

LIFT APPLICATION GUIDE

Program Overview

The Legacy Investment for Technology (LIFT) Program provides low-interest, long-term debt financing to support innovative businesses that diversify and strengthen North Dakota's economy.

The program targets key industries, including:

- Advanced computing and data management
- Agriculture technology
- Autonomous and uncrewed vehicles and related technologies
- Energy
- Healthcare
- Value-added agriculture
- Value-added energy
- Other industries identified by the LIFT Committee as contributing to the state's economic diversification

Eligibility

To be eligible for funding, applicants must:

- Be commercializing intellectual property (IP) in North Dakota
- Operate within, or have significant investment in, North Dakota and clearly demonstrate meaningful economic benefit to the state
- If out-of-state, demonstrate substantial economic benefit to North Dakota (e.g., relocating principal business operations or establishing a significant operational presence in the state)
- Present a feasible project with a reasonable likelihood of success

The Committee evaluates IP readiness using two primary factors:

- Demonstrated customer traction (e.g., sales, signed letters of intent)
- Private capital invested in the company

Applicants with minimal customer traction or limited private capital investment are encouraged to strengthen these areas and further develop their market readiness prior to applying.

Priority is given to projects that:

- Deliver applied research, experimentation, or operational testing in diversification sectors
- Lead to commercialization of innovative technology
- Create or expand companies that bring in products, investments, or skilled jobs to the state
- Demonstrate the ability to repay the loan, supported by sound financial projection

LIFT APPLICATION GUIDE

Funding Request and Award Considerations

Applicants are responsible for determining the dollar amount they request from the LIFT Fund. When preparing a request, applicants should consider the following:

- **Loan Structure:** Awards are structured as loans administered by the Bank of North Dakota, with all principal due at maturity at the end of five years. Financial projections must demonstrate the company's ability to fully repay the loan within this term:
 - **Years 1-3:** 0% interest, no required payments
 - **Years 4-5:** 2% interest with monthly interest payments; principal due at maturity
 - **Year 5:** Principal is due at maturity, at the end of five years. In certain circumstances, and upon approval by the Bank of North Dakota, the loan may be extended at the beginning of year six, at an interest rate equal to a standard Bank of North Dakota rate for all subsequent years.

Drawdown: Funds will be disbursed in accordance with approved contingencies and milestones. The draw period ends 18 months after the loan origination date.

- **Typical Award Range:**
 - \$250,000 to \$500,000 per applicant
 - Larger awards are uncommon and generally reserved for:
 - Startups with substantial market traction demonstrated through customer validation or private capital investment
 - Established businesses with strong financial health and a proven balance sheet.
- **Partial Funding Awards:**

If the Committee awards an amount less than the original request, you must provide evidence of committed funding to cover the remaining project costs before the Bank of North Dakota will release any LIFT funds.

Example: If you request \$500,000 in LIFT funding and the Committee recommends \$300,000, you must show documentation confirming the remaining \$200,000 is secured from other sources.

- **Loan Contingencies:**

The Committee may, at its discretion, recommend specific contingencies of loan approval, including but not limited to:

 - Personal guarantees from owners or principals.
 - Acceptable collateral to secure the loan.
 - Matching funds from non-LIFT sources.
 - Demonstrated measurable economic impact in North Dakota
 - Any other requirements the Committee deems necessary to ensure prudent use of funds and alignment with program goals.

LIFT APPLICATION GUIDE

Eligible and Ineligible Uses of Funds

Loan funds are intended to enhance organizational capacity and, where possible, to leverage additional funding from state, federal, and private sources.

Eligible Uses:

- Working capital expenses directly related to the approved project and used to conduct applied research, experimentation, or operational testing within the state, unless otherwise specifically approved by the Committee.

Ineligible Uses:

- Capital or building investments
- Equipment purchases
- Inventory
- Consulting services and fees (i.e., finders fees and monthly retainers)
- Academic research or instructional programming
- Workforce training
- Administrative expenses
- Supplant funding for regular operations of institutions of higher education

How to Apply

1. **Access the Application** – Available at <https://ndgov.link/LIFT>.
2. **Prepare and Sign** – Complete and sign the LIFT Application Form (SFN 61662).
3. **Submit** – Email the completed application form and all required supplemental documents to LIFT@nd.gov during an open application window. Submissions received outside of an active application period will not be accepted.

Required Supplemental Documents:

- Business plan
- Historical financial statements (balance sheet, statement of cash flows, profit and loss statement, and tax returns for the past three years, or all years in existence if less than three years old)
- Three to five years of detailed financial projections (balance sheet, statement of cash flows, profit and loss statement)
- Pitch deck including:
 - Description of the IP to be commercialized
 - Commercialization path
 - Market overview and viability
 - Competitive landscape
 - Leadership team
 - Proposed use of LIFT funds

All required documents must be submitted in the email for the application to be considered complete. Incomplete applications will not be placed in the review queue

LIFT APPLICATION GUIDE

Review and Evaluation Process

The review and evaluation process consists of five stages:

1. **Initial Screening** – Program staff review applications for completeness and eligibility. Applications deemed incomplete or ineligible will not advance to the scoring phase.
2. **Scoring Committee Review** – Eligible applications will be evaluated by a scoring committee composed of representatives from the Department of Commerce and/or the Bank of North Dakota based on:
 - Business plan – Clarity, feasibility, Innovation, and defined milestones
 - Market validation and customer traction – Stage of development, evidence of demand, strategic partnerships, and funding secured.
 - Financial projections and loan repayment ability – Realistic projections, repayment strategy, financial health, and efficient capital use.
 - Founding team and talent – Relevant expertise, proven execution, and complementary skills.
 - North Dakota presence – operational footprint, state ties, and economic impact.
 - Bonus points – exceptional merit or strategic value, at scorer discretion.
3. **Presentation** – Applicants with top aggregate scores are invited to present their proposal to the LIFT Committee
4. **Committee Decision** – Applications recommended for funding are forwarded to the Bank of North Dakota for final loan underwriting and credit approval.
5. **Credit Approval** - The Bank of North Dakota may request additional information for credit approval, including but not limited to:
 - Organizational documents
 - Signed company financial statements
 - Personal financial statements of guarantor(s)
 - Credit bureau reports for guarantor(s)
 - Listing of business assets
 - Other items as applicable

The Bank of North Dakota has final loan approval including the amount of the loan and any contingencies or prior to funding requirements.

For more information:

Visit the North Dakota Department of Commerce website at <https://ndgov.link/LIFT>.