

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## **PROGRAM SUMMARY**

The Nebraska Innovation Fund (NIF) establishes a program to provide financial assistance to individuals and businesses operating in Nebraska to support commercialization of a product or process.

Innovation in value-added agriculture includes commercialization processes, thus value-added agriculture is included in the Nebraska Innovation Fund. Ag cooperatives, farming and ranching operations are included as eligible applicants for value-added agriculture projects in the Nebraska Innovation Fund.

In order to apply for funding through the Commercialization Program, applicants must apply to the Department of Economic Development using the Commercialization application forms available from the Department.

## **OBJECTIVES AND GOALS**

1. Stimulate private investment in Nebraska-based high growth companies;
2. Accelerate knowledge transfer and technological innovation, improve economic competitiveness, and spur economic growth in Nebraska-based companies;
3. Support commercialization activities that have clear potential to lead to scalable, commercially successful products, processes, or services within a reasonable period of time;
4. Stimulate growth-oriented enterprises within Nebraska;
5. Promote commercialization activities that are market-oriented; and
6. Support small and medium-sized companies.

## **ELIGIBLE APPLICANTS**

High growth, early-stage companies developing and commercializing a technology product, process, or service with potential to raise private capital are eligible applicants. They must also be:

- A corporation, limited liability company, partnership, registered limited partnership, sole proprietorship, business trust, or other eligible entity engaged in non-retail primary industries that are adding value to products or processes in Nebraska;
- with 500 or fewer employees; and that is
- operating within Nebraska.

## **AMOUNT OF FUNDING AVAILABLE AND MATCHING REQUIREMENTS**

The Department may award up to \$4 million per year for grants through the Nebraska Innovation Fund Commercialization Program. The Department reserves the right to award less than \$4 million per year subject to demand, department budget, and available funds. The Department also reserves the right to redistribute funding between programs funded through the Business Innovation Act so long as the Department meets minimum award amounts and does not exceed the maximum amounts authorized by statute.

- **Seed Stage (Commercialization)**

Seed stage investments will be up to \$500,000 per project, for the commercialization of a prototype or process from a business or individual operating in Nebraska. Applicants must submit a business plan stating the potential sales and profit projections for the product or process. Applicants must provide matching funds equal to 100% of the amount of the investment. Eligible sources of match are funds from non-state sources, which include private foundations, federal and local government sources, quasi-governmental entities or commercial lending institutions or any other funds whose sources do not include funds appropriated by the Nebraska Legislature. Value-added agriculture investments must provide matching funds equal to 25% of the of the investment amount. Applicants need not have received a separate pre-seed grant under NIF to be eligible for a seed stage investment. Funds must be expended within 24 months of the awarding decision.

Funds shall be invested via a stand-alone convertible note or as part of a minimum qualified round of financing. 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. For the purposes of the Commercialization Program, a qualified round of financing is a formal financing round that is documented by standard legal documentation, including a subscription/stock purchase agreement, a shareholder/investor rights agreement, and an investor questionnaire to verify that all investors are accredited according to Regulation D under the Securities and Exchange Commission (SEC).

In order for funds to be considered as match for the Commercialization Program, 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 CRITERIA**

Applicants must demonstrate that their proposed project has all of the following characteristics:

1. Significant promise of raising private investment;

2. Ability to produce a measurable result and be technologically sound;
3. Ability to lead to innovative technology or new knowledge;
4. Ability to lead to scalable, commercially successful products processes, or services within a reasonable period of time; and
5. Significant potential for stimulating innovation-driven economic growth and a reasonable probability to enhance employment opportunities within Nebraska.

For each application submitted, the Department will perform an independent review, and at the Department's discretion, the Department may utilize the assistance of outside experts. In completing the review, the Department 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 Department;
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.

