NYS Innovation Venture Capital Fund RFP – Technology Commercialization & Investment- Downstate Regions only - Q&A

Please clarify what is meant by equity or equity-like investments?

Equity-like investments include stock (common and preferred), warrants and convertible notes that convert to stock. These instruments must be the same that the investors representing the matching funds also invest in.

Can the funds be used for follow-on investments for startups that are commercializing technology and have already received investment capital from other state, federal, and/or private sources?

There is no restriction to follow-on investments in startups that have received funding from state, federal and/or private sources. Regarding the matching funds for the round that an Investment Entity participates in, the 1:1 matching on a portfolio basis means that taken together co-funding must be a 1:1 match at all times between NYSIVC Fund funds and non-State funds across all investments taken together. Non-State funds include equity investments from private sources such as venture capital firms and Angel Investors. ESD reserves the right to have a similar or less restrictive matching requirement on a per deal basis.

Does the match have to be committed at the time of response of the RFP or can it be secured in the future?

The sources of the match should be identified at the time of response to the RFP, with demonstrated experience co-investing with these sources considered in the review process.

Can an investment fund established by a local government or industrial development agency that is also managed by the selected Investment Entity match ESD funds?

Yes, especially if the agency has the experience and resources to work with startups and technology commercialization.

Will the capital be allocated among various firms?

Yes. Through this RFP, the NYSIVC Fund will select two (2) to three (3) investment funds, local economic development organizations, technology development organizations, and/or research universities that have been successful in commercializing technologies developed through universities and other entities, and making pre-seed stage venture capital investments.

Do ESDC consider first time VC fund seeking seed capital?

As outlined above the RFP will highlight experience of a candidate that successfully commercializes technologies developed through universities and other entities, and making pre-seed stage venture capital investments.