



Debi V. Durham, Director
Iowa Economic Development Authority

Iowa Innovation Acceleration Fund Application

Iowa Economic Development Authority

Business Development Division
Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, Iowa 50309-1819

www.iowaeconomicdevelopment.com
Telephone: 515.471.1965 or 515.471.1300
innovation@iowa.gov

Application Instructions

To Complete Electronic Form: Click on TEXT BOX to add text. Double click on YES/NO boxes and select "Checked".

1. All applicants must complete the Iowa Innovation Acceleration Fund Application and submit required attachments.
2. Please visit the Iowa Economic Development Authority website at www.iowaeconomicdevelopment.com or call 515.471.1965 or 515.471.1300 to confirm that this is the most current application version.
3. Before filling out this application form, please read all applicable sections. Refer to the [State Small Business Credit Initiative \(SSBCI\) Act](#) and the State of Iowa [SSBCI administrative rules](#).
4. Only typed or computer-generated applications will be accepted and reviewed. Any material change to the format, questions, or wording of questions presented in this application will render the application invalid and it will not be accepted.
5. Complete all questions on the application. If questions are left unanswered or required attachments are not submitted, the application process will not proceed until the information is submitted.
6. Applicants may choose to attach a response to a question in lieu of supplying information in the space provided. Each such attachment must be clearly labeled in the header with the Section number of the application and the bold-font question title from that Section so that the reader can easily determine the question to which it responds. Cross-references to general material such as a business plan that do not directly address the question are not permitted. Each attachment may contain the response to only one question.
7. Any inaccurate information of a significant nature may disqualify the application from consideration.
8. Do not staple or bind the printed application.
9. The following must be submitted to the Iowa Economic Development Authority in order to initiate the review process:
 - **One (1) original, signed application form and all required attachments.** Return to:
Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309-1819
ATTN: Iowa Innovation Acceleration Funds Application - Gail Kotval
 - **One (1) electronic copy** of the application form and all required attachments: submit to innovation@iowa.gov

Facsimile copies will not be accepted. It is the responsibility of the Applicant to insure that all materials are received by the submission deadlines.

- **Contact for Application Questions:**

VentureNet Iowa
innovation@iowa.gov
515.471.1965 or 515.471.1300

Applications are accepted throughout the year and reviewed by the Technology Commercialization Committee on a bi-monthly basis to present recommendations to the Iowa Economic Development Authority Board. Please review the [2012 Application Deadlines Schedule](#) for application deadlines at iowaeconomicdevelopment.com. Applications received after a deadline will advance through the application process for the next funding period.

Public Records Policies

Information Submitted to the Iowa Economic Development Authority. The Iowa Economic Development Authority is subject to the Open Records law ([Iowa Code, Chapter 22](#)). Treatment of information submitted to the Iowa Economic Development Authority in this application is governed by the provisions of the Open Records law. All public records are available for public inspection. Some public records are considered confidential and will not be disclosed to the public unless ordered by a court, the lawful custodian of the record, or by another person duly authorized to release the information.

Confidential Records. The Iowa Economic Development Authority automatically treats the following records as confidential and they are withheld from public disclosure:

- Tax Records
- *Quarterly Iowa Employer's Contribution and Payroll Report* prepared for the Iowa Workforce Development Department
- Payroll Registers
- Business Financial Statements and Projections
- Personal Financial Statements

Other information supplied to the Iowa Economic Development Authority as part of this application may be treated as confidential under Iowa Code section 22.7. Following are the classifications of records which are recognized as confidential under Iowa law and which are most frequently applicable to business information submitted:

- Trade secrets [Iowa Code §22.7(3)]
- Reports to governmental agencies which, if released, would give advantage to competitors and serve no public purpose. [Iowa Code §22.7(6)]
- Information on an industrial prospect with which the Iowa Economic Development Authority is currently negotiating. [Iowa Code §22.7(8)]
- Communications not required by law, rule or regulation made to the Iowa Economic Development Authority by persons outside the government to the extent that the Iowa Economic Development Authority could reasonably believe that those persons would be discouraged from making them to the Department if they were made available for general public examination. [Iowa Code §22.7(18)]

Information supplied as part of this application that is material to the application and/or the state program to which the applicant is applying including, but not limited to the number and type of jobs to be created or retained, wages for those jobs, employee benefit information, and project budget, are considered open records and will not be treated as confidential.