Applicant companies must provide the following information as it relates to the proposed project (Not all information may be applicable to each application; such applicability will be determined by the Department):

- List of Management members – including experience, qualifications and capabilities; organizational chart;
- List of Board of Directors – including composition and members backgrounds;

- List of Advisory Board – including composition and members backgrounds;
- Description of Technology – core technology description, feasibility, scalability, reliability, robustness, and inter-operability with existing technologies; technology development schedule and innovation strategy; compatibility, integration, and implementation to current marketplace systems; applications; pricing strategy; competing methodologies;
- Intellectual Property – IP strategy; patents, trademarks, copyrights filing status; strength of the IP; expected legal fees; IP management processes;
- Market – market analysis to include end-consumer compliance, size, growth potential, and effects of macroeconomic changes, where is the company going, what is the total target market size, timing with market need and trends (fit), which competitors could enter and why, breadth of competitive landscape, company’s current differentiation from competitors, competitor’s business models, revenue models, and performance track record.
- Sales and Marketing – strategy, value chain landscape, potential partners, market research including customer adoption studies, time to breakeven, strategic partners and candidates;
- Manufacturing – manufacturing plan, accessibility of supply chain;
- Regulatory – regulatory landscape and requirements;
- Business Model – financial strategy, revenue model and underlying assumptions, current and pro forma financials, comparable businesses, revenue models, and their valuations;
- Deal – capitalization table, financing strategy, potential exit strategies, use of proceeds, valuation, terms, milestones, risks; Company documents, including:
  - Offering Documents: Provide all deal documents (e.g., private placement memorandum, stock purchase agreement, subscription agreement, investor questionnaire) and a deal term sheet;
  - Organizational Documents: Certificates and Articles of Incorporation or Organization, Operating Agreement, Shareholders Agreement, and/or Investor Rights Agreement and any amendments to such documents;
  - Copies of any contractual restrictions, agreements or rights attaching to any securities have preference over common stock, as well as any debt convertible into any equity of the company;
  - Principal officers’ contact information, resumes, references and reference contact information, salaries and compensation, and time commitment to company;
  - Certify that no current or prospective employee, officer, principal, director, or owner has been accused or convicted of any crime;
  - Financial Statements: the latest annual and quarterly accrual-based financials for the company (balance sheet, income statement and statement of cash

flows), as well as a monthly comparison of projected versus actual revenue and expenses for the preceding 12 months;

- Financial Projections and underlying assumptions;
- For any material amounts, provide accounts receivable and accounts payable against schedule and other obligations due to/from the company and its affiliates;
- Brief description of any prepaid or deferred income and expenses;
- Auditors (internal and external) letters and reports to management;
- Tax returns and statement indicating whether the company has had or anticipates having any correspondence with any state or federal tax authority;
- List and explain any loan agreements or any other financing instruments, with related documentation, to which the company was, is, or will be a party;
- Intellectual Property: Please submit copies of patents, patent applications, provisional patents, copyrights, copyright applications, and other intellectual property, if any;
- Copies of all contracts related to the project;
- Schedule of all litigation, arbitration, and government proceedings to which the applicant company or the company's directors, officers, or employees are or have been a party to within the last three years or which are threatened against any of them;
- Contact information for all outside service providers (lawyers, accountants, etc.);
- Relevant government regulations and an assessment of their effect; potential new regulations that may affect company;
- Insurance Certificate: the Department requires investment recipients to maintain and provide evidence to the Department of insurance coverage required by law or as reasonably requested by the Department;
- A current Certificate of Good Standing with the Nebraska Secretary of State;
- License Agreements: Please submit a copy of all licensing agreements with any third-parties for any intellectual property that the company does not own (if any);
- Market research, business plan, and investor presentation (if any);
- Design plans, photos, CAD drawings, or any other visual representation of the product or service, if any; and

- White Papers or Drawings: Please submit any white-papers or drawings outlining the technology (if any).

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

## **APPLICATION TIMING AND PROCESS**

The Department will make application forms available for the purpose of applying for financial assistance under the Commercialization Program. Applications will be accepted from January 1 through December 31, each calendar year under this plan or until all funds are exhausted for the calendar year. Applicants must use the application forms provided by the Department, submit all required documentation or attachments, 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, may be returned to the applicant without further review. At its discretion, the Department may request supplemental materials from applicants. If the Department requests supplemental materials, the Department must receive such materials within 15 days of the date of the request, or the application may be returned to the applicant without further review.

