



MINNESOTA RESOURCES FOR STARTUPS AND SMALL BUSINESSES

Programs that support businesses to start and succeed.
Learn more <https://JoinUsMN.com/SmallBusiness>

| | | | | |
|---|---|--|---|---|
|  <p>SBDC Consultants Provide one-to-one no cost business consulting and subject matter expertise.</p> |  <p>Community Partners Empower diverse communities and support vibrant mainstreets.</p> |  <p>Small Business Assistance Advisors that provide answers to questions by phone, email and publications.</p> |  <p>Child Care Community Partnerships Supports and promotes quality child care expansion and accessibility for underserved communities statewide.</p> |  <p>Launch MN Partners Accelerate innovative businesses by fostering a statewide startup ecosystem.</p> |
|---|---|--|---|---|

FUNDING OPPORTUNITIES

| Program Name | Description | Funding | Typical Customer | Contact |
|--|--|---|---|--|
| <u>Angel Tax Credit</u> | Provides a 25-percent tax credit to investors or investment funds that make equity investments in startup companies focused on high tech, new proprietary tech, or a new proprietary product, process or service in specified fields. | Businesses eligible for up to \$4M in investment. Investors up to \$125,000 (single) or \$250,000 (joint) in tax credits per year for investments. | Businesses, investors and funds. Startup companies focused on high tech, new proprietary tech, or a new proprietary product, process, or service in specified fields. | Email: angel.credit@state.mn.us Website: mn.gov/deed/angelcredit |
| <u>Automation Loan Participation Program</u> | Companion loans intended to fill gap financing needs for businesses purchasing machinery, equipment, or software to increase productivity and automation. | Loans of up to \$500,000, 5 to 7 year term, 1% interest rate, private financing match required. | New or existing Minnesota-based small businesses that are eligible under SSBCI guidelines and using funds for eligible business. | Website: mn.gov/deed/business/financing-business/deed-programs/ssbci |
| <u>Border Cities Enterprise Zone</u> | Property tax credits, sales tax credit on construction equipment and materials, and new or existing employee credits to qualifying businesses that are the source of investment, job creation or retention in certain border cities. Amount determined by respective city. | Financial assistance amount is determined by the respective city pursuant to published program guidelines | Businesses located in the border cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville. | Website: mn.gov/deed/business/financing-business/tax-credits/border-cities |
| <u>Child Care Community Partnerships</u> | Advocates for and promotes access to child care by working with employers, businesses, communities, and child care providers to connect them with the resources, expertise, and opportunities to increase the capacity of child care. | Provides grants to public entities and non-profits. Supports funding to Minnesota Initiative Funds and WomenVentures to provide training, resources, and business supports. | Businesses, communities, providers, and regional partners interested in expanding quality child care. | Website: mn.gov/deed/programs-services/child-care |
| <u>Direct Investment Venture Capital</u> | Direct equity investments in seed and early-stage Minnesota-based startups. | Equity investments in seed and early-stage Minnesota-based startups | Minnesota-based seed-stage and early-stage startups focused on AgTech/FoodTech, Life Sciences, Climate Tech, Advanced Manufacturing, Software, or Technology. | Email: mnsbcivc@umn.edu |
| <u>Emerging Entrepreneur Loan</u> | Provides loans to businesses that are owned and operated by minorities, low-income persons, women, veterans and/or persons with disabilities. | Provides funding to certified non-profit lenders who make loans from \$5,000 to \$150,000. Most loans require 1:1 match from private sources. | Small businesses majority owned and operated by one or more women, veterans, or BIPOC, low-income or disabled individuals. | Certified lender directory and contact form: mn.gov/deed/elp |
| <u>Employer Reasonable Accommodation Fund (ERAF)</u> | Small to mid-sized Minnesota employers can request reimbursement for expenses related to providing reasonable accommodations for job applicants and employees with disabilities. | Maximum reimbursement in a state fiscal year (July 1-June 30) is \$30,000 between onetime and ongoing reasonable accommodations expenses. | Businesses who have less than 500 employees and make less than \$5,000,000 gross annual revenue. | Website: mn.gov/deed/eraf |