Additional Information Available. Copies of [Iowa's Open Record law](#) and the Iowa Economic Development Authority's [administrative rules](#) relating to public records are available upon request.

Certification & Release of Information

I hereby give permission to the Iowa Economic Development Authority (IEDA) to research the Business' history, make credit checks, contact the Business' financial institutions, insurance carriers, and perform other related activities necessary for reasonable evaluation of this application. I also hereby authorize the Iowa Department of Revenue to provide to the IEDA state tax information pertinent to the Business' state income tax, sales and use tax, and state tax credits claimed.

I understand that all information submitted to the Iowa Economic Development Authority related to this application is subject to Iowa's Open Record Law (Iowa Code, Chapter 22).

I understand this application is subject to final approval by the Iowa Economic Development Authority and the Project may not be initiated until final approval is secured. I understand that the Iowa Economic Development Authority reserves the right to negotiate the financial assistance. Furthermore, I am aware that financial assistance is not available until an agreement is executed within a reasonable time period following approval.

I certify that the applicant organization has a(n) agreement(s) on file which demonstrates that the Principal Investigator, all Co-investigators, Technology Generator, Technology Co-Generators, applicant organizations and sponsoring entities have agreed to the ownership and disposition of patents, licenses, royalties and all other intellectual property rights related to this project.

I hereby certify that all representations, warranties, or statements made or furnished to the Iowa Economic Development Authority in connection with this application are true and correct in all material respect. I understand that it is a criminal violation under Iowa law to engage in deception and knowingly make, or cause to be made, directly or indirectly, a false statement in writing for the purpose of procuring economic development assistance from a state agency or subdivision.

I also affirm that the applicant entity shall comply with the reporting and monitoring requirements, if an award is made. I acknowledge and agree that any and all documents, materials, papers, and any other information submitted in conjunction with this application may become the property of the state of Iowa and may not be returned to the applicant entity.

I hereby represent that:

- (a) The Applicant is an entity with 500 or less employees;
- (b) The loan proceeds must be used for a "business purpose." A business purpose includes, but is not limited to, start up costs, working capital, business procurement, franchise fees, equipment, inventory, as well as the purchase, construction renovation or tenant improvements of an eligible place of business that is not for passive real estate investments purposes. The definition of business purpose excludes activities that relate to acquiring or holding passive investments such as commercial real estate ownership, the purchase of securities; and lobbying activities as defined in Section 3 (7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.
- (c) The loan proceeds will not be used to:
 - (1) Repay a delinquent federal or state income taxes unless the Applicant has a payment plan in place with the relevant taxing authority; or
 - (2) Repay taxes held in trust or escrow, e.g. payroll or sales taxes; or
 - (3) Reimburse funds owed to any owner, including any equity injection or injection of capital for business' continuance; or
 - (4) Purchase any portion of the ownership interest of any owner of the business.
- (d) The Applicant is not:
 - (1) A business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as dealing in commodities futures, unless those activities are

incidental to the regular activities of the business and part o a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business; or

- (2) A business that earns more than half of its annual net revenue from lending activities; unless the business is non-bank or non-bank holding company certified as a Community Development Financial Institution; or
- (3) A business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an every-increasing number of participants; or
- (4) A business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted. (Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution); or
- (5) A business engaged in gambling enterprises, unless the business earns less than 33% of its annual net revenue from lottery sales.

(e) The Borrower or investee is not:

- (1) An executive officer, director, or principal shareholder of the lender; or
- (2) A member of the immediate family of an executive officer, director, or principal shareholder of the lenders; or
- (3) A related interest of any such executive officer, director, principal shareholder, or member of the immediate family.

For the purpose of these three restrictions, the terms "executive officer", "director", "principal shareholder", "immediate family", and "related interest" refer to the same relationship to a lender as the relationship described in Part 215 of title 12 of the Code of Federal Regulations, or a successor to such part.

- (f) No principal of the applicant entity has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)). For the purposes of this certification, "principal" is defined as "if a sole proprietorship, the proprietor; if a partnership, each managing partner and each partner who is a natural person and holds a 20% or more ownership interest in the partnership, and if a corporation, limited liability company, association or a development company, each director, each of the five most highly compensated executives or officers of the entity, and each natural person who is a direct or indirect holder of 20% or more of the ownership stock or stock equivalent of the entity."
- (g) The Applicant authorizes the Iowa Economic Development Authority to report certain loan information to the U.S. Treasury as required.

