



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2021**

Program Name: Seed Accelerator
Program Inception: WEDC FY13
Lead Division: Entrepreneurship and Innovation
 New **Revised**
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

The goal of the Seed Accelerator Program is to encourage the formation of business accelerator programs and to incent startup companies in the state of Wisconsin.

This program primarily supports the following WEDC Strategic Pillar and Focus Area:

Business Development: Entrepreneurship and Innovation

Program Description:

The seed accelerator model for entrepreneurial development is designed to increase the outcomes for sustainability and growth of startup companies, typically, but not exclusively, in technology-based industries. In a seed accelerator, classes of entrepreneurial teams enroll in a defined program over a certain period of time (typically 3-6 months). Participants are provided with small amounts of financing, experienced hands-on mentorship, educational programming, visibility to investors and other resources, along with processes for market and customer validation, and for developing and testing the commercial viability of an idea.

The program provides an entity operating a not-for-profit seed accelerator with grant funding used to support the participating companies. Operational expenses of the accelerator may also be eligible for grant funding.

Eligibility Requirements:

The Seed Accelerator program is designed to generally focus on tech/high growth companies such as those engaged in the development and commercialization of advanced manufacturing, engineered products, agriculture or food processing technology, information systems or software, medical devices, biosciences, and energy systems and controls. Investment strategies focused on geographic, demographic, or other factors may be considered with sufficient demonstration of need, and accelerator program focus.

Entities eligible for Seed Accelerator funds may include communities, organizations or other entities that operate a not-for-profit seed accelerator program in Wisconsin.

Eligible applicants will provide information on program management, operating plans, entrepreneurship resources and use of funds. Applicants will identify matching funds on a minimum 1:1 basis of the amount of funding provided by WEDC. Matching funds may be in-kind or cash and may be dedicated to operating expenses.



Use of Funds:

Seed Accelerator recipients are required to provide grants, loans, royalty-based investments and/or equity investments to companies participating in the accelerator program. WEDC must approve the type of funding being provided to participating companies. Loan repayments and/or investment returns to the recipient may only be used to support direct program costs or to provide capital to companies participating in a current or future cohort of the accelerator. Recipients may be eligible to receive funding for operational expenses directly related to the administration of the accelerator.

Incentives and Available Funding (FY21): \$750,000

Factors determining the level of grant funding for company capital:

- The number of companies per class
- The length of the seed accelerator program for each class
- Other factors may include but are not limited to industry sector and local economic considerations

Activities and Expected Outcomes:

Award five organizations to assist 35 startups and early stage companies. Recipients will maintain an average co-investment ratio of 1:1.

Performance Reporting:

Recipient organizations will be required to periodically submit a performance report documenting the number of organizations assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

WEDC may impose additional reporting requirements to evaluate project performance and to ensure compliance with contract deliverables.

Application and Awards Process:

Applicants for Seed Accelerator program funding are required to provide to WEDC, in writing, information on the applicant organization, accelerator program management and operations, and the process for accepting companies into the program.

Applicants must provide information to the satisfaction of E&I staff before being approved for Seed Accelerator program funds. The completed application will be assigned to an underwriter and go through the award review process.

For more information on application review, internal process, and award distribution, please refer to WEDC's award administration policies and procedures.



Revision History:

Effective Date	Description of Change
7/1/2019	Clarified program goal and description; clarified use of funds; clarified performance reporting requirements

PROGRAM REVIEW:

This document has been reviewed by the following parties (Check all that apply):

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Director of Public Policy: _____

Date _____

Division Vice President: _____

Date _____

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date _____