



**REQUEST FOR APPLICATIONS (RFA)  
FOR FUND MANAGERS TO PARTICIPATE IN MISSISSIPPI'S  
SMALL BUSINESS CREDIT INITIATIVE (SSBCI)  
VENTURE CAPITAL MULTI-FUND PROGRAM**

**Issued: December 15, 2023**

**Contact Information:**

Lindsey Benefield, Investment Director

All contacts and inquiries should be sent to: [InvestMS@innovate.ms](mailto:InvestMS@innovate.ms).

**Applications must be submitted electronically using this link:**

<https://airtable.com/appdv7kIX38rxNXLv/pagqlELJZJjbu5mI0/form>

**APPLICATIONS DUE DATE AND TIME:** This RFA will remain open until filled. Funding will be awarded to eligible applicants on a first come, first served basis. To receive priority processing and consideration, applications responsive to this RFA must be complete and received by InvestMS through the above link not later than **5:00 PM CST on Monday, January 29, 2024.**

## REQUEST FOR APPLICATIONS

### I. INTRODUCTION.

InvestMS is the program created by Innovate Mississippi ("**Innovate**") to implement, deploy, and operate the Mississippi State Small Business Credit Initiative ("**SSBCI**") other capital support programs described as the MS Direct Investment Program (the "**MS Direct Program**") and the MS Venture Capital Program (the "**MS Venture Program**") in Mississippi's SSBCI application as approved by the U.S. Department of the Treasury ("**Treasury**"). The mission of Innovate is to nurture and accelerate startup companies and drive entrepreneurship throughout the state of Mississippi, and the InvestMS programs will integrate Mississippi's SSBCI capital programs into Innovate's portfolio of services in support of its core mission. The InvestMS program will be implemented using entities affiliated with Innovate in a traditional investment fund structure (collectively, "**InvestMS**"). Through the InvestMS program, Innovate will work in partnership with the Mississippi Development Authority ("**MDA**") to deploy the SSBCI funding received by the State of Mississippi ("**Mississippi**" or the "**State**") to help meet the State's need for venture capital, seed funding, and equity and mezzanine growth capital accessible to Mississippi businesses and entrepreneurs, particularly with respect to the State's historically disadvantaged and underserved populations.

A. **General Information**. This Request for Applications ("**RFA**") is issued by Innovate for the purpose of seeking proposals from applicants who are eligible investment entities ("**Applicants**" or "**Funds**") who desire to participate in the MS Venture Program as embodied in InvestMS's multi-fund, or "fund of funds," program (as described further below, the "**Funds Program**"). The Funds Program will make Mississippi SSBCI funds available to successful Applicants in order to increase the amount of investment capital made available to and invested in eligible early and seed-stage Mississippi small businesses as a result of Applicant's investing activities in the State.

InvestMS, and the SSBCI programs in general, have a particular focus on serving historically disadvantaged or underserved small businesses and entrepreneurs, which are termed under the SSBCI statute as Socially and Economically Disadvantaged Individuals (SEDI)-owned businesses ("**SEDI-owned Businesses**"). The State is required by Treasury under the SSBCI program terms to ensure that a certain portion of the State's SSBCI funds are used for the benefit of SEDI-owned Businesses. Successful Applicants will have demonstrated a commitment and ability to make investments in SEDI-owned Businesses.

For purposes of the federal and State SSBCI programs, SEDI-owned Businesses are defined as: 1) business enterprises that certify that they are owned and controlled by individuals who have had their access to credit on reasonable terms diminished as compared to others in comparable economic circumstances, due to their: (i) membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society; (ii) gender; (iii) veteran status; (iv) limited English proficiency; (v) disability; (vi) long-term residence in an environment isolated from the mainstream of American society; (vii) membership of a federally or state-recognized Indian Tribe; (viii) long-term residence in a rural community; (ix) residence in a U.S. territory; (x) residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization); or (xi)

membership of an underserved community (see Executive Order 13985, under which "underserved communities" are populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the definition of "equity," and "equity" is consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality); (2) business enterprises that certify that they are owned and controlled by individuals whose residences are in Community Development Financial Institution ("CDFI") Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii); (3) business enterprises that certify that they will operate a location in a CDFI Investment Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii); (4) business enterprises that are located in CDFI Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii) (the businesses described in subsections 2, 3, and 4, collectively, "**CDFI Businesses**"); and (5) business enterprises that are located in a Rural Area, as defined in 7 C.F.R. § 4280.3, qualifying for the Rural Economic Development Grant and Loan Programs, 7 C.F.R. Part 4280.

The Funds Program will provide successful Applicants with the investment commitments described in this RFA, subject to the limitations set forth herein. For purposes of this RFA, the term "**eligible investment entity**" shall mean a private sector venture capital or other private equity investment fund led by an experienced fund manager(s) that meets the qualifications set forth in this RFA. To be successful in their application to participate in the InvestMS Funds Program, an Applicant must be an eligible investment entity.

B. **Background.** This RFA is issued with the express purpose of obtaining applications from eligible investment entities that are interested in participating in the InvestMS Funds Program. Issuance of this RFA will initiate a formal procedure whereby InvestMS will select from among interested Applicants up to five (5) eligible private investment funds to participate in the Funds Program. Responses to this RFA must provide sufficient information for InvestMS, through a formal investment committee process, to determine whether an Applicant (1) possesses adequate investment, financial, operational, and managerial experience to meet program requirements; and (2) is aligned in their investing activities so as to meet program objectives, all as more fully described below.

Innovate has been charged by MDA with deploying funding provided through the American Rescue Plan Act ("ARPA") of 2021, which amended and reauthorized the Small Business Jobs Act of 2010 to provide additional funding for the State Small Business Credit Initiative. The SSBCI program is a federal program administered by the U.S. Department of the Treasury ("**Treasury**"). SSBCI is expected to create, in conjunction with state and private funding resources, increased investment in small businesses that are not getting the support they need to expand and create jobs because of lack of opportunities to access capital. Innovate, under its contract with MDA, and with MDA's ongoing support and supervision, has formed the InvestMS program and supporting investment structures through which State SSBCI monies will be deployed. The objective of MDA and Innovate is to build together, with the support of Treasury and SSBCI funding allocated to the State of Mississippi, a sustainable, evergreen, startup and small

business investment program. The program will leverage private partnerships and collaborations to amplify private investment in the startup and small business sector in order to restore and augmenting economic growth across Mississippi and better meet the capital and financial needs of small businesses and startup companies, particularly SEDI-owned Businesses and Very Small Businesses ("VSBs"), as such term is defined by Treasury in its SSBCI [Capital Program Policy Guidelines](#).

InvestMS has initiated, and will operate and manage, the two Mississippi SSBCI equity/venture capital programs noted above. The first, the MS Venture Program, will make SSBCI investments in eligible investment entities, as defined above, through the Funds Program, following which the investment entities will invest in Mississippi startups and small businesses as required under applicable federal and State SSBCI program rules. The second program, the MS Direct Program, will make direct investments of SSBCI funds in eligible Mississippi startups and small businesses alongside private co-investments meeting SSBCI requirements. This RFA concerns the Funds Program only.

C. **Request for Applications Schedule.**

|   |   |
|---|---|
| Release of RFA  | December 15, 2022   |
| Date for Submission of Questions  | January 15, 2024  |
| Deadline for Innovate to Respond to Questions   | January 22, 2024  |
| Priority RFA Submission Deadline  | January 29, 2024  |
| Initial Review Complete; Invitation to Participate in Interview and Further Review Issued | 15 days after Priority RFA Submission Deadline or, thereafter, 15 days after submission of completed Application. |
| Notice of Intent to Award   | Following completion of Interview and Further Review (est. 30 – 60 days following Invitation).                    |
| Commitment of Funds   | Upon completion of appropriate investment agreements.   |

II. **PROGRAM GUIDELINES.**

InvestMS will give preference to applications from eligible investment entities that have offices located in, or that have concrete, demonstrated plans to establish an office located in, the State of Mississippi. Regardless of an Applicant's business location, all successful Applicants will be required to invest Mississippi SSBCI funds in eligible startup and small businesses in the State of Mississippi in accordance with Funds Program rules, with a particular emphasis on SEDI-owned Businesses. Successful Applicants also will be required to develop their own pipelines of eligible Mississippi businesses and to be or become involved in the Mississippi startup ecosystem, such as by participating in regional or statewide startup events of interest and value to early-stage

entrepreneurs; offering startup seminars, bootcamps, pitch competitions, or similar events; or holding regular local office hours or meet-ups in Mississippi locations. Eligible investment entities include private for-profit and non-profit funds<sup>1</sup> that make investments in early and seed-stage startup companies, provided the fund is committed to making investments in Mississippi early and seed-stage startup companies. Innovate will consider investments in new and emerging Funds, including those led by SEDI-qualified fund managers or operating in CDFI Investment Areas, among others.