I acknowledge the Iowa Economic Development Authority desire to publicize and promote the Iowa Innovation Acceleration Fund program for the benefit of the State of Iowa and its citizens and I agree they have my permission as agent for the applicant entity to use the applicant's business name and other non-confidential information in various public media for this purpose.

I acknowledge the foregoing and represents and warrants that the Applicant has no, and has not been promised or told by anyone that it has any, legal, beneficial, or equitable interest in the non-refundable premium charges or any other funds credited to the Reserve Fund account, and herby waives any right, claim, or interest to any and all such funds paid or credited from time to time to the Reserve Fund account.

For the Business:

Signature

Date

Name and Title (typed or printed)

Name of Business: _____

The Iowa Economic Development Authority will not provide assistance in situations where it is determined that any representation, warranty, or statement made in connection with this application is incorrect, false, misleading or erroneous in any material respect. If assistance has already been provided prior to discovery of the incorrect, false, or

misleading representation, Iowa Economic Development Authority may initiate legal action to recover incentives and assistance awarded to the Business.

Applicant Information

Program applying for: (please check one)

Iowa LAUNCH

Iowa PROPEL

Iowa INNOVATION EXPANSION

Name of Business:

Address:

City, State & Zip Code:

Federal ID Number:

[NAICS](#) Code for primary business operations:

US DOT Number:

Website:

Primary Contact Person: Name:

Title:

Address:

Phone:

Email:

Signing Authority for Applicant Organization: Name:

Title:

Address:

Phone:

Email:

Business Structure:

Cooperative

Corporation

Limited Liability Company

Not for Profit

Partnership

S-Corporation

Sole Proprietorship

State of Incorporation:

Year the business was incorporated:

Number of years applicant has been in business in Iowa: #####

Does the Business file a consolidated tax return under a different tax ID number?

Yes

No

If yes, please also provide that tax ID number:

Annual sales in last fiscal year:

Ownership(%): ___ Male ___ Female
Race: ___ American Indian or Alaska Native
 ___ Asian
 ___ Black or African-American
 ___ Native Hawaiian or Pacific Islander
 ___ White
Ethnicity: ___ Hispanic or Latino ___ Not Hispanic or Latino
Veteran Status: ___ Veteran ___ Non-Veteran

Provide a brief description and history of the Business. Include information about the Business' products or services and its markets and/or customers.

If the application was prepared by someone other than the contact person listed above, please complete the following:

Name of Business:
Address:
City, State & Zip Code:
Contact Person: Title:
Phone: Fax: Email:

Legal representative(s):
Location of legal representative(s) (address):
Phone number:
E-mail:
Contact person (name):

Project Information

Amount of Funds Requested:

Project Street Address:

Project City:

Project County:

Type of Business Project:

Startup

New Location in Iowa

Expansion of Iowa Company

Relocation from another State

Project Abstract: Attach an abstract (not to exceed one typewritten page) of the Applicant Organization's proposal, which shall summarize the current status of the company, its core technology, value proposition, market opportunity, proposed use of IEDA and matching funds, and other relevant information as appropriate. The abstract should not include confidential information.

Business Description: Describe the current status of the company and its overarching product/service commercialization goals, including the core technology that the company seeks to commercialize in Iowa.

Value Proposition: Describe the expected cost to a customer of the product/service being commercialized and the expected value to be realized by that customer.

Market Opportunity: Describe the size of the addressable market in which the product/service will compete and the expected 5-year growth of that market, including appropriate citation to the sources that provide the underlying factual basis for the market opportunity.

Competition: Describe the current state of competition in the market in which the company seeks to enter, including specifically identifying the names of current and anticipated competitors, and explain why the company's product/service is superior to the alternatives. If any of these competitors have Iowa locations, please explain the nature of the competition and explain what impact the proposed project may have on the Iowa competitor.

Barriers to Entry: Identify and describe the major barriers to entry into the market into which the product/service to be commercialized will be or is sold.

Collaborative Relationships: Describe the nature of any existing or planned research, commercialization and/or industry/ university collaborative relationships that will play a role in achieving the proposed project's critical milestones.