## **DEPARTMENT CONTACT PERSON**

For clarifications on the Nebraska Innovation Fund, please direct your inquiries to:

Joe Fox, Business Innovation Manager  
Nebraska Department of Economic Development  
301 Centennial Mall South, 4<sup>th</sup> Floor  
PO Box 94666  
Lincoln, NE 68509-4666  
Telephone: 402-471-8604  
E-mail: [joe.fox@nebraska.gov](mailto:joe.fox@nebraska.gov)  
Website: <http://www.neded.org>

**SECTION SIX:**  
**NEBRASKA RESEARCH AND DEVELOPMENT PROGRAM**

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## **PROGRAM SUMMARY**

The Nebraska Research and Development Program (R&D Program) will provide financial assistance to businesses operating in Nebraska that use the faculty or facilities of a public or private college or university in Nebraska for applied research and development of new products, or use intellectual property generated at a public or private higher education institution in Nebraska. The total funds available through the R&D Program will be up to \$4 million per year for two years subject to availability.

Research and Development Program projects may be eligible for funding from the Value-Added Agriculture category. Total funds available in the Value-Added Agriculture category will be up to \$4 million per year for two years subject to availability.

Innovation in value-added agriculture program provides financial assistance to:

- (a) Support small enterprise formation in the agricultural sector of Nebraska's rural economy, including innovative efforts for value-added enterprises;
- (b) Support the development of agricultural communities and economic opportunity through innovation in farming and ranching operations, rural communities, and businesses for the development of value-added agricultural products;
- (c) Enhance the income and opportunity for farming and ranching operations to participate in electronic commerce and new emerging markets that strengthen rural economic opportunities; and
- (d) Encourage the production and marketing of specialty crops in Nebraska and support the creation and development of agricultural enterprises and businesses that produce and market specialty crops in Nebraska.

Companies apply for funding under the R&D Program by submitting an application to the Department of Economic Development.

## **OBJECTIVES**

- 1. Encourage existing businesses in Nebraska to use Nebraska institutions of higher education for their research and development needs;
- 2. Stimulate growth-oriented spinoffs or new product lines;
- 3. Provide an added incentive for companies relocating to Nebraska; and
- 4. Increase the number of top level research professionals at Nebraska colleges and universities.

## **GOALS**

- 1. Increase the number of commercializable products transferred in Nebraska;
- 2. To leverage resources to increase the amount of federal research dollars received by Nebraska small businesses; and

3. To ensure industry input is driving new research projects for a higher commercialization percentage.

## ELIGIBLE APPLICANTS

| Any for-profit business that has physical operations facilities in Nebraska.

## AMOUNT OF FUNDING AVAILABLE AND MATCHING REQUIREMENTS

The Department may award up to \$4 million per year for grants through the R&D Program. The Department reserves the right to award less than \$4 million per year subject to demand, department budget, and available funds. The Department also reserves the right to redistribute funding between programs funded through the Business Innovation Act so long as the Department meets minimum award amounts and does not exceed the maximum amounts authorized by statute.

An eligible business may apply for up to two awards in any four-year period per project. The Department may provide up to \$100,000 for the first phase of a project. Generally, a Phase I project is associated with the product development activities included in the proof-of-concept stage, but may include activities associated with the product design and development stages (see below). If the first phase is successful (as determined by the Department and the business) the business may apply for a grant of up to \$400,000 to fund a second phase project. Generally, Phase II funding will represent technical assistance associated with the product design and development stage(s), but may include some activities associated with the proof-of-concept stage.

