FUNDING BLITZ
Where to find funding for your invention or startup.
ADAM KRYNICKI
EXECUTIVE DIRECTOR | INNOVATION CO-LAB
ADAM.KRYNICKI@OSUCASCADES.EDU

- Run the incubator and digital media studio at OSU-Cascades
- Provide one-to-one advising to startups, small businesses, and nonprofits
- Manage our student consultancy
- Host all calls
- Starting a startup peer-to-peer group with Opportunity Knocks
- https://CentralOregonSOS.com
- Other webinars and handbooks at: https://osucolab.org/freeresources
OVERVIEW

What types of funding are out there?

How can I get started?

What are some best practices?
TYPES OF FUNDING

**Grants:** Money in exchange for *organization’s time to accomplish a societal goal*

**Equity:** Money in exchange for *partial ownership of co. + ability to make 5 to 10x*

**Debt:** Money in exchange for *repayment of amount + interest*

**Sales:** Money in exchange for *goods or services*
STARTUP FUNDING

RESEARCH GRANTS

DEV. GRANTS (SBIR)

FOUNDERS, FRIENDS, FOUNDERS, & FESTS $5K, $50K

ANGEL INVESTORS $50K-$500K

VENTURE CAPITAL $500K-$50M

PRIVATE EQUITY $2M-$50M

IPO, MERGER, ACQUISITION $25M+

Net Cash Flow

WHAT IS BEING DONE WITH THE MONEY?

BASIC RESEARCH

APPLIED RESEARCH

PROOF OF CONCEPT

FOUNDING TEAM

MVP

CUSTOMER DISCOVERY

COMMERCIAL PROTOTYPES

DISTRIBUTION CONTRACTS

REVENUE GROWTH

Company Formation

Bridge the Valley of Death with Funding

Model Adapted From UC Davis Center for Entrepreneurship and UC Davis Graduate School of Management
GRANTS

Money to discover new things, test hypotheses, and commercialize technology
Grant Funds

What are they?
Money given by an organization to accomplish a particular purpose

How much?
$500 to $1,000,000

Funding Vehicle
Grant Contract

Who gives them? (Grantor)
• Federal government
• State governments
• Private foundations

Who gets them? (Grantee)
• An organization that meets the requirements set forth by the grantor.
• An organization that can prove that they have the capacity and administrative ability to succeed.
Technology Readiness Levels (NASA)

**Technology Readiness Levels (TRLs)**

1. **TRL 1**: Basic principles observed and reported
2. **TRL 2**: Technology concept and/or application formulated
3. **TRL 3**: Analytical and experimental critical function and/or characteristic proof-of-concept
4. **TRL 4**: Component and/or breadboard validation in laboratory environment
5. **TRL 5**: System/subsystem model or prototype demonstration in a relevant environment (Ground or Space)
6. **TRL 6**: System prototype demonstration in a space environment
7. **TRL 7**: Actual system completed and "flight qualified" through test and demonstration (Ground or Flight)
8. **TRL 8**: Actual system "flight proven" through successful mission operations
9. **TRL 9**: System Test, Launch & Operations

**Basic Technology Research**

**Technology Demonstration**

**Technology Development**

**System/Subsystem Development**

**System Test, Launch & Operations**
## Basic Research Grants

<table>
<thead>
<tr>
<th>How much?</th>
<th>$50,000 to $2,000,000 Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>For what?</td>
<td>To fund early discoveries, game changing ideas</td>
</tr>
<tr>
<td>From who?</td>
<td>Typically federal agencies, institutes, and labs National Institute of Health (NIH), National Science Foundation (NSF), Department of Energy (DOE), Defense Advanced Research Projects Agency (DARPA), etc.</td>
</tr>
<tr>
<td>Who gets them?</td>
<td>Usually research labs, universities, and research consortia</td>
</tr>
<tr>
<td>How to find them?</td>
<td><a href="http://www.grants.gov">www.grants.gov</a> AND at each Federal Agency Website</td>
</tr>
<tr>
<td>Where to get help?</td>
<td>You would need to partner with an experienced institution AND experienced faculty member who is passionate about your exact project.</td>
</tr>
</tbody>
</table>
# Applied Research Grants