Pursuant to Mississippi's application as approved by U.S. Treasury, Innovate, through an InvestMS affiliated investment entity, intends to enter into an agreement with each Fund selected through this RFA process as an equity investor on the same terms as the Fund's other investors, subject to additional terms and requirements prescribed by the SSBCI program.

A. **Guidelines and Requirements**. All Treasury guidelines and rules are incorporated into this RFA, whether detailed or summarized herein or omitted entirely. The eligibility and qualification requirements set forth in this Section A are meant to be illustrative and are not a complete statement, nor a limitation, of applicable Treasury guidelines and rules. To be eligible to receive an award of SSBCI investment from the Funds Program, Applicants must:

1. Be willing to become familiar and comply with Treasury-prescribed SSBCI rules and requirements, including the SSBCI [Capital Program Policy Guidelines](#) and other guidance, as well as rules and procedures implemented by InvestMS through the Funds Program, as such rules, requirements, guidance, and procedures may be amended from time to time, including those not set forth herein. Applicants will be required to certify that they have read and understand the applicable SSBCI program rules, requirements, guidelines, and other guidance as part of this RFA process. The required certification is set forth in [Exhibit 1](#).

2. Agree to primarily focus their investment activities on eligible seed and early-stage Mississippi businesses to support the expansion of small business in the State through increased access to capital and other resources. As part of their investment strategy, Funds will need to identify and commit significant resources to traditionally underserved SEDI-owned Businesses and VSBs as required by Treasury SSBCI program rules. Mississippi's SSBCI programs must demonstrate that not less than 65.34% of the State's allocation of SSBCI funds has been deployed to SEDI and VSB business recipients. Investments in innovative and sustainable manufacturing, supply chain resiliency, and decarbonization enterprises are encouraged.

3. Demonstrate and ensure that the investment of SSBCI funds in Applicant's Fund by the Funds Program will cause and result, in accordance with SSBCI program rules and guidance, in a minimum of \$1.00 of new private capital investment for every \$1.00 of SSBCI funds committed, evaluated at the fund level. Greater leverage of Mississippi's SSBCI funds is desired, with a private financing ratio of 10:1 being the desired target (which may be achieved over time rather than at initial investment). Catalyzation of private capital by SSBCI participation may be shown, for example, by the Fund's securing of matching private funds prior to approval of the

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<sup>1</sup> The InvestMS fund that will invest in successful Applicants is a for-profit entity.

Fund's Application, when the SSBCI funds are an anchor investment in Applicant's Fund or part of Applicant's Fund's initial close, or if the Applicant Fund has certain attributes, such as the fund's age, size, or experience, that can be shown to cause private capital to be catalyzed by SSBCI participation.

4. Demonstrate that the Fund's manager has, or will have, exposure to the risk of the Fund's portfolio in a manner consistent with industry standards.

5. Agree to ensure that the private capital is pari passu with, or junior to, the SSBCI investment in cash flow rights.

6. Agree to using only equity or equity-like (hybrid) instruments, including stock purchases (common or preferred stock), simple agreements for future equity (SAFEs), and/or convertible notes, when making investments in portfolio companies involving Fund Program funds. Fund investments using debt instruments (not convertible into equity or having equity features) are not permitted under the Funds Program.

7. Have the ability to make, and make, the disclosures, certifications, and representations set forth in Part V of the Application, a completed copy of which shall be included with submission of the Fund's Application.

B. **Fund Qualifications**. Applicant Funds selected in connection with the RFA will meet the criteria established by Innovate, MDA, and Treasury SSBCI [Capital Program Policy Guidelines](#) as set forth in [Exhibit 2](#).

C. **Management Qualifications**. Each Fund must have qualified management personnel experienced in the private finance industry and, preferably, in the Fund's targeted industry segments. Key Fund and investment managers should have at least five years of money management experience in venture capital or private equity, particularly in managing investments in individual, privately held companies, and utilizing funds provided by others to make such investments.

D. **Beneficiary Companies**. Funds Program funds will be required to be used to support eligible beneficiary companies ("**Beneficiary Companies**") in Mississippi. Eligible Beneficiary Companies include companies that meet the following criteria, among others:

1. The Beneficiary Company is a seed or early-stage small business located, operating, or having key employees in Mississippi or a qualified Beneficiary Company receiving a follow-on investment from the Fund after an earlier Fund investment using Funds Program funds, subject to SSBCI program definitions and rules, including conflict-of-interest rules.

2. The Beneficiary Company must agree and will be required by contract to maintain their location and/or presence in Mississippi for a period of time satisfactory to InvestMS or as otherwise provided in Funds Program rules or be subject to an obligation to make restitution pursuant to the applicable investment agreements.

3. Beneficiary Companies qualifying as SEDI-Owned Businesses or VSBs will be sought out and eligible to receive investments using Funds Program funds.

4. The Beneficiary Company must agree to be, and will be, subject to the terms and conditions set forth in the SSBCI [Capital Program Policy Guidelines](#), as amended from time to time, any applicable Allocation Agreement entered into between the State and Treasury, and any applicable contract between MDA and Innovate and/or an affiliate of Innovate.

E. **SEDI Commitment**. One of the key objectives of the SSBCI program is to direct capital to underserved communities. Mississippi's SSBCI allocation requires that at least 65.34% of Mississippi's SSBCI allocation be expended to meet the needs of SEDI-owned Businesses and VSBs. Priority scoring will be awarded to Applicants that can demonstrate a proven track record of serving and investing in SEDI-owned Businesses and VSBs. Applicants must provide in their RFA submission a commitment percentage allocated to funding SEDI-owned Businesses and VSBs, provided, however, that the minimum acceptable percentage will be 50%. Awarded Applicants will be held accountable for their SEDI-owned Business and VSB investment allocation percentage, which will be monitored through annual compliance reporting. Treasury and Mississippi will track awardee Fund investments to ensure that SEDI-owned Business and VSB allocations are achieved.

F. **Investment Period**. The investment period for Funds to invest all Funds Program funds in Beneficiary Companies will be, generally, five years or fewer, in accordance with standard industry practices, provided, however, that because SSBCI funding will be received by the State in tranches, some variability may be required or permitted.

G. **Fund Compensation and Returns**. Funds may receive fees and carried interest on capital gains as provided under applicable SSBCI, MDA, and Funds Program statutes, rules, requirements, guidelines, and other guidance. Applicants will be asked to propose a compensation structure and may be evaluated, in part, on competitiveness. Compensation to the Fund and returns to the Funds Program will be detailed in the agreement entered into between the Fund and InvestMS's Funds Program affiliate.

H. **Investment Amount**. Innovate will provide the selected Funds with investment commitments in amounts to be determined. Total Funds Program investments in any single Fund will not exceed 67% of the total State Funds Program allocation or \$5M, whichever is less. Funds Program commitments will not exceed 25% of the total committed investment capital of the Fund.

Award allocations to Funds may be disbursed from one or more tranches as such tranches are received by the State and Innovate. Award allocation disbursements may be initially restricted by the amount of funds received by Innovate in the first tranche. In this case, any outstanding commitment balances will be made available from subsequent tranches as further SSBCI funding is received by Mississippi.