### NEW PRODUCT OR PROCESS DESIGN

<b>Proof-of-Concept</b>	<b>Product Design</b>	<b>Product Development</b>
<ul style="list-style-type: none"> <li>• Beginning to develop detailed plans/sketches of product</li> <li>• Generating multiple concepts for each function of product</li> <li>• Building engineering prototype(s)</li> <li>• Evaluating feasibility, costs, technology, manufacturability, form, fit, and function of prototypes</li> <li>• Performing in-depth market analysis</li> <li>• Create initial business plan</li> <li>• Generating design records</li> <li>• Performing patent search</li> <li>• Go/NO Go decision point</li> </ul>	<ul style="list-style-type: none"> <li>• Generating products from prototype(s)</li> <li>• Evaluating products and use</li> <li>• Certification testing</li> <li>• Computerized design</li> <li>• Preliminary cost roll up</li> <li>• Reevaluate schedule, budget, demand for product, and tooling requirements</li> <li>• Improving business plan</li> <li>• Applying for patent or copyright protection</li> <li>• Go/NO Go decision point</li> </ul>	<ul style="list-style-type: none"> <li>• Completing final product design before mass production</li> <li>• Completing product testing</li> <li>• Completing manufacturing design</li> <li>• Completing marketing and distribution plan</li> <li>• Completing business plan</li> <li>• Completing cost and pricing roll up</li> <li>• Completed protection of intellectual property</li> <li>• Complete Test beds, human trials</li> <li>• Review processes in place</li> <li>• Go/NO Go decision point</li> </ul>

All entities receiving assistance under the Nebraska Research and Development Program must provide matching funds equal to 100% of the grant amount. Such matching funds may be from any non-state source, including private foundations, federal or local government sources, quasi-governmental entities, or commercial lending institutions, or any other funds whose source does not include funds appropriated by the Nebraska Legislature.

## **PROJECT SELECTION CRITERIA**

Criteria used in evaluating applications under the R&D Program include, but are not limited to the following:

- The commercial potential of the desired product;
- Market opportunity; is there a large addressable market for the product or process;
- Total cost of the project;
- Is there a valid business opportunity to employing the product or process;
- Partnership or expertise of subject matter at the college or university chosen to conduct research; and
- Measurable goals to benchmark progress.

## **APPLICATION TIMING**

For each funding cycle of the Nebraska R&D Program, the Department will make application forms available to businesses looking for assistance for the cost of researching and developing its product or service. Applicants must complete and submit the required application forms and submit them to the Department along with any attachments requested by the Department. Applicants must fully comply with all requirements of the application process within the time period specified by the Department, in order to be eligible for assistance under the R&D Program. Applications that do not include ALL of the documents specified or that contain documents that have not been fully completed, will be considered incomplete and will be returned to the applicant for further clarification. At its discretion, the Department may request supplemental materials from an applicant and such materials must be received within 30 days of the date of the request or the application may be returned to the applicant without further review.

Applications will be accepted from January 1 through December 31, each calendar year under this plan or until all funds are exhausted for the calendar year. The Department reserves the right to deny applications based on incomplete information and/or lack of project viability.

## **DEPARTMENT PROGRAM CONTACT PERSON**

For clarifications on the Nebraska R&D Program, please direct your inquiries to:

Ben Kuspa, Business Innovation Consultant  
Nebraska Department of Economic Development  
301 Centennial Mall South, 4<sup>th</sup> Floor  
PO Box 94666

Lincoln, NE 68509-4666

Telephone: 402-471-3794

E-mail: [ben.kuspa@nebraska.gov](mailto:ben.kuspa@nebraska.gov) Website: <http://www.neded.org/>

**SECTION SEVEN:**  
**MICROENTERPRISE ASSISTANCE PROGRAM**

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# **FINANCIAL ASSISTANCE FOR MICROENTERPRISE** **TECHNICAL ASSISTANCE**

## **OBJECTIVES**

1. To encourage, support, and grow Nebraska-based microenterprises by providing technical assistance in rural and urban distressed areas in order to better assure that Nebraska's microenterprises are able to realize their full potential to create jobs, enhance entrepreneurial skills and activity, and increase low-income households' capacity to become self-sufficient, and:
2. To coordinate resources and technical assistance provided by microenterprise service providers in the State.
3. All Microenterprise Technical Assistance funds will be used to provide assistance to businesses in distressed areas.

## **GOALS**

1. To provide financial assistance for the purposes of providing technical assistance to microenterprise businesses located in Nebraska.
2. To provide financial packaging assistance, including resource identification and determining the programs of best fit, to microenterprise businesses located in Nebraska to grow Nebraska's microenterprise businesses.