<table>
<thead>
<tr>
<th><strong>How much?</strong></th>
<th>$50,000 to $2,000,000 Million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For what?</strong></td>
<td><strong>To fund the application of technology</strong></td>
</tr>
<tr>
<td><strong>From who?</strong></td>
<td>Federal and state governments, but especially the Department of Defense (DOD) and related agencies.</td>
</tr>
<tr>
<td><strong>Who gets them?</strong></td>
<td>Usually research labs, universities, and research consortia</td>
</tr>
<tr>
<td><strong>How to find them?</strong></td>
<td><a href="http://www.grants.gov">www.grants.gov</a> and at individual agency websites.</td>
</tr>
<tr>
<td><strong>Where to get help?</strong></td>
<td>You would need to partner with an experienced institution AND experienced faculty member who is passionate about your exact project.</td>
</tr>
</tbody>
</table>
The Difference Between Basic and Applied

Increase the practical application of existing knowledge

• Hydrogen Maser \(\rightarrow\) GPS
• Chemical Synthesis of Penicillin \(\rightarrow\) Available Antibiotics
• Method to Cultivate Human PolioVirus and then PolioVaccine
• Gene Research – BRAC Gene Testing
• Slime Molds – Planning walkways, roads, cities
• Graphene \(\rightarrow\) Cheap semiconducting material (?)
• Information Theory \(\rightarrow\) Electronic Communications \(\rightarrow\) HTTP \(\rightarrow\) Internet
## Small Business Innovation Research (SBIR)

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>How much?</td>
<td>$25,000 to $250,000</td>
</tr>
<tr>
<td>For what?</td>
<td>To fund the commercialization of technology</td>
</tr>
<tr>
<td>From who?</td>
<td>DOD, USDA, NSF, NIH, etc.</td>
</tr>
<tr>
<td>Who gets them?</td>
<td>Small Businesses (&lt;500 employees)</td>
</tr>
<tr>
<td>How to find them?</td>
<td><a href="http://www.sbir.gov">www.sbir.gov</a></td>
</tr>
</tbody>
</table>
# Small Bus. Tech. Transfer Research (STTR)

<table>
<thead>
<tr>
<th>How much?</th>
<th>$25,000 to $250,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>For what?</td>
<td>To fund the commercialization of technology</td>
</tr>
<tr>
<td>From who?</td>
<td>DOD, USDA, NSF, NIH, etc.</td>
</tr>
<tr>
<td>Who gets them?</td>
<td>Universities or nonprofits (usually partnered with business)</td>
</tr>
<tr>
<td>How to find them?</td>
<td><a href="http://www.sbir.gov">www.sbir.gov</a> – (same website as SBIRs)</td>
</tr>
</tbody>
</table>
SMALL BUSINESS INNOVATION RESEARCH AND TECHNOLOGY TRANSFER GRANTS

SBIR/STTR Support
Oregon businesses are encouraged to apply for Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants. These competitive federal programs are designed to stimulate technological innovation and provide new opportunities for small businesses to conduct research and development (R&D) with commercialization potential.

Federal agencies that spend more than $100 million on outside R&D are required to allocate 3.2% of their R&D budgets to SBIR programs. A complete list of participating agencies is available on the [SBIR's website](#). Business Oregon has two types of grants to assist companies in accessing the federal SBIR/STTR grants: Phase 0 Grants and Phase 00 Grants.

Phase 0 Grants
These funds help businesses prepare applications to pursue federal Phase I SBIR/STTR grant funds. Funds can be used for:
- Professional fees to develop the SBIR/STTR Phase I application (e.g., technical consultants, writers, reviewers)
- Other professional fees (e.g., legal, accounting) directly related to preparing the SBIR/STTR Phase I application
- Other out-of-pocket costs directly related to preparing the SBIR/STTR Phase I application (e.g., market research, technical database research, or statistical analyses)

OREGON PHASE 0 GRANTS
Potential Structures to Access These Funds as a Foreign Entity

Subsidiary Options
• Create subsidiary that is 51% by U.S. citizens
• Create subsidiary that is 51% by a company that is owned by U.S. citizens

Contractual Options
• Pay U.S. company or university to go after grant
• Transfer intellectual property under assignment or license (may need to have jointly owned intellectual property)
# Private Foundation / Company Grants

<table>
<thead>
<tr>
<th>How much?</th>
<th>$500 to $50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>For what?</td>
<td>To meet a large societal goal or purpose</td>
</tr>
<tr>
<td>From who?</td>
<td>Private nonprofits, trusts, etc.</td>
</tr>
<tr>
<td>Who gets them?</td>
<td>Varies</td>
</tr>
<tr>
<td>Where to get help?</td>
<td>Grant Writers/Consultants</td>
</tr>
</tbody>
</table>
What types of things do grantors fund?