Even if an Applicant Fund is selected to participate in the Funds Program, Innovate makes no guarantee as to the amount of SSBCI funds that will be actually available to be invested in any Fund. Mississippi's SSBCI allocation will be disbursed through the Funds Program to successful Applicants on a first come, first served basis. The ultimate size of Funds Program investments in Funds will depend upon the availability of amounts allocated to Mississippi by the Treasury under the SSBCI program and, of that amount, amount allocated to InvestMS for the Funds Program by MDA.



Funds Program commitments are to be used to provide investment capital to seed and early-stage Beneficiary Companies in conjunction with other private investment to expand opportunities for State small businesses, including SEDI-Owned Businesses and VSBs, and to grow the State's economy.

I. **Services to Beneficiary Companies.** Successful Applicants will be expected to offer a variety of services to their portfolio companies. Because these services to portfolio companies are a type of equity support, SSBCI funds, out of the Funds Program commitment to the Fund, may be used to pay for such support up to an annual average of 1.71% of such committed funds, subject to applicable SSBCI program rules. Services to portfolio companies may include, for example, industry guidance, financial advising and management, operating guidance, customer connections, investor introductions, and other value-adds. Selected Funds will be required to certify annually that such services were provided to Beneficiary Companies.

J. **Additional Conditions.** Innovate will establish reporting requirements that will apply to all selected Funds and Beneficiary Companies to ensure that all Funds Program SSBCI funds are deployed and utilized in accordance with SSBCI, MDA, and InvestMS program requirements. InvestMS will also request reporting from Fund and Beneficiary Company participants regarding recipient demographic and other characteristics, which information is helpful for the State and Treasury to evaluate whether the Funds Program is meeting stated requirements. Funds must demonstrate willingness to comply, and to monitor and facilitate investee compliance, with all SSBCI, MDA, and InvestMS reporting obligations, which will be ongoing.

### III. **EVALUATION, SCORING, AND SELECTION.**

Funds will be evaluated, scored, and selected to participate in the Funds Program by an investment committee organized by InvestMS for that purpose. Evaluation, scoring, and selection will be based on an Applicant's application, supporting documentation, and follow-up interviews between InvestMS, the investment committee, and the Fund manager. Successful Applicants must have the ability to supply the certifications required by Treasury, including conflict-of-interest and sex offender status certifications, among others. Sample certifications have been provided by Treasury as part of the SSBCI Capital Program National Compliance Standards, which are described in the SSBCI [Capital Program Sample Certifications](#) resource promulgated by Treasury.

#### A. **Evaluation Framework.**

Following the Priority Submission Deadline, Innovate will evaluate all responses received to this RFA and score the same. Responses received after the Priority Submission Deadline will be evaluated on a rolling basis for so long as this RFA remains open. All responses to this RFA must include the following: (1) a completed Application (below), including the Application Information Sheet (Part I of Application), the Application's Business Plan (Parts II – IV of Application), Applicant's Disclosures, Certifications, and Representations (Part V of Application), and all Application Attachments; and (2) the Program Certifications set forth in [Exhibit 1](#). Applicants will be evaluated on criteria including, without limitation, the Applicant's: (i) track record of success in raising investment funds and successfully investing them; (ii) financial and management capacity to source deals, perform due diligence, evaluate the commercial potential of emerging technologies, and to provide management expertise and other value-added services to



Beneficiary Companies; (c) demonstration of need in targeted sectors for seed and early-stage investments; (d) committed investments and ability to raise sufficient additional investment to meet required ratio of private investment to SSBCI investment in Fund; (e) competitiveness and fairness of proposed compensation structure; (f) involvement of local and regional stakeholders in Fund; (g) ability to identify and direct investment funds to underserved populations and communities; and (h) other criteria determined to be relevant by InvestMS to making investment decisions consistent with the purposes of the SSBCI program and the Funds Program.

InvestMS will schedule follow-up interviews and meetings with Applicant Fund managers to review submitted RFA responses and related documents with Applicants determined to be reasonably likely to be selected for participation in the Funds Program. Follow-up interviews and meetings will be scheduled within 15 days following the Priority Submission Deadline for Applications received prior to that deadline, and, for Applications received after the Priority Submission Deadline, follow-up interviews and meetings will be scheduled if and as necessary within 15 days following Application receipt.

**B. Proposal Scoring.**

The following scoring rubric will be used to evaluate and score each Applicant's submission received by the Submission Deadline:

The criteria and weight of consideration in making the selections are as follows:

| <b><u>Criteria</u></b>   | <b><u>Maximum Score</u></b> |
|--|-----------------------------|
| Strategy & Operating Model   | 25                          |
| Experience, Qualifications, and Stability                          | 25                          |
| Fund Raising & Match Ability                                       | 15                          |
| Mississippi Engagement, Footprint, and Completeness of Application | 15                          |
| Diversity Practices (SEDI and CDFI commitment, etc.)               | 20                          |
| <b>TOTAL SCORE</b>   | 100                         |

C. **Selection.** Once the review, due diligence, and interview processes are complete, a compliance committee established under InvestMS's Funds Program structure (the "**RFA Compliance Committee**") will evaluate and score all Applications in accordance with the above evaluation criteria. The RFA Compliance Committee may undertake a due diligence process to verify information provided in the Application, supporting documentation, and interviews, and to gather further business, financial, and legal information needed at the discretion of the RFA Compliance Committee. Respondents agree to provide the RFA Compliance Committee with all information reasonably requested by it in the discharge of InvestMS's responsibilities as a steward of SSBCI funds.

Upon completion of evaluation, scoring, and due diligence activities, awards will be made, if at all, to those Fund respondents who best demonstrate the interest and ability to participate in the Mississippi Funds Program. Up to 5 Applicants, or, if applicable, that number of Applicants that may be allowed by Treasury under any amendment to Mississippi's approved SSBCI application, will be selected to participate in the Funds Program. Awards will be announced publicly not later than April 30, 2024, for successful Applicants submitting Applications prior to the Priority Submission Deadline, prior to which such Applicants will be notified via email with a notice of Innovate's intent to make an award under the Funds Program (an "**Intent to Award Notice**"). The Intent to Award Notice will state that InvestMS intends to award SSBCI funds to Applicant, subject to the successful negotiation of appropriate investment documents with the awardee Applicant and compliance with all applicable SSBCI and Funds Program regulations, rules, guidance, and procedures.

In general, investment documents will permit InvestMS's Funds Program affiliate to make an equity investment in a Fund on terms matching the Fund's private investors. The investment documents will provide that the Fund will be administered in accordance with Treasury and State SSBCI guidelines, including administrative and programmatic requirements such as management fee limitations and compliance and reporting obligations. Other SSBCI regulations, rules, and guidelines, many of which are described or referred to in this RFA, including but not limited to those regarding permissible investments, qualifications, and certifications, will also be incorporated into such investment documents.

The names of all awardees under this RFA will become public, and awards and SSBCI investments actually made will be a matter of public record.

**D. Additional Considerations.**

1. InvestMS reserves the right to reject any or all Applicants if in the sole judgment of InvestMS, as exercised by the RFA Compliance Committee, the objectives of the Funds Program would not be served.

2. Innovate reserves the right to award investment commitments in any amount irrespective of the amount requested, subject to SSBCI and Funds Program limitations; require the submission of modifications or additions to Applications as a condition of further participation in the selection process for the Funds Program; and amend this RFA.

3. The RFA Compliance Committee reserves the right to conduct further investigation into Applicant Fund entities, managers, partners, and associated persons, including the use of customary investigatory tools such as PitchBook, D&B reports, credit reports, background checks, governmental record checks, and the like. By submitting an Application, each Applicant authorizes InvestMS to contact any and all other persons identified in its Application or in any investigation conducted by or on behalf of InvestMS and obtain the release of pertinent financial and other information, as well as to verify the information provided by each Applicant.

4. Innovate will not be held liable for any costs incurred by any Applicant for work performed in the preparation and submission of an Application, during interviews, follow-up

reviews, or due diligence; nor for any work performed prior to written authorization from InvestMS to proceed following award.

5. All Applications submitted in response to this RFA will become the property of Innovate.

#### IV. QUESTIONS.

A. All questions, comments, and requests for clarification, or any other communication regarding this Request for Applications, should be submitted to InvestMS at [InvestMS@innovate.ms](mailto:InvestMS@innovate.ms).