## **ELIGIBLE APPLICANTS**

Eligible applicants include Internal Revenue Service (IRS) designated 501(c)(3) non-profit organizations located within the State of Nebraska. Such applicants must demonstrate state-wide coverage of services to all distressed areas of the state (see map of distressed areas on page 1-7). Statewide coverage may be achieved through a joint application consisting of one (1) Lead applicant and up to two (2) Joint applicants.

The applicant or Lead applicant in the case of a joint application must be a non-profit whose primary microenterprise service is micro-lending. In addition, the organization must also provide technical assistance to microenterprises consisting of businesses with 10 or fewer employees and further defined in the bill. The applicant or lead applicant in the case of a joint application must have a positive track record of micro-lending and technical assistance to microenterprises.

Joint applicants must also be eligible micro-loan delivery or micro-loan technical assistance organizations.

## **ELIGIBLE PROJECTS/PRIORITY PROJECTS**

Eligible projects include funding for the operating costs of a micro-loan delivery of micro-loan technical assistance organization. Operating costs include costs to provide technical assistance to microenterprise businesses, such as staff time, training costs, travel, and other costs deemed eligible by the Department. Ineligible costs include costs to hire staff above the baseline number of employees currently on staff, loans to businesses, operating funds for organizations not serving as the sole applicant, Lead applicant, or Joint applicant; and other costs deemed ineligible by the Department.

Priority will be given to applicants that:

- Demonstrate quantitative results and outcome measurements
- Have previous experience in providing technical assistance to microenterprise businesses
- Will sustain quality, successful technical assistance efforts to microenterprises and whose funding will not be used to increase the baseline staffing levels of the sole applicant, lead applicant, or joint applicants
- Demonstrate the ability to reach women and minority-owned businesses

## **AMOUNT OF FUNDING AVAILABLE & GRANT LIMITATIONS**

The Department has committed a maximum of \$500,000 per year for the next two years to be awarded to one grantee to provide state-wide technical assistance. The maximum grant amount per project is \$500,000 per year for two years (\$1,000,000 total). Applications should reflect this 2-year time frame and funding requests for the 2-year period. Amount of award will be determined based on the number of applications received and the scoring and ranking criteria of each application.

Any funds used for technical assistance and/or operating costs for those organizations that are not the lead applicant can only be provided to joint applicants. The amount of funding and proposed uses of funding for these costs must be clarified by the organization.

## **MATCHING REQUIREMENTS**

The awarded applicant is required to provide a match of no less than 35% of the total amount awarded (\$350,000 over a 2 year period). Funds shall be matched by non-state funds equivalent in money or in-kind contributions, or a combination of both. Such matching funds may be from any non-state source, including private foundations, federal or local government sources, quasi-governmental entities, or commercial lending institutions, or any other funds whose source does not include funds appropriated by the Nebraska Legislature.

## **PROJECT SELECTION CRITERIA**

Applicants will be scored on the following criteria:

- Ability to provide business training and technical assistance to microenterprise clients
- Partnerships with microenterprise lenders across the State
- Capacity of the organization and ability to monitor and provide quantitative results to the Department
- Percentage of grant funds leveraged/matched and the sources and sufficiency of operating funds matched
- Geographic location and the ability to provide timely assistance to microenterprise businesses throughout the State
- The plan for providing business development services and micro-loans to microenterprises
- The scope of services to be provided
- The plan for coordinating the services and loans provided by micro-loan delivery and technical assistance organizations with commercial lending institutions
- Sustainability of program efforts: The Lead applicant and any Joint applicants will provide a statement: (1) explicitly stating that they understand that the micro-technical assistance funding is not a continuous source on which the organization can rely indefinitely for organizational operational costs, and (2) explaining how the organization will either reach a level with other funding that operations can be sustained beyond the 2-year micro-technical assistance commitment or how the organization would be impacted if continued micro-technical assistance funding is not available for operational costs at the same level as the micro-technical assistance 2-year funding. Examples of this would be a decrease in specific services (must be detailed), number of staff that the organization would no longer continue to employ, or revision of the service area of the organization. If the organization is using the micro-technical assistance funding to match federal or other funds that would also be lost without continued micro-technical assistance funding, the total impact should be described.

## **TECHNICAL ASSISTANCE APPLICATION TIMING AND PROCESS**

Applications must be submitted to the Department no later than 5:00 PM on December 1, 2015.

