



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

Program Name: Wisconsin Investment Pilot (WIP)
Program Inception: WEDC FY21
Lead Division: Entrepreneurship & Innovation
 New **Revised**
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

The goal of the Wisconsin Investment Pilot (WIP) program is to support technology-based startup and emerging growth companies in the state of Wisconsin. This program was initiated by the Entrepreneurship & Innovation Committee to support early stage companies trying to raise additional or bridge capital to maintain and expand operations during the economic crisis caused by COVID-19 and serve as a demonstration of how WEDC can implement a co-investment fund strategy long-term to assist investor-backed Wisconsin companies.

The goal of this pilot program is to invest in Wisconsin early stage companies along-side professional investors.

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

Business Development: Entrepreneurship and Innovation

Program Description:

The program provides up to \$50,000 in direct financial assistance to businesses certified by WEDC as Qualified New Business Ventures (QNBV) in the form of an investment utilizing a Simple Agreement for Future Equity. The WIP program is intended to provide capital to those companies that have the potential to add to Wisconsin’s economic base over the long-term by attracting and training a high-wage, high-skill workforce and establishing a unique competitive advantage. The expectation is that this investment by WEDC will be matched by a WEDC-certified Qualified Venture Fund (QVF). The funds can be used as working capital and require leverage from outside funding for the business development project or funding round under consideration.

Eligibility Requirements:

Businesses certified by WEDC as QNBVs as of the time of application for WIP are eligible for the WIP program. Businesses that have an existing Technology Development Loan with WEDC or are delinquent in reporting or other obligations with WEDC are not eligible for this program.

The WIP program is not intended to support initial investments and eligible businesses must provide evidence of prior outside funding rounds of at least twice the amount requested in WIP funds.



Eligible businesses must have matching funds at a rate of 4:1, with a QVF providing at least a 1:1 match of the WIP being requested. The WIP program will generally be looking for matching funds to be in the form of a convertible instrument but may consider direct equity investment as part of the matching funds.

The Eligible Business must provide documentation that the Simple Agreement for Future Equity (SAFE) has been appropriately reviewed and approved per the Eligible Business' corporate governance.

Incentives and Available Funding (FY21): \$500,000

Eligible businesses will be provided an investment of up to \$50,000.

Activities & Expected Outcomes:

Assist 10 businesses and achieve a 4:1 leverage of other investment.

Performance Reporting:

Recipients will be required to annually submit a performance report documenting investment activities, job creation, job retention, average wages, company financials, eligibility checklist, 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:

The WIP Program has a continuous application process. Applicants for the WIP Program should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through an expedited award review process.

Revision History:

Effective Date	Description of Change
Date Revision takes effect	<ul style="list-style-type: none"> Summary of revision, including any relevant statutory references



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 _____

Director of Public Policy: _____ *[Signature]*

Date 7-22-2020

Division Vice President: _____ *[Signature]*

Date 7-22-2020

AUTHORIZED APPROVAL:

CEO or Designee: _____ *[Signature]*

Date 7-22-2020