FUNDING OPPORTUNITIES *(continued)*

| Program Name | Description | Funding | Typical Customer | Contact |
|--|--|--|--|--|
| <u>Growth Loan Fund</u> | Direct loans to early-stage businesses that qualify for Angel Tax Credits or are working with accredited investors/VC. Loans based on 20% of the total capital raised in a 12 month period after being enrolled in the program. | Loans from \$100,000 to \$400,000. To be eligible the company must be raising new capital. | Minnesota-based early stage tech businesses that intend to raise seed capital or slightly later-stage businesses ready for a Series A round | Website: mn.gov/deed/business/financing-business/deed-programs/ssbci |
| <u>Launch MN Innovation Grants</u> | Provides grants to innovative and scalable technology startup businesses in Minnesota. | Business Operations Grants up to \$35,000 and Matching SBIR/STTR Phase 1 and 2 Grants up to \$50,000. | Startup companies focused on high tech, new proprietary tech, or a new proprietary product, process, or service in specified fields. | Email: LaunchMinnesota@state.mn.us Website: mn.gov/deed/launchmnggrant |
| <u>Minnesota Loan Guarantee Program</u> | DEED will provide 80% loan guarantees for qualified loans made by enrolled lenders; lenders are responsible for setting loan terms. | Guarantees up to \$800,000 on loans enrolled by banks, credit unions, CDFIs and other nonprofit lenders; businesses apply directly with enrolled lenders | New or existing Minnesota-based small businesses that are eligible under SSBCI guidelines and using funds for eligible business. | Website: mn.gov/deed/business/financing-business/deed-programs/ssbci |
| <u>MN Reservist and Vet Loan</u> | Loans for recently service separated veterans seeking financial assistance to start their own small business. Existing businesses may be eligible for a loan, if an essential employee is called to active service in the military reserves for 180 days or longer, causing a substantial economic injury to the business. | One-time, interest-free loans of \$5,000 to \$20,000. The term is 54 months with no repayment the first 18 months. | Veterans who have returned from active duty and wish to start their own business. | Website: mn.gov/deed/business/financing-business/deed-programs/reservists |
| <u>Native American Business Loan Program</u> | Supports the development of Indian-owned and operated businesses in Minnesota and promotes economic opportunities for Indian people throughout Minnesota. | Loans up to 75% of project cost. Average loan amount is \$57,000 | Member of a federally recognized Minnesota based band or tribe | Website: mn.gov/deed/nativeamerican |
| <u>Promise Grant</u> | Grants to businesses that have been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, loss of population or an aging population, or lack of regional economic diversification | \$86.5 million <i>Grants will range from \$10,000 to \$50,000</i> | Existing Minnesota businesses who have gross annual revenue of \$750,000 or less based on 2021 taxes. | Website: mn.gov/deed/business/financing-business/deed-programs/promise-grant/#2 |
| <u>Promise Loan</u> | Loans to businesses, nonprofits, and developers that have been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, loss of population or an aging population, or lack of regional economic diversification | \$30 million <i>Loans up to \$1 million</i> | Businesses who have primary operations located in the State of Minnesota and have gross annual revenue of less than \$1 million based on 2021 taxes. | Website: mn.gov/deed/business/financing-business/deed-programs/promise-loan |
| <u>Small Business Loan Participation Program</u> | DEED will purchase 25% to 30% participations in loans made by approved CDFI and nonprofit lenders; lenders are responsible for setting loan terms. | Participations will range from \$10,000 to \$250,000; businesses apply directly with approved lenders | New or existing Minnesota-based small businesses that are eligible under SSBCI guidelines and using funds for eligible business. | Website: mn.gov/deed/business/financing-business/deed-programs/ssbci |
| <u>STEP Grant</u> | Provides financial and technical assistance to qualifying small businesses with an interest in exporting to foreign markets. | Up to \$7,500 for approved export-development activities | Companies looking to export their products and services to foreign markets | Website: mn.gov/deed/business/exporting/export-financing |

TRAINING PROGRAMS

| Program Name | Description | For more information |
|--|--|--|
| <u>SciTech</u> | Connects college students in STEM disciplines with paid internships in small to mid-sized Minnesota businesses. Companies receive assistance finding qualified candidates and a \$1:\$1 matching stipend to cover 50% of the intern's wages (capped at \$2,500). | Website: scitechmn.org |
| <u>Job Training Incentive Program</u> | Provides grants up to \$200,000 to new or expanding businesses located in Greater Minnesota for the purposes of training workers as quickly and efficiently as possible. | Website: mn.gov/deed/business/financing-business/training-grant/partnership |
| <u>Automation Training Incentive Program</u> | Provides grants up to \$35,000 to existing businesses for training incumbent workers on automation technology. Available to existing businesses located in Greater Minnesota that are investing in new automation technology at the project location. | Website: mn.gov/deed/business/financing-business/training-grant/atipp |
| <u>MN Job Skills Partnership Program</u> | Provides grants up to \$400,000 to provide training for both new and existing employees of participating businesses throughout the state. | Website: mn.gov/deed/business/financing-business/training-grant/partnership |