
FISCAL TOPICS

Fiscal Services Division

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Innovation and Commercialization Development Fund

Purpose and History

The Innovation and Commercialization Development Fund was created by 2009 Iowa Acts, chapter [82](#) (Economic Development Assistance — Funds, Tax Credits, and Benchmarks Act), and is codified in Iowa Code section [15.412](#). The Fund is under the control of the Iowa Economic Development Authority (IEDA). The Fund consists of moneys appropriated to the IEDA and any other moneys available to, obtained by, or accepted by the IEDA for placement in the Fund. Payments of interest, repayments of moneys loaned from the Fund, and recaptures of financial assistance are credited to the Fund. Moneys in the Fund are not subject to reversion, and interest or earnings on moneys in the Fund are credited to the Fund.

Moneys in the Fund are appropriated to the IEDA and, with the approval of the IEDA Board, are used to facilitate agreements, enhance commercialization, and increase the availability of skilled workers in innovative businesses. The moneys must not be used for support of retail businesses, health care businesses, or other businesses requiring a professional license.

Moneys in the Fund can be used for the following purposes:

- For assistance to entities providing student internship opportunities.
- For assistance to entities engaged in prototype and concept development activities.
- For developing a statewide commercialization network.
- For establishing and administering innovative business development programs described in Iowa Code section [15.411](#).

Innovative Business Development Programs

The innovative business (originally termed “Targeted Industry”) development program includes programs that provide internships, technical assistance, and financial assistance. Current programs supported by the Fund include the following:

- [Demonstration Fund](#). The Demonstration Fund provides financial and technical assistance to encourage high technology prototype and concept development activities that have a clear potential to lead to commercially viable products or services within a reasonable period. The primary purpose of the Fund is to help businesses with high-growth potential reach a position where they can attract later-stage private sector funding.
- [Proof of Commercial Relevance \(POCR\) Program](#). The POCR Program provides financial assistance to businesses to demonstrate proof-of-concept for innovative technologies. Financial assistance awards are used to pursue validation of a new technology’s marketability.
- [Small Business Innovation Research \(SBIR\) and Small Business Technology Transfer \(STTR\) Outreach Program](#). The SBIR/STTR Program helps Iowa companies apply for federal small business funding. The Program reviews business ideas, reviews grant applications, offers professional proposal assistance, and provides commitments to matching funds for Phase I and Phase II awards.
- [Innovation Acceleration Fund](#). The Innovation Acceleration Fund promotes the formation and growth

More Information

Iowa Economic Development Authority: iowaeda.com

Iowa Department of Workforce Development: workforce.iowa.gov

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of businesses that engage in the transfer of technology to competitive, profitable companies that create high-paying jobs. Funds are designed to accelerate the pace of market development, leverage private investment, and leverage industrial expansion efforts that result in significant capital investment.

- [Targeted Industries Internship Program \(TIIP\)](#). The TIIP provides grants to small- and medium-sized companies in targeted industries to support internship programs with the goal of transitioning interns to full-time employment.
- [Science, Technology, Engineering, and Mathematics \(STEM\) Internship Program](#). The STEM Internship Program provides grants to Iowa companies for internship programs in a STEM field with a goal of transitioning interns to full-time employment.
- Statewide Commercialization Network Development. Statewide commercialization network development provides entrepreneurial assistance related to business planning, due diligence, market and technology assessments, coordinating competitive seed and prototype development funds, acquiring angel investors and venture capital, talent recruitment, and early-stage financing advice.

Technology Commercialization Committee

The [Technology Commercialization Committee \(TCC\)](#) evaluates and makes recommendations to the IEDA on appropriate funding for the projects and programs applying for financial assistance from the Fund.

Fund Revenue

The Innovation and Commercialization Development Fund established in Iowa Code section [15.412](#) receives an allocation from the [High Quality Jobs Program](#). The High Quality Jobs Program receives an annual Skilled Worker and Job Creation Fund (SWJCF) appropriation in the Economic Development Appropriations Act. The SWJCF receives an allocation from State wagering tax receipts.

Related Statutes and Administrative Rules

Iowa Code sections [8.57](#), [8.75](#), [15.116](#), [15.335B](#), [15.411](#), and [15.412](#)
Iowa Administrative Code [261—105](#), [106](#), and [108](#); and [877—23](#) and [30](#)