• Minority owned and women owned business
• Businesses with a social mission
• Projects beneficial to impoverished communities

Note, you may want to reach out to:
- Minority Business Development Agency (MBDA)
- National Minority Supplier Development Council
- Operation Hope Small-Business Empowerment Program:
Minority, Women, Veteran, and Small Business Owners

Minority Business Owners

Minority Business Development Agency - US Dept. of Commerce
MBDA is the only federal agency created specifically to foster the establishment and growth of minority-owned businesses in America.

Minority business start-up programs / services
Information on federal government programs and services that help members of minority groups start their own businesses.

Native American Affairs (SBA)
The Small Business Administration’s Office of Native American Affairs.

Women Business Owners

Network of Entrepreneurial Women
The Network of Entrepreneurial Women (NEW) is an independent, non-profit organization founded to encourage and support self-directed entrepreneurial women and their businesses.

Office of Women’s Business Ownership
The U.S. Small Business Administration’s Office of Women’s Business Ownership has fostered the participation of women entrepreneurs in the economy, especially those who have been historically under-served or excluded.

Women Entrepreneurs of Southern Oregon (WESO)
WESO is a not-for-profit association dedicated to supporting women business owners in Southern Oregon.
ANNOUNCEMENT

MARCH 26, 2020

Philanthropy acts fast to support Oregon nonprofits and small businesses

First round of grants from Oregon Community Recovery Fund: $2M statewide to community action organizations on front lines of COVID-19.

ANNOUNCEMENT

MARCH 17, 2020

Announcing the Oregon Community Recovery Fund

Established in collaboration with partners throughout the state, the Oregon Community Recovery Fund will rapidly deploy resources to community-based organizations at the front lines of the coronavirus outbreak.

ANNOUNCEMENT

MARCH 19, 2020

Town hall with OCF volunteers sheds insights on local needs

Leadership council members, board members and committee members—all OCF volunteers—participated in a virtual town hall meeting and provided input about their community needs in responding to the Coronavirus.
Oregon Community Recovery Grant Program

Program Goals

The Oregon Community Recovery Grant program will provide funds to nonprofit organizations in Oregon that are particularly affected by the outbreak of COVID-19.

Please note that we will continually evaluate the needs of our communities. Due to the changing nature of this outbreak, the types of projects and available funding from this program may also shift over time.
Grant Programs are Spinning Up for Nonprofits

Corona Virus Grant Examples:

https://candid.org/explore-issues/coronavirus/funds
Grant and In-Kind Technical Assistance Programs are Available for Businesses

https://ssti.org/covid-19-emergency-response-resources-information

• Examples:
  • COVID Research Funding or Biomedical Device Funding
  • SBDC Advising for loans
  • OMEP – Supply chain technical assistance
  • SBA loans (discussed in further detail below)

https://centraloregonsos.com – resources for employers, employees, community
Oregon Small Business Stabilization Fund

• The Oregon Small Business Stabilization Fund will provide emergency capital to nonprofit community lenders in both urban and rural communities, increasing these lenders’ capacity to offer low-interest and no-interest loans and technical assistance to small businesses. Small businesses dealing with reduced sales and revenue can use the loans to continue to retain employees until economic activity picks up in a few months.

(ex: Craft 3 or other CDFIs)
FREE SERVICES

Ways to get things developed or lose everything.
Funding vs. Free Stuff

Sometimes you can get money, other times you can get “free” stuff.

- Free help – SBDC, SCORE, Mentor programs
- Free software credits
  - Google
  - AWS
  - Hootsuite
How do you get grants?

