



OCAST

Center for the Advancement
of Science & Technology

STATEWIDE INNOVATION GLOSSARY

For use by partners in Oklahoma's
Innovation Ecosystem

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Introduction

This document is intended to capture and define key terms and concepts utilized by OCAST, legislators, and innovation ecosystem partners throughout the state. This is a living document and may be updated periodically based on the needs of the ecosystem.

General Innovation Ecosystem Terms

Accelerator:

A short program that helps new companies grow faster. Companies receive coaching, training, and sometimes a small amount of funding. The program usually ends with a public event where companies share their ideas.

Fixed-term, cohort-based programs for startup companies that include mentorship and educational components, and which typically culminate in a public pitch or demo event. Accelerators typically provide limited funding in exchange for equity in the company and introduce companies to venture capitalists and business lenders interested in working with startups. Accelerators may be publicly or privately funded.

Aerospace/Autonomous Systems and Defense:

A key Oklahoma industry sector focused on aviation, drones, and defense technology. This is one of OCAST's three primary funding pillars.

Awardee:

Recipient of an OCAST professional services contract for one of the agency's funded programs. Also known as award recipient.

Biotechnology/Life Sciences:

A sector encompassing health, medical, and biological research industries. This is one of OCAST's three primary funding pillars.

Bootcamp:

A short, intensive training program that helps business owners quickly learn important skills like marketing, finance, and operations. An intensive training program designed to rapidly increase or significantly affect a business owner's knowledge, abilities, or both to build a strong foundation of core business skills. Practical business skills in marketing, finance, accounting, operations, and HR are usually covered for participants in multi-week courses.

Business Status: Acquired:

The business has been purchased by another company but might still be operating under its original name or structure.

Business Status: Active:

The business is currently operating and conducting regular business activities.

Business Status: Closed:

The business is no longer operational, and all business activities have ceased.

Business Status: Merged:

The business has merged with another entity and is no longer operating independently.

Cost-sharing:

The process of turning a new idea or invention into a product or service that can be sold. Cost-sharing may be mandatory or voluntary, depending on the specific funding opportunity. Also known as matching funds.

Economic Activity Generated:

The financial benefit created by an OCAST-funded project compared to its cost.

Energy Diversification:

A sector emphasizing renewable and alternative energy technologies.

Full-time Equivalent (FTE):

A way to measure jobs based on hours worked. One full-time worker equals one FTE. Part-time work counts as a fraction of an FTE.

High-wage Job:

Jobs that pay at least 50% more than Oklahoma’s average wage.

Incubator:

An organization that provides targeted resources, services, and professional advice to start-up businesses and new entrepreneurs to help them get established.

Industry Innovation Program:

OCAST’s competitive funding initiative supporting innovative projects addressing industry needs.

Innovation:

The systematic practice of developing and marketing breakthrough products, processes, or services for adoption by customers

Innovation Collaborator:

Entities that are engaged in the delivery of a service with one of the agency’s innovation partners; a subcontractor to an innovation partner to provide a service

Innovation Ecosystem:

The network of people, organizations, and resources supporting innovation and technology development in Oklahoma.

Innovation Partner:

Organizations or individuals with whom OCAST has a collaborative relationship that seek to grow Oklahoma’s innovation economy.

Innovation Pipeline:

The process of moving from idea to customer and market adoption.

Intellectual Property (IP):

Patents, licenses, copyrights, or trademarks resulting from the project.

Job Creation and Retention:

The expected or achieved employment impact resulting from the project.

Jobs Created:

A new position created and filled or an existing unfilled position that is filled. Positions must be filled by W-2 employees who are in a formal employment relationship with the organization. Employees that are independent contractors who receive a 1099-MISC from the employer do not count toward the jobs created metric.

Leverage:

The total dollar amount of non-OCAST investment made because of the OCAST funding received, including co-investment.

Market Disruption:

The extent to which innovation changes or challenges existing markets.

Matching Funds:

The portion of project costs not paid by OCAST or other State-appropriated funds. Also known as cost-sharing.

New Company:

New companies are defined as companies that have not previously formally engaged with OCAST for services.

Non-dilutive Funding:

Funding that does not require giving up equity or ownership in the recipient company.

Oklahoma Center for the Advancement of Science and Technology (OCAST):

Oklahoma Center for the Advancement of Science and Technology; the state agency managing innovation and research funding. Its mission is to foster innovation in existing and developing businesses – by supporting basic and applied research – by facilitating technology transfer between research laboratories and businesses – by providing seed capital for innovative firms in the development of new products or services – by helping Oklahoma’s small and medium-sized manufacturing firms become more competitive through increased productivity and modernization (O.S. 74, Section 5060.3)

Oklahoma Innovation Model:

A public-private partnership between five entities in the state of Oklahoma designed to strategically develop economic development programs that help small- and medium-sized companies grow in Oklahoma. OCAST serves as the hub with i2E, NPDC at OSU, OKCatalyst at OU, and Oklahoma Manufacturing Alliance as partners.

