Chapter 1
SSBCI – Venture Capital Programs

Section 1. Authority. These rules are adopted by the Wyoming Business Council pursuant to the American Rescue Plan Act of 2021 (ARPA), which reauthorized and amended the Small Business Jobs Act of 2010 (SBJA). Rulemaking for this program is the responsibility of the Wyoming Business Council as authorized by W.S. 9-12-104(a)(iv) and W.S. 9-1-216.

Section 2. Purpose. These rules are promulgated for the purpose of providing a structure for disbursement of State Small Business Credit Initiative (“SSBCI”) Venture Capital Funds through the Wyoming Business Council.

Section 3. Definitions.
(a) As used in this program:

(i) “Council” means the Wyoming Business Council Board of Directors.

(ii) “Council staff” means the staff of the Wyoming Business Council.

(iii) “SSBCI” means State Small Business Credit Initiative.

(iv) “SSBCI Committee” means the Committee consisting of two Wyoming Business Council Board members; board co-chair and investments committee chair.

(v) “Committee Review Threshold” means any investment above two million dollars ($2,000,000).

(vi) “Venture Capital Fund” means any entity that meets the capital fund definition in 17 C.F.R. § 275.203(I)-1.

Section 4. Eligible Applicants.
(a) To eligible for investment by the Wyoming Fund of Funds, a new or existing Venture Capital Fund must:

(i) Be independently owned and operated;
(ii) Be headquartered in Wyoming, have its principal operations in Wyoming, have at least sixty percent (60%) of its employees employed in Wyoming, or has committed in writing to make investments with SSBCI dollars in Wyoming; and

(iii) Be in good standing with the Wyoming Secretary of State or the equivalent in its home state if not a Wyoming Venture Capital Fund.

(b) To be eligible for investment by the Direct Wyoming Co-Investment Fund, a business must:

(i) Be independently owned and operated;

(ii) Be headquartered in Wyoming, have its principal operations in Wyoming, have at least sixty percent (60%) of its employees employed in Wyoming, or have committed in writing to move to Wyoming as a condition of the investment;

(iii) Be seeking institutional investment or growth capital funding;

(iv) Have a lead investor committed with term sheet defined and be willing to share current diligence;

(v) Have strong growth potential;

(vi) Provide evidence acceptable to the council of its intent to remain in Wyoming after receipt of investment;

(vii) Have 750 employees or less; and

(viii) Be in good standing with the Wyoming Secretary of State.

Section 5. Application Process.

(a) Venture Fund Application.
(i) The Council shall provide a “Wyoming Fund of Funds” application online that includes a requirement to provide information relevant for funding decisions, including but not limited to:

(A) Information that establishes the application’s eligibility under Section 4(a) of this chapter;

(B) The applicant’s number of full-time, part-time, and contract employees;

(C) The applicant’s funding history, organizational documents, financial statements, bylaws, investment thesis, or other relevant documentation;

(D) The amount of applicant’s funding request and total fund target;

(E) All information necessary for the Wyoming State Auditor’s Office to set up the applicant as a vendor in its vendor payment system, including electronic funds transfer documents; and

(F) Any other information necessary to determine the adequacy of the applicant’s funding request.

(b) Wyoming Co-Investment Fund Application.

(i) The Council shall provide a “Wyoming Co-Investment Fund” application online that includes a requirement to provide information relevant for funding decisions, including but not limited to:

(A) Information that establishes the application’s eligibility under Section 4(b) of this chapter;

(B) The applicant’s number of full-time, part-time, and contract employees;
(C) The applicant’s organizational documents, financial statements, bylaws, business plan, capitalization table, or other relevant documentation;

(D) The amount of the applicant’s funding request, funding series, and total round size;

(E) All information necessary for the Wyoming State Auditor’s Office to set up the applicant as a vendor in its vendor payment system, including electronic funds transfer documents; and

(F) Any other information necessary to determine the adequacy of the applicant’s requested funding.

Section 6. Review and Recommendation.

(a) Applications are reviewed on a rolling basis until funds have been expended. Applications shall be reviewed in the following manner:

   (i) Council staff shall review applications and make a determination of eligibility and completeness with consideration to Section 4 of this Chapter of these Rules. Additional review will be completed by Council staff to ensure compliance with all SSBCI guidance and regulations.

   (ii) Upon successful review of (i) above, each applicant shall be asked to pitch their fund or investment to Council staff and the Investments Director or the SSBCI Committee dependent upon the request size in relation to the Committee Review Threshold.

(b) Applications will be recommended in the following manner:

   (i) Council staff shall document and present their findings and analysis from applications that are less than the Committee Review Threshold to the Investments Director for final approval or denial.
(ii) Council staff findings and analysis from applications greater than or equal to the Committee Review Threshold will be documented and presented to the SSBCI Committee for final approval or denial.

(c) In the event an application is denied, Council staff shall disclose to the applicant the reasons for not approving the request and any remedial actions the applicant may take in order for the application to be reconsidered.

Section 7. Terms and Conditions. In addition to the terms set forth in other Sections of this Chapter of these Rules, the following terms and conditions apply to all applications for and grants of funds made under this Chapter:

(a) Each applicant shall agree to comply with U.S. Department of Treasury SSBCI Capital program guidelines;

(b) The maximum contribution from the Council shall be five million dollars ($5,000,000) for any investment, fund or direct co-investment;

(c) The direct co-investment round size maximum from the Council shall be twenty million dollars ($20,000,000); and

(d) The Council’s contribution shall not be, at any time, more than forty-nine percent (49%) of any fund or investment.

Section 8. Reporting requirements; audit compliance.

(a) Each applicant agrees to provide quarterly and annual reports to the Council to comply with state and federal laws and regulations.

(i) Reports may include but are not limited to:

(A) Certifications from the businesses;

(B) Terms and performance of individual investment(s);
(C) Private financing leveraged to date;

(D) Total portfolio performance; and

(E) Any other report required by council staff.

(ii) Failure to provide to the Council on the date specified by the Council any required reports shall result in future funding being held until the applicant provides those reports to the Council.

(b) Council staff may conduct and contract random audits of applicants receiving SSBCI funds under this section to ensure awarded funds are expended in compliance with state and federal law. By accepting an award under this Chapter, the applicant agrees to assist and provide the information requested by the auditors.