- Read the request for proposal (RFP)
- Meet the eligibility requirements
- Write a full proposal
- Get letters of support
- Submit
- Wait
- Sign the grant contract
- Administrate the funding

Increase your chances:
- Don’t waste time on longshots
- Talk to the grant officer
- Start early
- Build partnerships
STARTUP FUNDING

Money for launching new companies, products and services.
Family, Friends, and Founders Funds

**What is this?**
People give time in exchange for equity.

**How much?**
Companies give up a percentage of their company.

**Funding Vehicle**
Stock options, membership options, vesting agreements.

**Who does this?**
Co-founders, founders and employees, founders and advisors.

**Who does this?**
People with money or people who know people who have money.
Fests and Competitions

What are they?
Prizes for companies who submit an application to a business plan competition or pitch fest and agree to showcase at an event.

How much?
• Usually $500-$15,000
• Maximum – $1.5 Million

Who provides them?
Universities, nonprofits, governments.

Who gets them?
• Students,
• startups with cool technology or high social impact.

Funding Vehicle – grants or investment.
Examples of Competitions

• TechFestNW

• Arch Grants Startup Competition

• Bend Venture Conference

• InnovateHer

• American Dreams

• Some good examples of pitch competitions may be found on Kevin Payne’s blog.

• “Innovation competitions,” “startup competitions,” “tech pitch competitions”
Bootstrapping – Funding without Funds

What is this?
People give time in exchange for equity.

How much?
Companies give up a small percentage of their company based on some formulas.

Funding Vehicle
Stock options, membership options, vesting agreements.

Who does this?
• Co-founders, founders and employees, founders and advisors.
• People who need to build a team but are on a budget.
With Advisors

Founder Advisor Standard Template
Version 2.0

This Founder Advisor Standard Template (this “Agreement”) is entered into as of the date set forth on the signature page by and between the undersigned company (the “Company”) and the undersigned advisor (the “Advisor”).

The parties agree as follows:

1. Services. Advisor agrees to act as a mentor or advisor to the Company and provide advice and assistance to the Company from time to time as further described on Schedule A attached hereto or as otherwise mutually agreed to by the parties (collectively, the “Services”).

2. Compensation. For the provision of the Services, Advisor shall be entitled to receive the compensation as detailed on the signature page hereto. The Company will seek written approval or have a meeting of the Board of Directors to authorize the Advisor compensation and deliver definitive stock purchase or option agreements regarding the stock compensation within 30 days from the date of this Agreement. If the Company fails to provide the foregoing documentation within such 30-day period, then Advisor shall have right to contact directors of the Company.

3. Expenses. Subject to the prior written approval of the Company following a detailed request by Advisor which includes a maximum amount to be reimbursed, the Company shall reimburse the reasonable travel and related expenses incurred by Advisor in the course of performing services hereunder.

4. Term and Termination. The term of this Agreement shall continue until terminated by either party for any reason upon five (5) days prior written notice without further obligation or liability except for the compensation earned by Advisor through such date of termination.

5. Independent Contractor. Advisor’s relationship with the Company will be that of an independent contractor and not that of an employee. Advisor will not be eligible for any employee benefits, nor will the Company make deductions from payments made to Advisor for employment or income taxes, all of which will be Advisor’s responsibility. Advisor will have no authority to enter into contracts that bind the Company or create obligations on the part of the Company without the prior written authorization of the Company.

https://fi.co/FAST

With Co-Founders

Time-Based Example

CooleyGo Startup Seed Series

Work-Based Example

https://slicingpie.com/book/
With Employees

**Wealthfront Equity Plan**
- New Hires
- Promotion
- Performance
- Evergreen

**Fred Wilson’s Plan**
- Senior Team: 0.5x
- Director Level: 0.25x
- Key Functions: 0.1x
- All Others: 0.05x
## Micro-finance: 3 Basic Types

<table>
<thead>
<tr>
<th>Type</th>
<th>Funding Vehicle</th>
<th>Where?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microloans and debt-based crowdfunding</td>
<td>Debt agreement</td>
<td>Kiva and Kiva Zip</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Accion Usa</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grameen USA</td>
</tr>
<tr>
<td>Micro-equity and equity based crowdfunding</td>
<td>Equity agreement</td>
<td>Microventures.com</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Initial Coin Offerings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Community Public Offerings</td>
</tr>
<tr>
<td>Crowdfunding (pre-sales)</td>
<td>Sales contracts</td>
<td>Kickstarter, indiegogo</td>
</tr>
</tbody>
</table>
Jack Stratton
How I Made $290,000 Selling Books

⭐⭐⭐⭐⭐ (34)

Format: Paperback

$290,000.00

Only 1 left in stock - order soon.
Bring Reading Rainbow Back for Every Child, Everywhere!