B. Answers to questions, responses to comments, and requests for clarification, along with any changes, additions, or deletions to this Request for Applications, will be public and posted on the Innovate website on the "[SSBCI in Mississippi](#)" page, along with the electronic version of this Application, as amended. Applicants submitting questions containing proprietary information must mark as confidential the specific proprietary information therein, and InvestMS will endeavor to redact or otherwise exclude confidential information from public postings. Applicants should note that any necessary clarifications must be sought by the deadline for questions set forth in the "Request for Applications Schedule" section in this Application. Answers to questions, responses to comments, and requests for clarification received after the specified deadline may not be answered unless InvestMS provides by notice to the public an additional open period for such questions, responses to comments, and requests for clarification.

#### V. SUBMISSION OF APPLICATIONS.

A. **Submission Period.** The formal RFA process will be open to the public from Friday, December 15, 2023, until such time as that number of Funds permitted under the Funds Program have been awarded. The period for the priority submission of Applications will begin on December 15, 2023, and end on Monday, January 29, 2024. A separate Application must be filed for each individual Applicant fund entity, even if one or more Applicants are related parties.

B. **Submission Deadline.** All RFA responses desiring priority status must be received by Innovate by 5:00 pm Central Standard Time on January 29, 2024. **Applications received after 5:00 pm on January 29, 2024, will not be considered as part of the priority group and will not be evaluated until all priority Applicants have received an award decision.** Incomplete Applications received by the submission deadline will be scored on information submitted, although preference will be given to Applicants providing complete information.

C. **Submission Instructions.** Applications and supporting documents MUST be submitted electronically through this application [link](#). **Do not submit Applications using any other method.** File size is limited to 5GB per file. Multiple files may be uploaded in connection with any Applicant's Application. All files should clearly identify the Applicant to which the file relates.

D. **Submission Limitations.** Applications submitted in any manner other than the one provided in the immediately preceding Section C will not be accepted, including submissions of hard copies delivered by hand or by mail or courier, facsimile copies, electronic documents

attached to email, etc. Non-conforming submissions received by InvestMS will be rejected and destroyed. InvestMS has no obligation to return non-conforming submissions.

## VI. GENERAL PROVISIONS.

The issuance of this RFA and the submission of an Application by any Applicant or the acceptance of an Application by InvestMS does not obligate InvestMS, Innovate, or any of Innovate's affiliates, in any manner. InvestMS reserves the right to:

- a. amend, modify, or withdraw this RFA;
- b. revise any requirement of this RFA;
- c. require supplemental statements or information from any Applicant or responsible party;
- d. accept or reject any or all responses hereto;
- e. extend the deadline for submissions;
- f. negotiate potential contract terms with Applicants to this RFA;
- g. enter discussions with any Applicant to this RFA to correct or to clarify Applications that do not conform to the instructions contained in this RFA; and
- h. cancel or reissue, in whole or in part, this RFA if InvestMS, Innovate, and/or MDA determines in their sole discretion that it is in the best interests of the Funds Program to do so.

Innovate and Innovate's designated InvestMS affiliates may exercise the foregoing rights at any time without notice and without liability to any Applicant or any other party for its expenses incurred in the preparation of its Application(s) or otherwise. All costs associated with responding to this RFA will be at the sole cost and expense of the Applicant. While neither Innovate nor any InvestMS affiliate is generally considered to be a "public body" for purposes of Mississippi's Public Records Act of 1983, Miss. Code Ann. §25-61-1 et seq., as amended (the "**Records Act**"), Applicant information submitted to Innovate or its InvestMS affiliates in connection with this RFA may be subject to requests made under the Records Act to the extent any such information is shared with MDA, whether for mandatory reporting, compliance, or other purposes. Similarly, information submitted to Innovate or its InvestMS affiliates in connection with this RFA may be subject to requests made under the federal Freedom of Information Act, 5 U.S.C. §552, as amended, to the extent any Applicant information is shared, whether under mandatory reporting or compliance obligations or otherwise, with Treasury. Applicants should take care to mark as confidential any and all proprietary and confidential information contained in any submission made in response to this RFA. All Applications or other Funds Program information discussed at MDA meetings may be subject to Mississippi's Open Meetings Act, Miss. Code Ann. §25-4-1 et seq.

Neither Innovate nor any InvestMS affiliate is generally considered to be an "Agency" to which Mississippi's Public Purchases Act, Miss. Code Ann. §31-7-1 et seq., applies. Innovate and its InvestMS affiliates will, however, in the operation of the InvestMS program, endeavor to apply to the maximum extent prescribed Ethics in Public Contracting as set forth in the Mississippi Procurement Manual Chapter 9 and Miss. Code Ann. §25-4-101 through §25-4-119. Applicants will be required to submit with their Application an attestation that the Applicant has read, understood, and will comply with provisions of Ethics of Public Contracting relating to conflicts of interest and the prohibition of gratuities and will further certify that Applicant has not been subject to investigation by the Mississippi Ethics Commission.

Innovate and its InvestMS affiliates are equal opportunity employers and consider and treat all employees and applicants for employment without regard to race, color, sex, religion, age, national origin, handicap, disability, veteran status, or other bases of discrimination made unlawful by applicable state or federal law. Innovate and its InvestMS affiliates shall apply the same principles of equal opportunity to Applicants submitting Applications in response to this RFA as it and its affiliates apply to its and their employees and applicants for employment.

## **VII. OTHER IMPORTANT INFORMATION.**

As a federally authorized program, the SSBCI program is subject to particular requirements and guidelines that would not be customary in most private investment transactions. Innovate, as a jurisdiction-sponsored non-profit, has been charged with the operation and oversight of Mississippi's SSBCI venture capital and direct investment programs, and it and its InvestMS affiliates established to carry out such State SSBCI programs will act with transparency as a good steward of SSBCI venture capital and direct investment funds on behalf of the people of the State of Mississippi. RFA respondents should be aware of, and inform themselves about, the matters set forth in this Section VII, which may have a direct impact on Applicant Fund investments and management. Compliance with these requirements is mandatory and will be included in any contract undertaken between a successful Applicant and Innovate or its designated InvestMS affiliate.

### **A. Insiders and Conflicts of Interest.**

U.S. Treasury Guidelines have very strict rules against participation in investments by "insiders" as defined in the SSBCI [Capital Program Policy Guidelines](#). SSBCI funds may not be used by SSBCI equity/venture capital programs to make or support investments in a company or venture capital fund if an SSBCI insider, or a family member or business partner of an SSBCI insider, has a personal financial interest in the company or venture capital fund. A prohibited conflict of interest is deemed to exist even if the conflict is disclosed, or the relevant individuals recuse themselves from participating in the investment. Further, accepting a role as an SSBCI insider does not require a person to divest financial interests in a company or venture capital fund resulting from previous employment or personal investment activity. However, if a person is an SSBCI insider, any company or venture capital fund in which the insider has a personal financial interest is prohibited from receiving investments or financial support from SSBCI funds.

Funds selected to participate in the Funds Program will be required to complete a conflict-of-interest certification evidencing compliance with SSBCI insider regulations at the initial closing

of the InvestMS SSBCI investment, on a per-deal basis at the closing of each portfolio investment, and on an annual basis.

2. **Records, Reports, Reviews and Audits.**

The obligation to maintain records, undertake reporting (including, without limitation, financial reporting), and be subject to audits are requirements under the federal and State SSBCI programs. Detailed information about record keeping, reporting obligations, and audit requirements are set forth more fully in Exhibit 3.

VIII. **PERSONNEL & CONTACT INFORMATION.**

All questions regarding the RFA and the RFA process should be directed to the personnel below:

Lindsey Benefield  
Investment Director  
Innovate Mississippi/InvestMS

Mailing Address:  
121 N State St #500  
Jackson, MS 39201

Physical Address:  
121 N State St #500  
Jackson, MS 39201

Telephone: 601-960-3610  
E-mail: InvestMS@innovate.ms

The Funds Program, all awards under this RFA, and investment and other contracts entered into in respect of such awards are subject to approval by the Mississippi Development Authority and the U.S. Treasury.