# **FINANCIAL ASSISTANCE FOR MICROENTERPRISE LENDING PROGRAMS**

## **OBJECTIVE**

The objective of the Microenterprise Lending Program (Micro-lending) is to encourage and support the transfer of Nebraska-based technology and innovation in rural and urban areas of Nebraska in order to create high-growth, high technology businesses and to enhance creation of wealth and quality jobs.

All Micro-lending funds will be used by micro-loan delivery organizations to assist businesses in distressed areas.

## **GOALS**

The goal of Micro-lending is to capitalize loan funds for the growth of microenterprise businesses located in Nebraska. Through this program it is expected that funds will be used to better assure that Nebraska's microenterprises are able to realize their full potential to create jobs, enhance micro-entrepreneurial skills and activity, and increase low-income households' capacity to become self-sufficient.

## **ELIGIBLE APPLICANTS**

Eligible applicants include Nebraska-based non-profit organizations located within the State of Nebraska. Such applicants must demonstrate that the organization and at least one key staff member has at least five (5) years of experience as a lender, preferably lending to microenterprises in Nebraska.

Eligible applicants must qualify as micro-loan delivery organizations that have Internal Revenue Service (IRS) designation as a 501(c)(3) or submit verification from an Attorney that the applicant operates as a 501(c)(4) or 501(c)(6) organization. All applicants must have a current Certificate of Good Standing from the Secretary of State at the time of application.

## **ELIGIBLE PROJECTS/PRIORITY PROJECTS**

Eligible projects include funding for a Revolving Loan Fund to make loans to eligible microenterprises in distressed areas. Other financing mechanisms administered by the applicant micro-loan delivery organization programs may be approved by the Department on project-by-project basis.

Priority will be given to applicants that:

- Have previous experience and a successful track-record as an organization in providing loans to microenterprises.
- At least one key staff person demonstrates previous experience and a successful track-record in providing loans to microenterprises.

- Demonstrate the Micro-lending Fund will result in filling a financing gap that is both needed and microenterprises are interested in accessing.

## **AMOUNT OF FUNDING AVAILABLE & GRANT LIMITATIONS**

The Department commits a maximum of \$500,000 per year for the next two years to be awarded to micro-loan delivery organizations. A minimum grant amount per project of \$200,000 will be used as a guideline. No more than \$20,000 or 5% of the total Micro-lending grant, whichever is lesser, shall be used as a guideline to determine the maximum award amount for general administration (operating) costs of the micro-loan delivery organization.

## **MATCHING REQUIREMENTS**

The awarded applicant is required to provide a match equal to no less than 35% of the total Micro-lending amount awarded. Funds shall be matched by non-state funds equivalent in money or in-kind contributions, or a combination of both. Such matching funds may be from any non-state source, including private foundations, federal or local government sources, quasi-governmental entities, or commercial lending institutions, or any other funds whose source does not include funds appropriated by the Nebraska Legislature. In addition to the proposed use of Micro-lending Funds, matching funds may be used for operational costs of the applicant micro-loan delivery organization, costs for technical assistance to microenterprises by the micro-loan delivery organization, or other similar activities approved by the Department.

## **PROJECT SELECTION CRITERIA**

Applicants will be evaluated on the following criteria:

- Propose a sound business plan for the applicant micro-loan delivery organization which includes sufficient coordination with the Microenterprise Technical Assistance provider. Preference will be given to enhancing established Revolving Loan Funds by expanding the availability of these funds to businesses with 6 – 10 employees and loan terms conducive to investment in start-up, high-growth, high technology businesses. Examples of these loan terms would be deferring all or a portion of the loan for three – five years as the microenterprise completes the prototyping phase of a new product and transitions to full commercialization and profitability.
- Each loan program which ideally will have underwriting criteria appropriate for traditional micro-lending and micro-loans to start-up high-growth, high technology businesses as discussed above.
- Proposed increases in jobs and investment due to the Micro-lending Funds.
- Loan program guidelines that include favorable terms and design for assisting microenterprises locating in or located in a Downtown or Central Business District as part of a strategy to encourage sustainability of these community assets.
- A clear and precise plan for coordination with the Micro-enterprise Technical Assistance delivery organization(s) and requirements of the Micro-lending Funds to be provided to businesses willing receiving and responding to technical assistance efforts.
- Demonstrate reasonable expectations for loan losses.
- Demonstrate a proven system of reaching women and minority-owned businesses

