INNOVATE ALABAMA
helping innovators grow roots

Innovate Alabama Capital Access Fund
Frequently Asked Questions

What is the Innovate Alabama Capital Access Fund?
The Innovate Alabama Capital Access Fund is a $15 million evergreen investment initiative designed to expand access to early-stage capital for high-growth companies across Alabama. By investing alongside private capital partners, the fund supports company growth, attracts additional investment into the state, and strengthens Alabama's innovation economy.

What does "evergreen" mean?
The fund reinvests returns from prior investments back into future companies, allowing it to operate as a long-term, sustainable source of capital for Alabama startups.

What is the fund designed to achieve?
The fund is focused on expanding access to capital for Alabama-based companies, increasing private investment into the state, supporting high-growth, innovation-driven businesses, and driving long-term economic growth and job creation.

What is the difference between the Capital Access Fund and InvestAL?
Both programs are designed to expand access to capital for Alabama companies, but they operate in different ways and support companies at different stages of growth. The Capital Access Fund is also not subject to certain federal SSBCI requirements, allowing for a more streamlined and flexible investment process.

Who is eligible for funding?
Companies must be headquartered in Alabama or demonstrate a meaningful and growing presence in the state, operate as a high-growth, innovation-driven business, and have the ability to scale and attract private investment.

Is private investment required?
Yes. The fund invests alongside qualified private investors and requires a minimum 1:1 match. For every $1 invested by Innovate Alabama, the company must secure at least $1 in private capital as part of the same financing round.

What stage does the fund target?
The fund targets pre-seed, seed-stage, and select Series A companies that demonstrate strong potential for scale.

Does the fund lead investment rounds?
No. A qualified lead investor must establish the terms of the round.

How do companies apply?
Applications are submitted through the Innovate Alabama website and include information on the company, team, financials, and current fundraising activity.

What is the process of receiving an investment from the Capital Access Fund?
To begin the process, companies complete an application through the Innovate Alabama website. As part of the application, you will be asked to provide key materials related to your business and current fundraising round, including: (a) your pitch deck; (b) your term sheet or investment agreement for the round you are currently raising; (c) your most recent capitalization table; and (d) information on your committed or prospective co-investors.

After submitting your application, the Innovate Alabama team will review your materials to assess alignment with the fund's investment criteria. If there is interest in moving forward, our team will reach out to request additional information and may invite you to present a formal pitch.

Following your pitch, the investment team will conduct further diligence, which may include follow-up questions, review of financials, and evaluation of your co-investment partners and deal structure. During this process, we work to make a final investment decision in coordination with your fundraising timeline.

If a decision is made to move forward with an investment, you will be notified and provided with next steps, including any required documentation to finalize the investment. This may include execution of investment agreements and standard reporting requirements. If a decision is made not to invest, you will be notified accordingly.

How are applications evaluated?
Applications are reviewed based on the strength of the team, market opportunity and growth potential, ability to scale, alignment with Alabama's economic priorities, and the presence of qualified co-investment partners.

How long does the process take?
The timeline varies based on deal readiness and alignment with co-investors and typically moves in coordination with the company's fundraising process. For companies that apply for Innovate Alabama funding, we aim to provide a decision on investment within 90 days.

Contact
For additional information or questions, please complete the interest form linked on the Capital Access Fund Website.