## APPLICATION

### I. APPLICATION INSTRUCTIONS.

Responses to this Request for Applications ("**RFA**") must include:

- a. a complete application information sheet (Part I of Application);
- b. a business plan and business model reflecting the information requested in Section II below, together with all attachments;
- c. the required disclosures, certifications, and representations (Part V of Application) signed by the Applicant; and
- d. the Program Certifications set forth in Exhibit 1 signed by the Applicant.

If certain requested information or supporting documents are not available or applicable, please indicate this in the narrative, on the checklist, or within the particular attachment, as necessary. Preference will be given to completed Applications, and Applications that are not complete may not be reviewed by Innovate.

Please organize your Application responses in the order presented below and provide tabs or hyperlinks for each of the major sections of your Application response and for each attachment. Please read each section carefully and ensure that all responsive documents are clearly marked with the Applicant's name and a description of their contents. Applications and supporting documents may be submitted in any supported format. File size is limited to 5GB, although Applicants will be able to submit multiple documents as part of their Application response.

[Application begins on next page. Remainder of this page intentionally left blank.]



II. APPLICATION.

A. **Applicant Information Sheet.** (This information sheet will be completed in on-line application [here.](#))

| PART I: ORGANIZATION INFORMATION |   |   |
|----------------------------------|---|---|
| 1                                | Legal Name of Organization:   |   |
| 2                                | Organization Address:   |   |
|                                  | Street Address  |   |
|                                  | City, State, and Zip Code   |   |
| 3                                | DBA Name, if applicable:  |   |
| 4                                | Applicant Contact Name and Title:   |   |
| 5                                | Applicant Contact Address:  |   |
|                                  | Street Address  |   |
|                                  | City, State, and Zip Code   |   |
| 6                                | Applicant Telephone Number:   |   |
| 7                                | Applicant Contact Email:  |   |
| 8                                | Form of Business:   | <input type="checkbox"/> For-Profit<br><input type="checkbox"/> Non-Profit<br><input type="checkbox"/> Other: _____ |
| 9                                | Federal Tax ID No. for Organization:  |   |
| 10                               | DUNS No.:   |   |
| 11                               | State Entity ID No.:  |   |
| 12                               | Other Funding Received from Innovate or the State of Mississippi or agency thereof. List prior relevant Mississippi assistance applied for or received: [Attach additional sheet if necessary.]   |   |
|                                  |   |   |
|                                  |   |   |
|                                  |   |   |
| 13                               | Has Organization applied for, have plans to apply for, or received SSBCI funding from states other than Mississippi? If so, list states, status of application or date application will be submitted in each state, and, if applicable, awards received by state. [Attach additional sheet if necessary.] |   |
|                                  |   |   |
|                                  |   |   |
|                                  |   |   |

**B. Business Plan and Business Model of Applicant Fund.**

Attach a business plan and business model (collectively, "**Business Plan**") for your venture capital investment fund within the online application [here](#). Your Business Plan should be in the order of and reflect the information included in the following Parts II through IV. Alternatively, in lieu of a formal Business Plan, Applicants may respond by providing the information requested in Parts II through IV by upload of written responses to the online Application. **Applicants will want to be familiar with the additional Fund eligibility criteria set forth in Exhibit 2.**

| <b>PART II: STRATEGY AND OPERATING MODEL/EXECUTIVE SUMMARY</b> |   |
|--|---|
| 14   | <p><b><u>Business Summary:</u></b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Amount of Funds being requested from the Funds Program and the aggregate target size of the Fund (in dollars) and anticipated or actual Fund closing dates.</li> <li><input type="checkbox"/> Overview of the Fund's current business:               <ul style="list-style-type: none"> <li>○ organizational and ownership structures,</li> <li>○ year established,</li> <li>○ Fund focus and mission,</li> <li>○ and the range of the Fund's activities.</li> </ul> </li> <li><input type="checkbox"/> Include all Fund activities not related to the Fund's investment strategy.</li> <li><input type="checkbox"/> Describe all:               <ul style="list-style-type: none"> <li>○ offices,</li> <li>○ personnel,</li> <li>○ current investments,</li> <li>○ civic participation,</li> <li>○ and other ties to Mississippi and length of time any such ties have been established.</li> </ul> </li> </ul> |
| 15   | <p><b><u>Fund Strategy:</u></b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Summary of the Fund's:               <ul style="list-style-type: none"> <li>○ investment thesis,</li> <li>○ strategy,</li> <li>○ target markets,</li> <li>○ goals,</li> <li>○ and timelines (actual or proposed).</li> </ul> </li> <li><input type="checkbox"/> Include projected investment:               <ul style="list-style-type: none"> <li>○ volume,</li> <li>○ expected initial investment size, stage and planned reserve for follow-on investments using Funds Program Funds if an award is received under the RFA.</li> </ul> </li> </ul>   |
| 16   | <p><b><u>Fund Specialization and Geographic Area:</u></b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Description of any Fund specialization by:               <ul style="list-style-type: none"> <li>○ industry,</li> <li>○ geography,</li> <li>○ stage of investment or development of investees, etc.,</li> <li>○ and targeted geographic location of Fund investments.</li> </ul> </li> </ul>   |

|    |  |
|----|--|
| 17 | <p><u>Fund Structure:</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Expected amount,</li> <li><input type="checkbox"/> source,</li> <li><input type="checkbox"/> and commitment of matching private investment funds,</li> <li><input type="checkbox"/> including currently committed Fund capital and expected potential co-investment.</li> </ul>  |
| 18 | <p><u>Marketing Strategy:</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Summary of Fund's: <ul style="list-style-type: none"> <li>o marketing strategy and plan, including outreach to: <ul style="list-style-type: none"> <li>▪ SEDI-Owned Businesses,</li> <li>▪ CDFI Businesses,</li> <li>▪ and VSBs, if applicable,</li> </ul> </li> </ul> </li> </ul>   |
| 19 | <p><u>Fund Operating and Investment Processes:</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Description of Fund's: <ul style="list-style-type: none"> <li>o operating policies and procedures,</li> <li>o including: <ul style="list-style-type: none"> <li>▪ deal sourcing,</li> <li>▪ deal review,</li> <li>▪ and due diligence packets,</li> <li>▪ investment approval,</li> <li>▪ portfolio management,</li> <li>▪ portfolio company monitoring and oversight,</li> <li>▪ and financial management.</li> </ul> </li> <li>o Include required benchmarks investees must meet to be eligible for Fund investment, if any.</li> </ul> </li> </ul> |
| 20 | <p><u>Fund SEDI Commitment:</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Summary of Fund's commitment to service: <ul style="list-style-type: none"> <li>o SEDI-Owned Businesses,</li> <li>o CDFI Businesses,</li> <li>o and VSBs.</li> <li>o Include specific funding percentage commitment.</li> </ul> </li> </ul>  |
| 21 | <p><u>Fund Support Services:</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Summary of all services and other support provided to portfolio companies.</li> </ul>   |

**PART III: COMPANY INFORMATION AND MANAGEMENT**

|    |   |
|----|---|
| 22 | <p><u>Fund Management Structure:</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Description of Fund management structure, including information regarding Fund's general partner, manager, or similar.</li> </ul>  |
| 23 | <p><u>Fund Key Personnel:</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> List of Fund's management team and key personnel with summary of role, area(s) of responsibility, investment decision-making authority, capacities, skills, and experience for each.</li> </ul> |