- Geographic distribution of funds. All Micro-lending funds must be used to assist businesses in distressed areas.
- Partnerships and strategy for coordination with commercial lending institutions in the program service area.
- Capacity of the applicant organization and ability to monitor and provide quantitative results to the Department
- Increased leveraging of Micro-lending funds with non-state resources. Generally speaking, additional leveraged funds is considered a positive characteristic, however the applicant must explain the effect of leveraged funds on the Micro-lending funds. For example, will the Micro-lending funds be limited to assisting businesses with 5 or fewer employees because the leverage funds are federal funds? If leverage funds do further restrict the Micro-lending Funds the applicant must explain how the funds will still be filling a need and gap in available financing.

## **APPLICATION TIMING AND PROCESS**

Applications will be accepted and reviewed in two (2) funding cycles.

Micro-lending Application Cycle 1: Applications must be submitted to the Department no later than 5:00 PM on December 1, 2015.

All applications will be reviewed by Department staff, with final approval given by the Department Director. Up to \$500,000 in Micro-lending funds will be awarded in the first cycle.

Micro-lending Application Cycle 2: Applications must be submitted to the Department no later than 5:00 PM on December 1, 2016.

Eligible applicants awarded in Application Cycle 1 are eligible to apply in Cycle 2 if all Micro-lending funds from Application Cycle 1 were loaned to microenterprises prior to the application due date.

All applications will be reviewed by Department staff, with final approval given by the Department Director. The Department Director has the discretion to award additional funds to micro-lending delivery organizations with open, successful projects awarded in Application Cycle 1. Up to \$1,000,000 (less funds awarded in Cycle 1) will be awarded in the second cycle.

## **DEPARTMENT CONTACT PERSON**

For clarifications on the Microenterprise Assistance Program, please direct inquiries to:

Nisha Avey, Business Innovation Consultant  
 Nebraska Department of Economic Development  
 301 Centennial Mall South, 4<sup>th</sup> Floor  
 PO Box 94666  
 Lincoln, NE 68509-4666  
 Telephone: 402-471-1466  
 E-mail: [nisha.avey@nebraska.gov](mailto:nisha.avey@nebraska.gov)  
 Website: <http://www.neded.org>

**SECTION EIGHT:  
APPLICATION ACCEPTANCE DATES & DISTRIBUTION OF  
FUNDS**

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## Solicitation Periods/Application Acceptance Dates

Funding Priority/Category	Application Acceptance Dates
Nebraska SBIR Program	
Phase 0	Open Cycle (begins January 1, 2016)
Phase 1 and Phase 2	Open Cycle (begins January 1, 2016)
Nebraska Innovation Fund	
Pre Seed Stage (Prototype) Grants	Open Cycle (begins January 1, 2016)
Seed Stage Grants (Commercialization) or Investments	Open Cycle (begins January 1, 2016)
Nebraska Applied Industry Research and Development	
Research Grant	Open Cycle (begins January 1, 2016)
Development Grant	Open Cycle (begins January 1, 2016)
Microenterprise Assistance Programs	
Microenterprise Technical Assistance	December 1, 2015
Micro-lending <ul style="list-style-type: none"> <li>• Cycle 1</li> <li>• Cycle 2</li> </ul>	December 1, 2015 December 1, 2016

## Annual Distribution of Funds

<i>Table 5</i> <b>Funding Source →</b>	<b>Business Innovation Act</b>
Section Three: Nebraska SBIR Program	\$0 to \$4,000,000
Section Four: Nebraska Innovation Fund	\$0 to \$12,000,000
Section Five: Applied Industry Research and Development Program	\$0 to \$4,000,000
Section Six: Microenterprise Assistance Programs	\$1,000,000 to \$2,000,000
<b>TOTAL MAXIMUM AUTHORIZED DISTRIBUTION</b>	<b>\$22,000,000</b>