Regulatory Requirements: Is there any governmental or industry regulation or certification of the product or technology required? If regulatory compliance is required, describe the plan for testing and meeting compliance regulations.

Future Finance Strategy: Attach a description of the company's business and finance strategy for pursuing additional seed or venture capital financing if the project is successful. This strategy must specifically include a viable plan to (1) secure follow on capital needed to grow the start-up company; or (2) successfully sustain the company upon completion of the IEDA-supported financing.

Program Goals: Attach an explanation (not to exceed one page) of how the proposed project furthers the goals of the applicable program component of the Iowa Innovation Acceleration Fund. The program descriptions and goals are available on Iowa Economic Development Authority's website at www.iowaeconomicdevelopment.com

Project Deliverables: Describe in detail the proposed project deliverables and activity completion dates for the Iowa Innovation Acceleration Funds. Please be specific and complete. This section of the application will be used to design the contract milestones.

Project Timeline

Activity	Activity Completion Date

Critical Milestones: Enumerate and describe the specific commercialization milestones that the project seeks to achieve using the IEDA and matching funds. Vague or generalized milestones are not acceptable responses.

Has any part of the project started? Yes No
 If yes, please explain.

Number of Full Time Equivalent (FTE) employees (2 halftime employees equal 1 full time employee):

Estimated number of jobs created as a result of the investment.

Estimated number of jobs retained as a result of the investment.

Project Budget and Match Requirements

Project Budget: Complete a proposed budget using the budget form below. The budget should identify the sources and uses of all of the funds requested and all matching funds. The budget sheet must be included with the electronic and printed version of the application submission.

Match Requirements: Each dollar (\$1) of requested funds from IEDA must be matched by a minimum of one dollar (\$1) of additional capital for the company in connection with the IEDA funds. The source should clearly identify the name and address of the investor, including a primary contact person if the source is an institutional or corporate investor. The status should clearly and accurately describe the status of such funds, including whether each source is evaluating a potential investment in the project; contingently committed to an investment in the project if it receives an IEDA co-investment; or whether the co-investment funds have already been delivered to the project.

Total of Sources of Funds and Total of Use of Funds must match.

Source of Funds	Contact Name and Address (primary contact if the source is an institutional or corporate investor)	Amount	Status (proposed, committed, contingently committed)
IEDA Innovation Acceleration Fund			

Lead Investor: Enclose with the application (1) the due diligence package prepared by the lead investor providing the matching funds; (2) the term sheet for the investment.

Use of Funds	Amount IEDA Funds	Amount Matching Funds
IP development & evaluation		
Market analysis		
Competitive analysis		
Proof of concept work		
Prototype design		
Product refinement		
Market planning & market entry activities		
R & D to attract VC financing		
Key personnel		
Equipment		

Construction costs		
Other		
Total Use of Funds	\$ _____ IEDA Funds	\$ _____ Matching funds

Funds already expended in development of this technology: \$

Please provide details about how these funds have been used. Include all funding partners and/or sources involved in the project.

Has the applicant entity received past awards from the State of Iowa or any agency of the state? Yes No

If "Yes," please list dates and amounts below.

- | | | |
|-------------------------------|------------------------|--------------------------|
| a) Date of award | Amount \$ | Date repaid |
| b) Date of award ##### | Amount \$ ##### | Date repaid ##### |

Please provide a summary of what was accomplished with the State funds the company received.

Project Development Team Experience

Name and Title of Project Manager _____

Please include a one paragraph description of the manager's experience.

List all officers and members of the applicant's leadership team. Attach a description summarizing the experience of each member of the leadership team related to the technology to be commercialized, including, as relevant, a collaborator or mentor with such experience; and (2) their experience launching a start-up technology business, including, as relevant, a collaborator or mentor with such experience, which may include a relationship with a research institution, an innovation center or other entrepreneurial support organization that can provide expertise appropriate to the project.

