



**Wisconsin Economic Development Corporation  
Program Guidelines for Fiscal Year 2023**

**Program Name:** Capital Catalyst

**Program Inception:** WEDC FY12

**Lead Division:** Entrepreneurship & Innovation

**New**       **Revised** [Click here to enter a date.](#)

**Aid**       **Pass-thru Aid**       **Technical Assistance**

**Program Goal:**

The goal of the Capital Catalyst program is to incent capital formation and investment in startups and emerging growth companies in the state of Wisconsin.

**Program Description:**

The program provides matching grants to seed funds managed by local communities and other eligible entities to provide capital to startups and emerging growth companies.

The Capital Catalyst program increases the availability of capital to startups and emerging growth companies to support growth and attract additional private investment.

**Eligibility Requirements:**

Applicants for Capital Catalyst funds must demonstrate organizational capability and the availability of entrepreneurial support to achieve the goals of their program. Capital Catalyst fund recipients may include units of government, educational institutions, foundations, other nonprofit entities, or investment holding entities established by otherwise eligible entities.

Applicants should have an established investment/selection committee, investment/funding criteria, application process, and intended use of returns. Eligibility for the program requires a 1:1 match of the amount of funding provided by WEDC. This match must be documented prior to the disbursement of funds.

Investment/funding decisions will focus on assistance to companies with a geographic, community, industry, innovation, or other focus area relevant to WEDC strategy.

Use of Funds:

Capital Catalyst recipients are required to make grants, debt, royalty-based investments and/or equity investments in startups, early stage and emerging growth companies that are located in or will locate in Wisconsin. Recipients will agree to establish a segregated account to receive direct grant funding from WEDC that may include the recipient's matching funds.

Funds may not be used to support expenses related to the relocation of a business between communities in Wisconsin.



Returns on loans and/or investments to the fund capitalized by WEDC and matching funds may be used for additional awards to eligible businesses, distribution to WEDC and applicant organization in proportion to the initial match, and/or other purposes approved by WEDC.

### **Incentives and Available Funding (FY23): \$3,000,000**

The program provides grants to approved Capital Catalyst recipients that establish seed funds and meet the eligibility requirements of the program.

WEDC: \$1,000,000

SSBCI: \$2,000,000

Federal SSBCI funding has specific requirements for the company eligibility, private funding participation, reporting requirements, and other factors. The funding source utilized will be based on the ability of the proposed project and funding structure to meet federal funding eligibility requirements, policy guidance, and program objectives established by the U.S. Department of Treasury.

### **Activities and Expected Outcomes:**

Award six organizations to support the financing of 25 startup and emerging growth companies. Recipients will maintain an average co-investment ratio of 1:1, and a 3:1 leverage of other investment in companies assisted by the recipient.

### **Performance Reporting:**

Recipients 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:**

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

Applicants for Capital Catalyst program funding are required to provide to WEDC, in writing, information on the applicant organization, investment fund management and strategies, and the process for approving awards made from the fund.



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
7/1/2017	Increased flexibility of the use of funds
7/1/2018	Clarified applicant eligibility criteria
7/1/2018	Clarified use of returns on investment funds
7/1/2019	Removed administrative expenses as an eligible use of returns; clarified performance reporting requirements
7/1/2021	Clarified and expanded eligibility focus
7/1/2022	Accommodates SSBCI funding

**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 VP Strategic Investment and Policy: \_\_\_\_\_ Date Click or tap to enter a date.

Division Vice President: \_\_\_\_\_ Date Click or tap to enter a date.

**AUTHORIZED APPROVAL:**

CEO or Designee: \_\_\_\_\_ Date Click or tap to enter a date.