|    |  |
|----|--|
|    | <ul style="list-style-type: none"> <li>○ Include former management team members or key personnel who are no longer with the Fund.</li> <li>○ Indicate for each person included in this response whether they ever filed for bankruptcy (as a business or personally).</li> </ul>   |
| 24 | <p><u>Regulatory Licensure and Experience:</u></p> <ul style="list-style-type: none"> <li>❑ Summary of licensure under, letters and opinions obtained from, and disciplinary inquiries or actions taken by the SEC or any state securities regulator or under any applicable securities, investment company, or investment advisor laws or regulations for each person listed under Item 22.</li> </ul>  |
| 25 | <p><u>Fund/Manager Track Record:</u></p> <ul style="list-style-type: none"> <li>❑ Summary of investment track record of Fund and key Fund or investment managers as it relates to Fund or manager strategies, including volume of investments, profile of typical portfolio company, industries invested in, typical investment structure(s), co-investments secured, follow-on investments made, etc. <ul style="list-style-type: none"> <li>○ Include the number of investments made, if any, in companies located in Mississippi and in seed or early-stage startups irrespective of location.</li> </ul> </li> </ul> |
| 26 | <p><u>Fund Performance:</u></p> <ul style="list-style-type: none"> <li>❑ Description of Fund's overall financial performance over the past 3 – 5 years. <ul style="list-style-type: none"> <li>○ For financial statements included as Attachments (see Section C below), <ul style="list-style-type: none"> <li>▪ identify the type of financial statement provided (audited, reviewed, pro forma, etc.)</li> <li>▪ and provide a narrative for significant items of note appearing in such financial statements.</li> </ul> </li> </ul> </li> </ul>   |
| 27 | <p><u>Fund Co-Investors:</u></p> <ul style="list-style-type: none"> <li>❑ Describe all current and potential co-investing relationships.</li> </ul>  |
| 28 | <p><u>Fund Compensation:</u></p> <ul style="list-style-type: none"> <li>❑ Propose a compensation structure for the Fund addressing fees and fund manager compensation, including all fees, charges, expenses, profit-sharing, performance bonuses, carried interest entitlements, and other fees, costs or expenses that will be payable to the Fund manager(s) by the Fund or its investors.</li> </ul>   |
| 29 | <p><u>Prior SSBCI Experience:</u></p> <ul style="list-style-type: none"> <li>❑ Describe the Fund's participation in any state's SSBCI program prior to the date of the Fund's response to this RFA, including all receipts of SSBCI program funds, investments made with such SSBCI program funds, and results of investments made with SSBCI funds.</li> </ul>  |

**PART IV: INVESTMENT CONSIDERATIONS**

|    |  |
|----|--|
| 30 | <p><u>SSBCI Target Investment Capability:</u></p> <ul style="list-style-type: none"><li><input type="checkbox"/> Describe the Fund's capacity to source, evaluate, and finalize investments in seed and early-stage companies in the State in line with the Fund's investing strategy,<ul style="list-style-type: none"><li>o including the specific outreach and deal sourcing plan the Fund would employ to identify potential investments (other than marketing initiatives already described),</li><li>o including those from underserved regions and underrepresented founders.</li></ul></li><li><input type="checkbox"/> Identify existing investment partners in Mississippi.</li><li><input type="checkbox"/> Describe participation, or planned participation, in Mississippi startup ecosystem, including participation in regional or statewide events, program offerings, office hours, or similar.</li></ul> |
| 31 | <p><u>SSBCI Fund Investment:</u></p> <ul style="list-style-type: none"><li><input type="checkbox"/> Describe the Fund structure envisioned for the SSBCI investments, such as:<ul style="list-style-type: none"><li>o investing from a dedicated fund,</li><li>o a sidecar fund to an existing fund,</li><li>o or some other structure.</li></ul></li></ul>  |
| 32 | <p><u>Projections and Targets:</u></p> <ul style="list-style-type: none"><li><input type="checkbox"/> Describe the Fund's projections and expected commitment period for making investments.</li><li><input type="checkbox"/> Describe expected:<ul style="list-style-type: none"><li>o investment structure,</li><li>o average deal size,</li><li>o targeted terms, etc.</li></ul></li></ul>  |
| 33 | <p><u>Matching Funds:</u></p> <ul style="list-style-type: none"><li><input type="checkbox"/> Describe the expected amount and source of private, non-State matching funds, including general partner contributions, contributions from other public and private sources, and third-party co-investment.</li><li><input type="checkbox"/> Describe the Fund's capacity to raise additional funds and the methodology to be used.</li></ul>  |
| 34 | <p><u>Accommodation of SSBCI:</u></p> <ul style="list-style-type: none"><li><input type="checkbox"/> Describe any differences in Fund strategy that will be undertaken to accommodate investment of SSBCI funds, including but not limited to identification of differences (i) from existing operating policies and procedures, (ii) in the way the Fund will provide advisory services or participate in investee governance.</li></ul>  |
| 35 | <p><u>Fund Service Providers:</u></p> <ul style="list-style-type: none"><li><input type="checkbox"/> Describe any service providers the Fund plans to work with to structure, administer, and operate the Fund,<ul style="list-style-type: none"><li>o including but not limited to third-party fund administrators.</li></ul></li></ul>   |

|    |   |
|----|---|
|    | <input type="checkbox"/> Describe how the Fund will be managed and administered.  |
| 36 | <p><u>Fund Technology:</u></p> <input type="checkbox"/> Describe any technology the Fund uses or will use to manage and monitor the Fund and portfolio investments and to gather and track data for required reporting. |

C. **Attachments to Business Plan.**

Attach the following documents to your Business Plan. These attachments will supplement and support information requested to be provided in your Business Plan. If any requested attachment documents are not available, please indicate that fact and the reason for unavailability in the requested attachment.

- a. Attachment A: Relevant Organizational Documents (certified copies) and Certificate of Good Standing.
- b. Attachment B: Pitch Deck for Fund.
- c. Attachment C: Private Placement Memorandum for Fund.
- d. Attachment D: Organizational chart for Fund general partner, manager, or similar, including directors, officers, members, managers, partners, advisors, staff, and key consultants (if any).
- e. Attachment E: Résumés or CVs for each Fund manager and key team members.
- f. Attachment F: Annual Reports, Financial Statements, and Audits for the past 3 years, if available, for the Applicant Fund entity and any related Fund entities.
- g. Attachment G: List of references, including name, title, organization name, contact information (address, telephone number, and email address), timeframe of relationship, and description of relationship, from: (i) existing or potential Fund co-investors with whom you have worked previously or have a current relationship (2-3 required); (ii) portfolio companies (at least 1 required); and (iii) partner organization, including state agencies (1 required).
- h. Attachment H: Case studies (1-2) demonstrating Applicant Fund's or Fund managers' past work and experience.
- i. Attachment I: Sample Fund investment memo (if available).
- j. Attachment J: Fund model translating Fund's investment strategy into hypothetical investment portfolio matching target portfolio composition and total fund size. Include ownership targets for each investment and Fund's expected performance.

k. Attachment K: List of Fund investors (actual) and investment amounts and identified potential investors, including for each potential investor whether a commitment or written expression of interest has been received and possible investment amount.

l. Attachment L: Sample of Fund's typical investment term sheet.

m. Attachment M: Fund's standard operational, management, and legal due diligence questionnaires.

[Remainder of Page Intentionally Left Blank. Section D follows.]



D. **Required Disclosures, Certifications, and Representations.**

E. Applicants are required to make the following disclosures, certifications, representations, and warranties as a prerequisite for participation in the Funds Program. **(The following questions in Part V will be completed in on-line application [here](#). Exhibit 1 will need to be signed and submitted as part of application.)**

| <b>PART V: REQUIRED DISCLOSURES, CERTIFICATIONS, AND REPRESENTATIONS</b>  |   |   |
|---|---|---|
| <b>DISCLOSURE AND ACCOUNTABILITY CERTIFICATIONS</b> (Please attach and explanation for any "yes" answer below.) |   |   |
| 37  | 1. Is the Fund entity currently the subject of any action, investigation, or proceeding pending before any court or governmental agency or, to the knowledge of Applicant (including its general partner, manager, and officers), threatened against or otherwise affecting Applicant or any of its partners, managers, members, officers, assets, or the ability of Applicant to perform any of its obligations? | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |
|   | 2. Has the Fund entity or any of its partners, managers, members, or officers received notice of any violations or investigation of any violations of any statute, regulation or order relating to the Fund's current or proposed business activities?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |
|   | 3. Is the Fund entity in material compliance with all applicable federal and state laws and regulations?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |
|   | 4. Has the Fund entity or any of its affiliates ever been involved in a bankruptcy, creditor's rights or receivership proceeding or sought protection from creditors?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |
|   | 5. Has the Fund entity ever settled a debt with a lending institution for less than the full amount outstanding?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |
|   | 6. Has any manager or principal of the Fund entity ever been convicted of any felony or misdemeanor, other than minor traffic violations, or are any such charges pending?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |
|   | 7. Has the Fund entity or any of its affiliates been cited for a violation of federal, state, or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, or operating practices?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |
|   | 8. Are there any outstanding judgments or liens pending against the Fund entity other than liens incurred in the normal course of business?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |
|   | 9. Is the Fund entity delinquent on any federal, state, or local tax obligations?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |

|    |  |   |
|----|--|---|
|    |  |   |
|    | <b>REPRESENTATIONS</b>   |   |
| 38 | 1. Applicant represents and affirms that all information, documentation, and representations submitted in connection with this RFA are true and correct to the best of Applicant's (including its general partner, manager, and officers) knowledge.   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |
|    | 2. Applicant represents and affirms that no partner, manager, member, officer, other principal, or employee of Applicant has offered or given any money or other thing of value to any officer or employee of the State of Mississippi or Innovate, either directly or indirectly in order to obtain an award under this RFA or to receive SSBCI or other funds. | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |

The undersigned, on behalf of the Applicant as a potential recipient of federal funding under the U.S. Treasury SSBCI program and as provided under 28 U.S.C. §1746, hereby certifies under the penalty of perjury that the foregoing responses in Part V of the Application are the true and correct responses of Applicant.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT 1**  
**SSBCI GUIDELINES CERTIFICATION FORM**

The undersigned hereby certifies on behalf of \_\_\_\_\_  
(the Applicant) as follows:

I have the authority to execute this certification on behalf of the Applicant.

I have read the U.S. Treasury issued guidance on the SSBCI program found here: <https://home.treasury.gov/system/files/136/SSBCI-Capital-Program-Policy-Guidelines.pdf>, and the Applicant is committed to operating in accordance with all federal rules and guidelines in relation to its participation in any U.S. Treasury SSBCI program.

I have read the U.S. Treasury Assurance of Compliance with Civil Rights Requirements document found here: [https://home.treasury.gov/system/files/136/Title\\_VI\\_Assurances.pdf](https://home.treasury.gov/system/files/136/Title_VI_Assurances.pdf), and the Applicant is willing to sign and comply with the terms set forth therein or substantially similar document containing the requirements issued by the U.S. Department of Treasury to the extent it is chosen to participate in any U.S. Treasury SSBCI program.

I have read the Venture Capital Programs Conflict-of-Interest Standards contained in the Capital Program Policy Guidelines found here: <https://home.treasury.gov/system/files/136/SSBCI-Capital-Program-Policy-Guidelines.pdf>, and the Applicant will comply with these Conflict-of-Interest Standards in connection with an U.S. Treasury SSBCI program.

The undersigned, on behalf of the Applicant as a potential recipient of the federal funding under the U.S. Treasury SSBCI program and as provided under 28 U.S.C. §1746, hereby certifies under the penalty of perjury that the foregoing is true and correct.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **EXHIBIT 2**

### **FUND ELIGIBILITY CRITERIA**

In addition to other requirements set forth in the RFA, successful Applicant will also meet the following criteria established by MDA, InvestMS (Innovate and its InvestMS affiliates), and Treasury SSBCI program guidelines:

- **Geographical Presence:** For-profit entities must currently have or establish a physical presence in Mississippi (office located in Mississippi and/or one or more employees making Mississippi-based investment decisions); Non-profit entities must be headquartered in Mississippi.
- **Fund Size:** <\$50M; Funds must have appropriate capital under management or investments for fund type.
- **Stage of Fund Investments:** Pre-Seed, Seed, Series A.
- **Fund Investment Targets:** Startup companies and small businesses with 500 employees or fewer, with preference for SEDI-owned Businesses and VSBs.
- **Size of Fund Investments:** \$5M in principal or less (provided that no transaction, including related transactions closing on or about the same time, may exceed \$20M).
- **Investment Geography:** Must actively source deals in Mississippi per Fund's business model and investment thesis; historical performance will be evaluated if applicable.
- **Experience:** A minimum of 2 principals with five years' money management experience in venture capital, private equity, or commercial lending; demonstrated track record of successful investing and management, and experience with the kinds of investments indicated in Fund's investment thesis.
- **Structure:** Fund will have formal legal structure and a written business plan (or an otherwise fully completed Application), which will address Fund's investment thesis and any Fund focus or specialization.
- **Marketing:** Demonstrated marketing strategy and ability to attract, evaluate, and screen investment candidates.
- **Use of Resources:** Demonstrated capacity to efficiently utilize, manage, and cover Fund general and administrative fees.
- **Capitalization:** Demonstrated equity capitalization or commitments sufficient to achieve 1:1 minimum leverage measured against SSBCI investment and compliance with Treasury capital at-risk rules.

- Mississippi Commitment: Demonstrated commitment to building Mississippi entrepreneurial ecosystem.
- SEDI Commitment: Demonstrated strategy and capacity for sourcing investees, developing pipeline, and investing funds in underserved communities, including investments in SEDI-owned Businesses and VSBs.
- Program Commitment: Demonstrated willingness to work closely with Innovate's InvestMS program, the InvestMS affiliates, MDA, and other equity partners and stakeholders throughout the life of the Fund and partnership and to comply with all Treasury and InvestMS SSBCI Program guidance and rules, including but not limited to transparency and disclosure obligations, investment approval procedures, and other burdens arising from participation in a government-funded program.
- Program Compliance: The Fund (GP) must incorporate into its governing documents or otherwise sign a side letter with the investing InvestMS affiliate addressing required SSBCI compliance items, including, without limitation, the conflict-of-interest and other certifications, management and administrative fee restrictions, record-keeping and access, Fund and Fund manager at risk rules, and annual and quarterly reporting requirements.
- Acquiescence of Fund Investors: Other fund private investors (LPs) must acquiesce or agree to the incorporation or adoption of a side letter addressing required SSBCI compliance items to the extent required under applicable law.

**EXHIBIT 3**  
**INFORMATION USE, REPORTING, RECORDS, and ACCESS TO DATA**

**A. Information Use and Reporting.**

1. Transparency. Applicant will agree to provide Innovate and its InvestMS affiliates with all information reasonably requested by any of them in the discharge of Innovate's and its InvestMS affiliates' responsibilities as stewards of state and federal funds and to MDA as the state agency charged with oversight of the Mississippi SSBCI program. The Applicant, by or on behalf of Applicant's Fund manager, agrees that such information shall reasonably be deemed to include any information related to the criteria under which the Fund manager conducts due diligence of proposed portfolio investments, the Fund manager's activities with respect to any other venture fund, any compensation or fee paid to the Fund manager(s) or any of its affiliates by any company that is a portfolio investment of Applicant's Fund, or any other information reasonably requested by Innovate or an InvestMS affiliate to fulfill their own reporting obligations to MDA, the Mississippi State Auditor, and the people of the State of Mississippi.

2. Compliance with Securities Laws. The Applicant must have and will comply in all material respects with applicable securities laws in the offer and sale of Fund equity interests.

3. Oversight and Communications. Applicant acknowledges that, if successful, the InvestMS Funds Program manager and other InvestMS staff will meet with designated members of the Applicant Fund's staff no less than quarterly. InvestMS may arrange additional meetings between designated individuals as needed.

**B. Records, Reports, Reviews, and Audits.**

Any contract between Innovate or an InvestMS affiliate and a successful Applicant Fund will require the Fund's manager to hold and manage Funds Program records and Funds Program-associated documentation in ways conducive to transparency and regular, accurate reporting. Records and reporting requirements will be specified in the investment contract and other documents negotiated and entered into between the InvestMS affiliate making the investment and the successful Applicant Fund (the "**Contract**"). The Fund manager will be required to provide the reports specified below at a time and in a manner to be prescribed by InvestMS in conformity with Treasury, MDA, and InvestMS requirements. The Fund must also be willing to agree to cooperate in, and provide information for, all reviews and audits that may be specified in the Contract, including but not limited to reviews and audits conducted by or on behalf of Treasury or the State of Mississippi.

