INNOVATION ACCELERATION FUND
APPLICATION PROCESS

IOWA Economic Development

Step 1 — Review Program Summaries and Guidelines

Prospective applicants should carefully review the Innovation Acceleration Fund programs' summaries and guidelines to determine which program, if any, is an appropriate fit for the prospective applicant's economic development project. (Launch, Propel, Expansion)

Step 2 — Request Application

Contact VentureNet Iowa at innovation@iowaeda.com to request an application.

Step 3 — Application Submission

Prospective applicants must complete the **Innovation Acceleration Fund** program application and submit it to IEDA.

Applications are reviewed for funding decisions on a bi-monthly basis.

Please review the 2026-2027 Application Deadlines schedule. Complete applications received after a deadline will advance through the application process for the next funding period.

Please submit one electronic copy of the application form and all required attachments. Applications will be processed based on date/time of receipt of complete digital submission. Submit to: innovation@iowaeda.com

All signatures and notarized documents may be scanned and submitted via email or mailed to:

VentureNet Iowa 400 East Court Ave; Suite 122; Des Moines, IA 50309

Step 4 — Preliminary Application Assessment

VentureNet Iowa will review all applications to determine whether each is complete and conforms to the program requirements.

Step 5 — Review Panel with VentureNet

VentureNet Iowa will contact the applicant to discuss presentation to a Review Panel at the VentureNet Iowa office for evaluation and feedback.

Step 6 — Technology Commercialization Committee

The Technology Commercialization Committee (TCC) is a sub-committee of the Iowa Economic Development Authority (IEDA) Board. The TCC will review each application that advances from Step 5. The applicant will present the proposal to the TCC so that the Committee can ask questions and develop a deeper understanding of the proposal under consideration. The TCC will use its best judgment to make a funding recommendation to the IEDA Board of Directors for state-funded awards or Director of IEDA for State Small Business Credit Initiative (SSBCI) awards.

Step 7 — Iowa Economic Development Authority Board/Director Approval

The IEDA Board or Director of IEDA will consider applications reviewed by the Technology Commercialization Committee along with the Committee's recommendations. The IEDA Board or Director will use its best judgment to take one of the following actions on each application it considers: (i) approve funding the proposal as submitted; (ii) approve funding the proposal subject to certain modifications or completion of additional due dOirligence; or (iii) deny funding for the proposal.

IEDA Innovation Funding Programs
Award Options, Terms and Conditions

Program	Form of Award	Terms	Notes
POCR	Royalty*	Repayment of 1 times award amount; 3% royalty based on prior-year total gross revenue (does not include grant funds).	* Repayment incentive: total amount discounted by 10% per year for accelerated repayment within the first five years.
POCR	Loan**	Straight 5-year term, 6-month deferral, 3% rate of interest.	** Loan option awarded based on evidence that company can service the debt.
Demo Fund	Royalty*	Repayment of 1.1 or 1.33 (for non-revenue generating companies) times award amount; 3% royalty rate based on prior-year total gross revenue (does not include grant funds).	* Repayment incentive for non-SSBCI awards: total amount discounted by 10% per year for accelerated repayment within the first five years.
Demo Fund	Loan**	Straight 5-year term, 6-month deferral, 3% rate of interest.	** Loan option awarded based on evidence that company can service the debt.
Launch	Loan	Straight 5-year term, 6-month deferral, 3% rate of interest.	*10% success fee – 10% of loan amount paid to IEDA upon acquisition or IPO.
Launch	Royalty *	Repayment of 1.1 or 1.33 (for non-revenue generating companies) times award amount; 3% royalty rate based on prior-year total gross revenue (does not include grant funds).	
Propel	Loan	Straight 5-year term, 6-month deferral, 3% rate of interest.	*10% success fee – 10% of loan amount paid to IEDA upon acquisition or IPO.
Propel	Royalty*	Repayment of 1.1 or 1.33 (for non-revenue generating companies) times award amount; 3% royalty rate based on prior-year total gross revenue (does not include grant funds).	
Expansion	Loan	Straight 7-year term, no deferral, 3% rate of interest.	*10% success fee – 10% of loan amount paid to IEDA upon acquisition or IPO.

Interest Rate

3% interest is standard; Interest shall accrue from the date of first disbursement of funds.

Term Options

Straight five-year term (seven-year term for Expansion).
Deferment: Standard is 6 months (no deferral for Expansion).

Special Terms & Conditions

For funds awarded in tranches, include conditions and milestones.

Claw back provisions in the contract

The loan will be repaid in a lump sum, accruing 6% interest from the date of first disbursement should any of the following events occur during the term of this Contract:

1. The business issues an Initial Public Offering (IPO).
2. The business moves the company out-of-state.
3. The business sells 51% or more of the company assets and/or the company.

Promissory Note

The obligation to repay the Loan shall be evidenced by a promissory note executed by the Recipient.

Security may include

- UCC-1
- Dedicated CD
- Irrevocable Letter of Credit
- Personal Guaranty
- Corporate Guaranty

UCC-1 Example

Blanket UCC-1 covering the collateral identified in Exhibit E – UCC-1 Financing Statement. Recipient hereby grants to IEDA a security interest in the collateral described in Exhibit E – UCC-1 Financing Statement. The UCC-1 filing shall be in the form and content of Exhibit E UCC-1 Financing Statement.

Due diligence on UCC filings is part of the application process.

Loan Subordination

IEDA may consider a subordinate position if a UCC filing is already in place. Subsequent subordination requests require IEDA approval.

Subordination to a commercial lender:

- The company is able to secure bank financing which they could not previously, thus the reason to apply for state funding. The company will need to submit a complete set of financials to IEDA and present their request to the TCC so we can gauge their progress on the commercialization path.
- The state may consider a subordinate security position as conventional financing may enhance the company's financial health and reduce state risk.

Subordination to investors

Generally, IEDA's preference is to be the first in line as a secured lender; an investor is not a secured lender.

Condition of Disbursement of Funds - Documentation of required match. POCR, Demonstration Fund and Innovation Acceleration Fund recipients will be required to document that the funds are in hand for IEDA funds to be disbursed. Accepted documentation: bank statements, loan documents, deposit documents, term sheets, etc.