

Innovation Park News

March 2009



Dear Friends,

We are pleased to present our inaugural newsletter. We hope that this vehicle will serve as a convenient way to keep you updated on Park happenings.

I speak for my entire team at Innovation Park when I say we have an exciting year ahead of us. We have been hard at work getting the Park up and running. The construction of our first facility, situated along Edison Rd across from Notre Dame's campus, is rapidly progressing. All signs are pointing to an on-time completion this fall, thanks to the tireless work of the Office of the University Architect. For those of you who have not been near campus lately, the frame is up and the roof structure will be finished next month. Exterior brickwork and window installation will begin soon. Green building principles are being incorporated into the building's design, and our hope is that, once completed, the building will receive LEED certification. In the meantime, the Park is open for business and actively recruiting and screening prospective clients.

Our goal is to help foster an innovation ecosystem not only on Notre Dame's campus, but also in the city, state and region. Joining us in this mission is our sister site, Ignition Park, owned and operated by the City of South Bend. We are looking forward to many years of close collaboration with Ignition Park as a prospective landing area for graduating ventures from Innovation Park.

We can't succeed without the help of friends like you who support our mission to transform innovations into viable marketplace ventures. Read on to find out more about how you can continue to help Innovation Park's efforts. Thank you, as always, for your support.

Yours in Innovation,



David Brenner

Learn More about IPND: Video Intro



By bringing together the University's intellectual assets, world class market expertise and access to early stage capital, Innovation Park connects key ingredients essential for commercial success.

View the video at www.innovationparknd.com/clients-and-services

We Need Your Help



Innovation Park relies on its partners and supporters to help fulfill the Park's mission. Right now, we need help with:

Client recruitment:

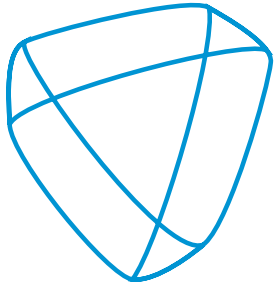
The Park provides services for four types of clients:

- * Greenhouse (early-stage),
- * Emerging businesses (growth-stage),
- * Intrapreneurial ventures (Skunk works and/or joint ventures), and
- * Virtual clients (spans all above categories).

Please don't hesitate to contact us if you are or know of ventures, in any field, that may be a fit for the Park. Contact Dave Brenner at dbrenner@innovationparknd.com.

Corporate partnerships:

Innovation Park partners with companies that have a strong track record of support for innovation. To learn more about our corporate partnership program, please contact Ann Hastings at ahastings@innovationparknd.com.



Innovation Ecosystem Events

University of Notre Dame Business Plan Competitions: Final Event

Friday, April 17, 2009, 1:30 p.m.

Jordan Auditorium, Mendoza College of Business

Presented by the Gigot Center for Entrepreneurial Studies, University of Notre Dame

Open to the public, this event will feature presentations from competition finalists from the McCloskey Business Plan Competition and the Social Venture Competition. Following the presentations, a panel consisting of IrishAngels™ network members, investors and competition judges will share insights and answer questions from the audience.

Go to www.nd.edu/~entrep/ for more information.



Tax Credits Can Help Fund Innovations

By Louis Miller, CPA

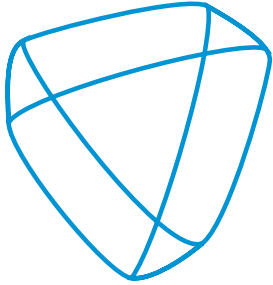
Crowe Horwath, LLP, www.crowehorwath.com

Successful new ventures normally have at least two ingredients in common: an innovative idea or process, and sufficient funding to weather the unpredictable cash flows that most companies experience in the start-up phase. Investors and entrepreneurs are often consumed with finding new resources to “feed the fire” while in growth mode.

Federal, state and local governments often provide assistance through property tax abatements, small business loans, and other development grants. However, income tax credits for investing in scientific research can be a lucrative source of government funding that is often overlooked. Both federal and Indiana credits are available to companies that pay wages, purchase supplies or enlist third party experts to engage in qualified research. In order for the activities to qualify for the credit, they must be scientific in nature. This means that activities focused on solving issues relating to engineering, chemistry, and other “hard sciences” will

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qualify while time spent on things like market studies, economic analyses and other research based in the social sciences will not qualify.

Because this is a credit, it directly reduces the amount of income taxes owed by the company. As such, it only provides current benefit to a company that has taxable income. While many start-up companies may not show taxable income in the first few years of operation, the credit can be carried forward, allowing the company to take advantage of the benefit when they do begin to pay taxes. In addition, if the new company is structured as a partnership, LLC or S-corporation, an investor might be able to obtain the tax credit on his or her personal tax return.

The amount of the research credit is greatly dependent on the facts of each company. However, the federal credit can provide a benefit of up to 6.5% of the research costs incurred. Furthermore, Indiana's research credit is even more lucrative, allowing up to 7.5% of qualified research expenses to be returned via a reduction in Indiana tax due. Therefore, a company that has qualified research expenses (such as wages, supplies and contractor costs) totaling \$1 million would be eligible for as much as \$65,000 in federal tax benefit and \$75,000 in state credits.

Claiming the credit requires specific documentation of the research being conducted, and the calculations can be complex, so the assistance of a CPA with experience in the area is critical. However, the benefits to the company and its investors can make such an exercise well worth the effort.

Thank You to our Partners

Innovation Park thanks the following companies for their support:



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217 S. Michigan, South Bend, Indiana 46601

p: 574 631 8825

info@innovationparknd.com