- | | |
|----------|--------|
| a) Name: | Title: |
| b) Name: | Title: |
| c) Name: | Title: |
| d) Name: | Title: |
| e) Name: | Title: |

Team responsible for technology development: **Include a short, one-paragraph description summarizing the technical, management and development experience and capabilities of each team member.**

- | | |
|----------|--------|
| a) Name: | Title: |
| b) Name: | Title: |
| c) Name: | Title: |
| d) Name: | Title: |

Team responsible for sales, marketing and distribution development: **Include a short, one-paragraph description summarizing the technical, management and commercialization experience and capabilities of these principals.**

- | | |
|----------|--------|
| a) Name: | Title: |
| b) Name: | Title: |
| c) Name: | Title: |

List any other consultants, advisory board members, firms, or individuals who play an essential role in development of the technology. Include a **short, one-paragraph description summarizing the technical, management and commercialization experience and capabilities of these consultants.**

- a)
- b)

Intellectual Property

For this application, assurance that all parties have adequately addressed the ownership and disposition of patents, royalties, and all other intellectual property rights related to this agreement must be documented. If more than one of the following categories is involved, please attach additional sheets as needed.

Describe the applicant's intellectual property strategy:

Does the technology to be developed under an Iowa Innovation Acceleration Fund involve patentable products/processes, or intellectual property that can be protected through copyright or other legal means?

Yes No

Is your intellectual property protected as trade secrets and other proprietary information? Yes No

How is it protected?

Has a Patent application associated with the technology been filed? Yes No

Patent application number:

Owner / Assignee:

Describe nature of patent applied for:

Status of application (Dates and events chronologically stated, including continuation, foreign filing, etc.)

Has a patent award associated with the technology been issued? Yes N

Issued patent number:

Owner / Assignee:

Has a valuation of the patent been done?

Describe nature of patent issued:

Is there other intellectual property produced (ex: copyrights) Yes N

Type? Owner / Assignee:

Who is the Legal representative for intellectual property?

Name:

Address:

Telephone number:

E-mail:

Status of the Company

Attach a detailed explanation if the applicant organization or any of its officers, directors, or owners is now or within the last ten (10) years:

1. Been delinquent in the payment of any non-protested taxes or any other amount due to the State of Iowa (or any political subdivision thereof) or federal government
2. Been barred or disqualified from contracting with any state, federal government, or any local municipality, or any political subdivision thereof
3. Been informed of any investigation respecting personal or business actions or inactions that might give rise to a possible violation of state or federal criminal, securities, or competition laws
4. Had any judgments or court actions completed or pending against the applicant entity, or any current or prospective employee, officer, principal, director, or owners.
5. Had a business or professional license suspended or revoked
6. Been accused or convicted of any crime or wrongdoing.
7. Have there been any current or past bankruptcies on the part of the applicant entity (or predecessor entities), or on the part of any current (or prospective) officer, principal, owner or in any business dealings of current (or prospective) officers, principals, or owners of the applicant entity?
8. State any and all known conflicts of interest on the part of the entity and its current and proposed employees, officers, principals, directors, or owners. Attach additional sheets as needed.

Capitalization Table

List type of Stock, certificate number, date issued, Name of Holder, Addresses, Number of Shares, Amount of Investment and the % of the Series. Please add to the table if more lines are needed.

<u>Type:</u>	<u>Certificate:</u>	<u>Issued:</u>	<u>Name of Holder:</u>	<u>Address and Phone Number:</u>	<u>Shares:</u>	<u>Investment:</u>	<u>% of Company</u>	<u>% of Series</u>

Application Attachments

Submit the following documents with the application:

A1 Business Plan

At a minimum, include:

- Marketing study
- Feasibility study
- Projected profit and loss statements for three years into the future
- Project budget
- Production operations
- Management structure
- Personnel needs
- Descriptions of product or process
- Status of product/process development
- Patent status (if applicable)

Any information listed above not included in the business plan should be submitted as supplemental information via a separate attachment.

- A2 Affidavit** that states the Business has not, within the last five years, violated state or federal statutes, rules, and regulations, including environmental and worker safety regulations, or, if such violations have occurred, that there were mitigating circumstances or such violations did not seriously affect public health or safety or the environment. A sample affidavit can be found at http://iowaeconomicdevelopment.com/business/ssbci_innovaccel.aspx

A3 Financial Information

- Profit and loss statements; cash flow statements and balance sheets for past three year-ends
- Current YTD profit and loss statement and balance sheet
- Schedule of aged accounts receivable
- Schedule of aged accounts payable
- Schedule of other debts
- Explanation of significant financial transactions
- List of funding the company has raised through debt, equity and/or grants since its founding. Enumerate each source of financing by type, source, amount and date received. This information should be presented in a clear tabular format.
- Pro-forma financial projections for a three (3) to five (5) year projection.