1. Records and Records Retention.

Fund managers will be required to maintain accurate and transparent financial records and accounts that properly document the basis for receipt and disbursement of all Program Fund funds, whether in cash or in kind, including SSBCI funds initially invested by the designated InvestMS affiliate, and all related fees. All such records and accounts will be required to be made available to Innovate and its InvestMS affiliates, or any of their authorized representatives, at reasonable times for inspection and use in carrying out Innovate's and the InvestMS affiliates' responsibilities

for administration of the SSBCI funds contributed to the Funds Program. Fund managers will also be required to maintain accurate and transparent financial records and accounts that properly document the basis for receipt and disbursement of all other Fund funds, including all related fees, whether in cash or in-kind. All such records and accounts will be required to be made available to Innovate, its InvestMS affiliates, and their authorized representatives at reasonable times for inspection and use in carrying out Innovate's and the InvestMS affiliates' responsibilities for administration of the Funds Program funds.

2. Portfolio Investment Reports.

Each proposed investment will be required to be submitted to the designated InvestMS investment committee for final approval in accordance with Mississippi SSBCI Program Rules and Treasury guidelines prior to the closing of the portfolio investment transaction. Submissions must include at least the following information:

- a. Name of company, amount of investment, type of investment, and general terms;
- b. Use of funds statement by proposed investee;
- c. Company Address, census tract, NAICS code, and demographic & general information of proposed investee;
- d. Assurances and certifications in accordance with the Funds Program rules and U.S. Treasury guidelines, including:
  - i. Investee Use of Proceeds and Conflict of Interest Certification;
  - ii. Investor Use of Proceeds and Conflict of Interest Certification;
  - iii. Sex Offender Certifications of Investor & Investee; and
  - iv. Investee SEDI Certification and Demographic Information (to the extent the proposed investee elects to provide the same).

3. Economic Impact Reports. Successful Applicants and InvestMS will work together to determine appropriate measures of the economic impact of the Funds Program to be reported, including, but not limited to, information about industry sectors, jobs created and retained, job categories with salary levels, and sources and amounts of additional rounds of capital funding received. The Fund managers and InvestMS will also collaborate to determine appropriate methods of measuring or acquiring such information.

4. Survey of Enterprises Constituting the SSBCI Fund's Portfolio Investments. Fund managers will be required to perform annual Funds Program surveys in a form and manner approved by InvestMS and at the Funds Program's expense, with an emphasis on identifying enterprise satisfaction, follow-on economic measurements, and accumulation of information for use in InvestMS impact reports. Fund managers and InvestMS will be expected to collaborate to construct meaningful surveys.



5. Performance Reviews. Innovate and its InvestMS affiliates may contract with independent professionals to review, monitor, and/or evaluate the Funds Program and the awarded Fund's performance at any time during the life of the Contract. Any third-party reviewers will be chosen by Innovate or its InvestMS affiliate at that entity's sole discretion. Reviewers will be expected to sign a non-disclosure agreement (NDA) relative to any confidential information they may have access to during the review. The costs for such reviews will be paid by the Funds Program. Fund managers will be required to agree to provide all requested Funds Program-related information to such professionals as directed by Innovate or an InvestMS affiliate.

6. Audits.

a. Fund managers for funds with greater than \$20M under management – including the SSBCI funds - will be required to provide, at the Fund's expense, an annual independent financial audit of the Fund, which shall include an audit of the funds received and expended under any Funds Program investment documents, including management letters. The audit will need to be performed in accordance with generally accepted auditing standards for the entity being audited by a certified public accountant (CPA) or certified public accounting firm (CPA firm) currently registered and holding a permit to practice in good standing with the relevant state board of public accountancy in the state of the Fund's principal office. Agreed-upon Procedures (AUP) may not be used in lieu of required audits or to limit the scope of any audit. In the event that an audit discloses, or it is otherwise determined that the Fund manager has expended Funds Program dollars on unallowable costs, the Fund manager will be required to reimburse the Funds Program in full for all such disallowed costs within 30 days of determination of the unallowable costs. Fund managers must provide InvestMS with a copy of completed annual financial audits.

b. Funds with less than \$20M under management – including the SSBCI funds – must provide, at the Fund's expense, financial statements reviewed in accordance with applicable AICPA Professional Standards and Statements on Standards for Accounting and Review Services by a CPA or CPA firm currently registered and holding a permit to practice in good standing with the relevant state board of public accountancy in the state of the Fund's principal office. Fund financial statements to be reviewed must be compiled by a CPA or CPA firm in accordance with generally accepted accounting principles. AUP may not be used in lieu of required reviews or to limit the scope of any review. In the event that it is determined that the Fund manager has expended Funds Program dollars on unallowable costs, the Fund manager will be required to reimburse the Funds Program in full for all such disallowed costs within 30 days of determination of the unallowable costs.

7. Other Reports to InvestMS. Fund managers will be requested to acknowledge Innovate's (and its InvestMS affiliates') accountability to the State of Mississippi, the Mississippi State Auditor, and the Treasury with respect to the SSBCI funds and agree to provide such information regarding the Funds Program and the Fund's portfolio investments as InvestMS, Innovate, or an InvestMS affiliate may reasonably request in order to monitor the progress of the businesses receiving investment funding. Such information may include, but is not limited to, type of investment, information about business development, sales growth, capital investments, jobs created or retained, market development, other economic impacts, financial records and regular financial reports, and sources and amounts of other capital invested in such businesses.

a. Quarterly Activity Reports. Information about Fund activities, including investment and financial activities described herein, must be provided quarterly as part of the Fund manager's regular reports, in a form and format to be approved by Innovate. Investments made using SSBCI funding must be clearly tracked and reported by investment stage and type, including the status of commitment to each portfolio company, previous investments, any investments made in the current quarter about which the report is made, and any unfunded Fund commitments. All investments will need to be tracked separately and contain information as listed above and in a format approved by Innovate.

In addition to the foregoing information regarding investment and financial activities of the Fund, the Fund will also be required to provide quarterly the following information about the Fund itself, and such other information as Innovate may require from time to time:

- Fund Name
- Fund Status
- LPA Effective Date
- Total Fund Capital under Management (called and uncalled)
- Parallel Fund(s), if any
- Funds Program Investor's Funds under Management (called and uncalled)
- Funds Program Investor's Capital Committed
- Funds Program Investor's Capital Committed as a Percentage of Total Fund Capital Committed
- Funds Program Investor's Uncalled Capital Commitment
- Funds Program Investor's Capital Contributions Made to Date
- Management Fees and Expenses Allocated to Funds Program Investor
- Funds Program Investor's Total Capital Invested
- Cumulative Distributions Allocable to Funds Program Investor
- Net Asset Value (NAV) Allocable to Funds Program Investor
- Funds Program Investor's Distributions to Paid-in Capital (DPI)
- Fund Total Value to Paid-in Capital (TVPI)
- Fund Residual Value to Paid-in Capital (RVPI)
- Gross Multiple on Invested Capital (Gross MOIC)
- Net Multiple on Invested Capital (Net MOIC)
- Internal Rate of Return (IRR)

b. Reports from Portfolio Companies. Fund managers will agree to require as a condition of the investment of SSBCI funds in any portfolio company that (i) the company provide the Fund with quarterly unaudited financial statements certified by the company's chief financial officer (or, if none, the company's accountant) and reviewed annual financial statements, each prepared in accordance with generally accepted accounting principles, and (ii) the company certify that it meets the requirements of 12 U.S.C. § 5701 et. seq. at the time of the SSBCI investment as a business enterprise eligible to receive funding thereunder.

C. **Required Access to Data.**

1. Scope of Access. Fund managers will be required to allow the InvestMS program manager and other authorized representatives of Innovate and the InvestMS affiliate investor access during regular business hours to all technical, business, and financial data, records, and files of the Fund relating to Fund investments. InvestMS, Innovate, and the InvestMS affiliate investor, as applicable, shall take reasonable precautions to insure the confidentiality of any proprietary information.

2. Data for Performance Evaluations. Fund managers will be required to collect and provide to InvestMS such data as required by InvestMS (whether on behalf of Innovate or an InvestMS affiliate) for performance evaluations and reviews, whether performed by InvestMS, Innovate, or an InvestMS affiliate or an independent professional designated by any of the foregoing.