OSTRaD Board:

Oklahoma Science and Technology Research and Development Board of Directors; the 9-member board that governs OCAST pursuant to Title 74, Section 5060.6. The board consists of four members appointed by the Governor, two members appointed by the Senate, two members appointed by the Oklahoma House of Representatives, and the Secretary of Science and Innovation, or a designee of the Governor, who serves as board chair.

Reimbursement Request:

A formal request submitted to OCAST for payment of allowable project expenses.

Research and Development:

Work done to discover new knowledge or create new products, tools, or processes.

Rural:

Communities with a population less than 50,000

SBIR/STTR:

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, encourage small businesses to partner with a research university to perform innovative research and/or to assist in technology transfer from the university.

Scalable Business:

A company that is able to grow and expand its revenue and customer base faster than its costs without sacrificing efficiency or profitability.

Start-up Company:

A new business created to develop and sell a new product or service.

State Supplier Portal:

The online system for registering as a supplier to the State of Oklahoma.

STEM Workforce Development:

Efforts to strengthen Oklahoma's science, technology, engineering, and math labor force.

Technology-based Economic Development:

Growing the economy by supporting new technologies, innovation, and skilled workers.

Investment & Finance

Accrued Interest:

Interest earned but not yet received.

Allocation:

Distribution of investments across asset classes/sectors.

Alpha:

Excess return compared to a benchmark.

Annualized Return:

Average yearly return over a period.

Asset:

A resource with economic value expected to provide future benefit.

Benchmark:

A standard against which investment performance is measured.

Beta:

Measure of volatility relative to the market (market = 1).

Book Value (BV):

Value of an asset as recorded on the balance sheet.

Capital Call or Cap Call:

Request by a fund manager for investors to provide committed capital.

Churn:

Rate at which customers stop using a product or service.

Convertible Note:

Short-term debt instrument that converts into equity during a future funding round.

Cost Basis:

Original purchase price of an investment.

Coupon Rate:

Interest rate paid by a bond.

Dilution:

Reduction in ownership percentage when new shares are issued.

Diversification:

Spreading investments to reduce risk.

Dividend:

Profit distribution to shareholders.

Drawdown:

Peak-to-trough decline in investment value. Expressed as a percentage, shows drop from highest value to the lowest point before a new peak is achieved.
$$\text{Drawdown} = \frac{\text{Peak value} - \text{Trough}}{\text{Peak Value}}$$

Dry Powder:

Capital reserves available for new investments.

Duration:

Sensitivity of a bond's price to interest rate changes.

Exposure:

Amount of capital at risk in a particular investment/sector.

Fund Cycle:

Stages of a fund from fundraising to investing, managing, and exiting.

Fund Lifecycle:

Overall lifespan of a fund including creation, investment, management, and closure.

Fund of Funds:

Investment vehicle that invests in other funds rather than directly in companies.

Initial Public Offering (IPO):

First sale of a company's shares to the public via a stock exchange.

Internal Rate of Return (IRR):

A way to estimate how profitable an investment is over time.

Liquidity:

How quickly an asset can be converted to cash.

Market Value (MV):

Current value of a holding based on market price.

Money-Weighted Return (MWR):

Performance reflecting actual investor experience, including timing of cash flows.

Net Asset Value (NAV):

Value per share of a mutual fund or ETF.

Participating Preferred:

Preferred stock allowing investors dividends plus share in remaining proceeds.

Portfolio:

A collection of investments held by an individual or institution.

Portfolio Company:

Business that has received investment from a fund.

Private Equity:

Investment in private companies not publicly traded often involving buyouts or growth capital.

Realized Gain/Loss:

Profit or loss from a completed sale.

Recycling:

Reinvesting proceeds from early exits back into the fund.

Return on Investment (ROI):

A measure of profitability relative to cost.

SAFE Note:

Contract granting investors rights to future equity without setting a valuation upfront.

Security:

A financial instrument representing ownership (stock) or creditor relationship (bond).

Settlement Date:

Date when a transaction is finalized.

Sharpe Ratio:

Risk-adjusted return per unit of volatility.

Tag Along Rights:

Rights allowing minority shareholders to join a sale initiated by majority shareholders.

Term Sheet:

Non-binding document outlining key terms of an investment deal.

Unit Economics:

Financial metrics measuring profitability per unit of product/service.

Valuation (pre- and post-money):

Pre-money valuation is company worth before investment; post-money includes new capital.

Valuation Cap:

Maximum company valuation at which convertible securities convert into equity.

Venture Capital:

Financing provided to startups and early-stage companies with high growth potential.