COOLEST COOLER: 21st Century Cooler that’s Actually Cooler

Pebble 2, Time 2 + All-New Pebble Core

HTTPS://WWW.KICKSTARTER.COM/DISCOVER/MOST-FUNDED

Kingdom Death: Monster 1.5

Pebble: E-Paper Watch for iPhone and Android

The World’s Best TRAVEL JACKET with 15 Features || BAUBAX
Welcome to Kickstarter’s Creator Handbook! This guide will walk you through everything from planning your shipping to communicating with backers.
SEED FUNDING

Money for launching new companies, products and services.
Seed Funds

What are they?
The first round of funds from experienced, startup investors

How much?
$18,000 to $50,000 to $100,000

Funding Vehicle
Equity (stock)
Convertible Note Debt

Who provides them?
Startup Accelerators, Strategic Investors, Angel Investors

Who gets them?
People who have:
• a minimum viable product (MVP)
• proof that there is a customer (sales or market research)
• capacity to earn 5 to 10X investment
Ways to Structure Seed Funding

**Equity**

- You give shares of ownership of your company to someone in exchange for $$
  - Example agreements:
    - Standard Agreement for Future Equity (SAFE) from Ycombinator
    - Keep it Simple Security (KISS)
    - Other important Documents from Cooley

**Convertible Note Debt**

- You take on debt that is convertible to shares.
  - Example agreements:
    - Techstars Convertible Note Debt
    - Keep it Simple Security (KISS) has a convertible note option.
Ways to Structure Seed Funding (continued)

Revenue/Profit Share

IndieVC, Lighter Capital, WeFunder

For post-revenue companies

Revenue Share Agreements or
Shared Income Agreements or
Income Share Agreements

Share a portion of profits

• Instead of 10x expectations, 2-3x

• Less risky for you, less risky for investors (as long as no personal guarantee)

• Defer payments
Local Investment Groups

- Oregon Venture Fund
- Cascade Angels
- Seven Peaks Ventures
- FoundersPad
Where to Find Investors

Oregon Angel Investors

$4.1M AVERAGE VALUATION

https://angel.co/oregon/investors

1,682 COMPANIES  4,857 INVESTORS  113 JOBS

All Locations

Reside in Oregon  Interested in Oregon

Parent: United States

Child: Jenn Lynch
- General Partner at @Portland Seed
- Portland, B2B
- Investments: 2, Followers: 461

Child: Alan Alder Ackerson

Signal
Over $1 Billion Invested in Startups Through Gust

Gust connects startups with the largest collection of investors across the world.

www.gust.com

For Startups
Build a profile and share it with investors to get funding.
Learn More

For Investors
Access powerful deal flow management tools on a secure platform.
Learn More

For Accelerators
Increase applications, manage the application process, and make your cohorts happy.
Learn More
Search

Companies

Investors

Programs

Keyword
Enter Keyword

Location
Oregon, USA

Application Status
Accepting applications

Investor Type
Accounting Firm
Advisor
Angel Funds

Industry

Start up confidently with Gust Launch: all the legal, accounting, and financial tools you need to start and run your company.

TiE Global Angels
Portland, OR, US

WAC 2018
Eugene, OR, US
Willamette Angel Conference and the W2 Fund of Willamette
Valley Capital, make seed stage investments where our capital
and our coaching make a difference
APPLICATION FEE: $125

Oregon Venture Fund
Portland, OR, USA - Biotechnology, Business Products, Clean
Technology + 22 more
Community supported. Investor driven. Professionally managed.
Investing $10+ M yearly in 5-7 of the most promising growth
companies in Oregon and SW Washington.

Cascade Angels Fund
Bend, Oregon, US
Cascade Angels Fund, LLC is a year-round fund for launch stage
companies seeking investment. Cascade Angels will begin

+ 9 more
Startup Accelerators or Seed Accelerators

Get:

- Money (usually $25,000)
- Coaching – many are cohort programs
- Industry Expertise – Most focus on a particular industry.
Use Your 401(k)

What are they?
Use your retirement account to fund your startup.

How much?
How much do you have saved?

Funding Vehicle
It’s complex! Basically, you setup a retirement plan that exchanges money for stock. If you don’t do it right, there are tax penalties.

Who provides them?
You and others provide these funds.

Who gets them?
You do as long as you have a retirement fund to invest.

You need a good accountant.
How do you get startup funds?

- Form org. out of pocket.
- Build a MVP
- Competitions
- Seed (accelerator funds)
- Angels

Increase your chances:
- Pitch, pitch, pitch!
- Build a team.
- Focus on traction & sales.
Small Business Funding

Money for growing a small business
What do you need to build trust with a lender?

5 c’s

1. Character (Credit History)
2. Capacity to repay (Debt to income ratio)
3. Capital (How much $ you contribute)
4. Collateral (Property that can be forfeited)
5. Conditions (Interest rate, contract prov.)
Debt

- Business Credit Cards
- Small Business Loans
- Small Business Lines of Credit
- Equipment Financing and Vendor Based Financing
- Invoice Financing (Invoice Factoring on accts. receivable)
- Merchant Cash Advances

Loan Guarantees or Guarantors may be used to get you better rates.
SBA Loans and Guarantees

- SBA.gov
- 504 loans
- 8A program
- SBA 7(a) Loans
- SBA CAPLines Lines of Credit
- SBA Export Loans
- SBA Microloan Program
- SBA Disaster Loans

https://www.sba.gov/lendermatch
SBA – COVID

ECONOMIC INJURY DISASTER LOANS
Up to $2 Million, but only $25,000 without collateral

• Credit History – Applicants must have a credit history acceptable to SBA.

• Repayment – Applicants must show the ability to repay the loan.

• Collateral – Collateral is required for all EIDL loans over $25,000. SBA takes real estate as collateral when it is available.

https://disasterloan.sba.gov/ela/Declarations/DeclarationDetails?declNumber=6063989&direct=false
Summit Bank Update: SBA Disaster Loans  
(EIDL – Economic Injury Disaster Loan)

Dear Clients,

During times of disaster, SBA moves swiftly with the support of Congress to provide additional support to businesses through the Disaster Loan program. These loans are made directly from the SBA to the business. During the catastrophe of Hurricane Katrina the SBA Disaster Loan program was deployed and the average approval time was 3 days with funding within 1 month. During the Hurricane Katrina disaster there was over 300,000 applications processed through the SBA at their processing centers of Fort Worth, Texas and Sacramento, California.

How are the loans processed: Apply online at https://disasterloan.sba.gov/ela. At this site you will register as a user. This is a two part process. You will then complete the application (SBA Form 5), complete the Personal Financial Statement (SBA Form 413D), Schedule of Liabilities (SBA Form 2202) and the IRS Form 4506T. There are 2
Underwriting Options that determine your loan amount:
Phase I: Loan application is credit scored based off of the Experian Credit Score program. We DO NOT know what the minimum credit score is that SBA requires. Once approved the amount of the loan is calculated by taking your annual Gross Profit (Revenue of your business minus the Cost of Goods Sold = Gross Profit). The annual Gross Profit is divided by 12 months to arrive at your average Gross Profit. That figure is then multiplied by 6 to arrive at your max loan amount, not to exceed $500,000.

   EXAMPLE: ABC Brewery had revenue of $1.2 Million with Cost of Goods Sold (COGS) of $376,000 resulting in a gross profit of $824,000, divided by 12 months ($840,000 / 12) = gross profit of $68,666.67 per month. Multiply the average monthly gross profit by 6 ($68,666.67 x 6) = $412,000 is the amount the business would qualify for under the SBA Disaster Loan Program.
Phase II (optional): The underwriting is more thorough including submission and review of financials, projections, and additional items. Less than 5% of businesses that have historically applied for the Disaster Relief program have pursued the Phase II underwriting process. The max loan amount under Phase II is $2 Million.

Loan Terms: Rate of 3.75%, no payments for 12 months (although interest will accrue), loan term is 30 years with no prepayment penalty. Funds are deposited into the borrower’s account in one lump sum. The borrower must keep all receipts and paperwork documenting the use of the proceeds for 3 years.

Collateral: Lien on business assets and/or real estate owned by the business owners. This is determined by the SBA. We recommend borrowers to be prepared to pledge their home.

Guarantor(s): Any person that owns 20% or more in the business will be required to be an unlimited guarantor to the obligation.

What are the funds used for: Working Capital – rent, payroll, utilities, health insurance, property insurance, advertising, accounts payable, debt payments, short term debts. Cannot be used to pay bonuses, stockholder loans, to buy assets, improve property, or expand the business. Funds are to be used for working capital only.
SBA – COVID

SBA Express Bridge Loans

- **Express Bridge Loan Pilot Program** allows small businesses who currently have a business relationship with an SBA Express Lender to access up to $25,000 with less paperwork. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster loan. If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.

- **Terms**
  - Up to $25,000
  - Fast turnaround
  - Will be repaid in full or in part by proceeds from the EIDL loan
Community Development Financial Institutions (CDFIs)

- Community Lending Works
- Craft3
- MESO

Other Micro Lenders
- Mercy Corps NW
- OAME
Oregon Small Business Stabilization Fund

- The Oregon Small Business Stabilization Fund will provide emergency capital to nonprofit community lenders in both urban and rural communities, increasing these lenders’ capacity to offer low-interest and no-interest loans and technical assistance to small businesses. Small businesses dealing with reduced sales and revenue can use the loans to continue to retain employees until economic activity picks up in a few months.

(ex: Craft 3 or other CDFIs)
ACCESS TO CAPITAL

Loans & Loan Guarantees
The following business finance programs are backed by lottery dollars and include direct loan and loan guarantees.

- **Oregon Business Development Fund** (OBDF) provides direct loans that leverage private capital and provides incentives for businesses to expand or locate in Oregon.
- **Oregon Capital Access Program** (CAP) provides a form of loan portfolio loss reserve so financial institutions may make business loans that carry higher than conventional risks while complying with federal and state banking regulations.
- **Oregon Credit Enhancement Fund** (CEF) provides loan guarantees to financial institutions in order to increase capital availability to small businesses.
- **Oregon Industrial Development Bonds** (IDB) are available to manufacturing projects, exempt facilities and nonprofit organizations to provide access to capital primarily for value-added manufacturing.
- **Entrepreneurial Development Loan Fund** (EDLF) offers direct loans to help start-ups, micro-enterprises and small businesses with working capital or equipment.

Resources
- General Checklist
- Table of Business Finance Programs
- Measure 91

Use our finance program wizard to find the right program for you.
• **Oregon Business Development Fund** (OBDF) provides *direct loans* that leverage private capital and provides incentives for businesses to expand or locate in Oregon.

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• **Oregon Credit Enhancement Fund** (CEF) provides *loan guarantees* to financial institutions in order to increase capital availability to small businesses.

• **Oregon Industrial Development Bonds** (IDB) are available to manufacturing projects, exempt facilities and nonprofit organizations to provide *access to capital primarily for value-added manufacturing*.

• **Entrepreneurial Development Loan Fund** (EDLF) offers *direct loans* to help start-ups, micro-enterprises and small businesses expand or become established in Oregon.
Aggie Bonds (Beginning and Expanding Farmer Loan Program) provides new farmers tax-exempt financing for capital purchases.

Business Expansion Program is a cash incentive based on the estimated increase in new personal income tax revenue resulting from the new hires from the expansion or relocation project.

Business Retention Services Program is designed to help private sector companies with multi-industry expertise in finance, marketing, operations, turnarounds, restructurings, feasibility studies, etc.

Small Business Credit Initiative is a federal initiative capitalizing several agency finance programs.

Oregon New Market Tax Credit delivers below-market-rate investment options to Oregon businesses and creates jobs in low-income communities.

Brownfields Redevelopment assists by providing financing for activities from site assessment to cleanup for properties where known or suspected environmental contamination is a barrier to redevelopment.
GLOBAL CONNECTIONS

Oregon’s ideal Pacific Coast location provides easy access between U.S., Asian and European markets. Our numerous and diverse transport and logistics companies provide direct international air and passenger flights; ocean container services; as well as intermodal rail and road, warehousing, reloading and related transportation services.

Business Oregon’s global trade team attracts inbound investment and helps Oregon businesses access global markets to enhance Oregon’s position in the global economy. In cooperation with state, local and federal partners, Business Oregon helps small- and medium-sized Oregon companies become exporters and existing exporters access new markets.

Business Oregon can offer assistance such as export counseling, market research, evaluation of international partners and other services to help companies develop and expand their products and services in key overseas markets.

Consulting & Overseas Assistance
Help for existing Oregon businesses to grow their companies by accessing overseas markets is available from professionals located here in Oregon, as well as from the state’s trade representatives in Europe, Asia and the Middle East.

Financial Assistance & International Trade Shows
Our Export Promotion Grants help Oregon companies access foreign markets and increase exports to existing markets through participation in various trade development activities including trade shows.

Partner Services & Exporting Basics
Business Oregon partners with government partners as well as non-profit partners to help make sure that Oregon businesses have access to all the tools, services and other export financing required to succeed in the global marketplace.

EB-5 Visa Program
The EB-5 Immigrant Investor Visa is a federal program available to immigrants seeking to enter the United States in order to invest in a new commercial enterprise that will benefit the U.S. economy and create at least 10 full-time jobs. Business Oregon is the designated authority within the state of Oregon to certify geographic areas or political subdivisions that qualify for the program.
Programs and Services for Developers
- Mutual Self-Help Housing Technical Assistance Grants
- Multi-Family Housing Loan Guarantees
- Rural Housing Site Loans
- Community Facilities Direct Loan & Grant Program

Programs & Services for Communities & Nonprofits
- Community Facilities Direct Loan & Grant Program
- Rural Business Development Grants
- Community Facilities Guaranteed Loan Program
- Community Facilities Technical Assistance and Training Grant

Programs & Services for Tribes
- Water & Waste Disposal Loan & Grant Program
- Community Facilities Direct Loan & Grant Program
- Tribal College Initiative Grants
- Multi-Family Housing Direct Loans

Programs & Services for Businesses
- Business & Industry Loan Guarantees
- Intermediary Relending Program

Programs & Services for Individuals
- Single Family Housing Direct Home Loans
- Single Family Housing Guaranteed Loan Program
- Single Family Housing Repair Loans & Grants

Programs & Services for Lenders
- Single Family Housing Guaranteed Loan Program
- Business & Industry Loan Guarantees
- Community Facilities Guaranteed Loan Program
- Intermediary Relending Program
- Rural Energy for America Program Energy Audit & Renewable Energy Development Assistance Grants

Programs & Services for Utilities
- Rural Economic Development Loan & Grant Program
- Water & Waste Disposal Loan & Grant Program
- Electric Infrastructure Loan & Loan Guarantee Program
- Telecommunications Infrastructure Loans & Loan Guarantees

USDA Rural Loan Programs
What’s Next?
CARES Act (Stimulus March 27, 2020)

• Emergency grants: The bill provides $10 billion for grants of up to $10,000 to provide emergency funds for small businesses to cover immediate operating costs.

• Forgivable loans: There is $350 billion allocated for the Small Business Administration to provide loans of up to $10 million per business. Any portion of that loan used to maintain payroll, keep workers on the books or pay for rent, mortgage and existing debt could be forgiven, provided workers stay employed through the end of June.

• Relief for existing loans: There is $17 billion to cover six months of payments for small businesses already using SBA loans.
Angel and Venture Capital
Money for scalable products and services in exchange for partial ownership of your company.
Series A and B Funds

What are they?

How much?
$100,000 to Several million

Common Funding Vehicles
Convertible Note Debt or Stock Purchase Agreements

Who provides them?
Accredited investors, networks, groups, angel funds, venture funds.

Who gets them?
• Companies with traction (sales!)
• Companies that have their house in order.
• Companies with strong teams.
• Companies that can earn 10x the investment.
Advanced Methods

• Simple Agreement for Future Equity
• Convertible Note Debt
• Revenue Share Agreements (Check out We-Funder)

• Initial Coin Offerings (ICOs)
• Simple Agreement for Future Tokens

These are considered securities by the SEC in many cases.

https://www.investor.gov/additional-resources/specialized-resources/spotlight-initial-coin-offerings-digital-assets
Other Government Funding

Money for scalable products and services in exchange for partial ownership of your company.
Other Funding

Opportunity Zones – Biggest real estate giveaway in history
No capital gains taxes after 10 years
Other Funding

Workforce Investment Board Funding

U.S. Department of Labor funding redirected through local nonprofits to train workers.
Summary
ADAM KRYNICKI
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Thank you.

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