Vintage Year:

Year a private equity or VC fund begins investing.

Waterfall:

Rules for how investment profits are shared amongst stakeholders.

Written-off:

Investment deemed to have no recoverable value.

Funding Terms

OCAST Annual Survey and Reporting Terms

Average Annualized Value of FTE Jobs Created:

A created job is a new position created or filled, or an existing unfilled position, that is filled as a result of OCAST funding. The annualized wage of all full-time jobs created is calculated as total compensation, benefits paid by the awarded entity, and bonuses paid to each full-time employee of the awarded entity.

Average Annualized Value of FTE Jobs Retained:

A retained job is an existing position that is funded as a result of OCAST funding. The annualized wage of all full-time jobs retained is calculated as total compensation, benefits paid by the awarded entity, and bonuses paid to each full-time employee of the awarded entity.

Budget Categories:

Expense types such as personnel, travel, supplies, equipment, and contractual services included in the project budget.

Capital Investment:

Funds invested by the company to expand capacity, facilities, or technology.

Capital Investments Impact:

Money spent by a company on long-term assets, such as buildings or equipment, to improve business growth or efficiency.

Commercial Success Metrics:

Indicators such as revenue growth or new market expansion used to assess project outcomes.

Economic Impact Reporting:

Post-award data collection on economic outcomes for up to four years after funding.

Financial value of jobs (created or retained):

The total cost incurred by an employer for a job; includes total compensation, benefits paid by the organization, and bonuses paid to the employee

Fiscal Agent:

The individual responsible for managing financial records and submitting reimbursement requests to OCAST.

Follow-on Funding:

Additional funding beyond the initial investment/award that are received by an organization as a result of the initial investment/award. Follow-on funding can include contracts or grants awarded as well as additional investments made.

Follow-on Funds Attracted:

Additional funding a company receives after receiving OCAST support.

Gross Sales Impact:

Revenue an organization earned and recorded from the sales of its product or services associated with the OCAST funding.

OCAST Funding ROI:

Total return on investment realized by all grantees, contractors, and partners receiving OCAST funding.

Response Rate:

Number of surveys returned as compared to the number of surveys sent.

Spin-out Company:

1. A company that is based on an invention or service created in a university and developed into a company or business; 2. A type of organizational realignment involving the separation of a business unit into a new, independent business entity.

Students Hired:

OCAST-funded interns that are hired by the company that is awarded OCAST funding.

Subcontractor:

An entity or individual contracted by the primary contractor to perform part of the project work.

Survey Period:

The period of time covered by the survey; typically follows the state fiscal year of July 1 - June 30 but may vary.

Surveyed:

Individual Principal Investigators and business owners who receive an annual survey from OCAST.

Surveys Returned:

Surveys completed and submitted to OCAST.

Total Financial Impact:

The total financial impact that is directly attributable to the company's OCAST funding.

General Funding Terms

2 C.F.R. § 200:

The Uniform Administrative requirements, cost principles, and audit requirements for federal awards.

Active Intern Position:

OCAST-funded Intern positions approved in the original application submission. Positions are counted toward the total if they were slated to be funded during the survey period.

Applicant Organization:

The company or entity applying for OCAST funding.

Awarded Amount:

Total amount awarded to the contractor for the life of the OCAST agreement

Barriers to Entry:

Factors that prevent competitors from easily entering a market.

Budget Modification:

A formal request to adjust the budget categories or amounts after contract execution.

Co-Investigator:

A collaborator who assists the Principal Investigator in conducting the funded research or project.

Compliance Review:

An OCAST audit or review to ensure adherence to program and contract requirements.

Confidential and Proprietary Information:

Sensitive data protected from public disclosure under state laws.

Contract Compliance:

Adherence to the terms and conditions outlined in the OCAST contract.

Contract Extension:

A formal approval to extend the duration of a funded contract for a limited period.

Contract Official:

An employee authorized to sign contracts on behalf of the applicant organization.

Contractor:

The applicant organization executing the funded project under contract with OCAST.

Economic Impact:

The measurable benefit of the project to Oklahoma's economy, including job creation and revenue growth.

Electronic Funds Transfer (EFT):

The method by which OCAST disburses award funds electronically to contractors.

Emerging Technologies:

New or developing fields with potential economic or societal impact.

Employee:

An employee of the awarded organization that receives a W-2, including full-time and part-time employees. Individuals who have contracted with the organization and vendors and received non-employment income are not employees. Contractors' income should be reported on a 1099.

Evaluation Rubric:

The criteria used by reviewers to assess applications for funding.

Final Report:

A comprehensive summary of project results submitted at the end of the contract period.

Full-time Jobs Created:

1.0 FTE positions that are created or filled as a result of OCAST funding. Includes existing unfilled 1.0 FTE positions.

Go-to-Market Plan:

A commercialization plan describing how the innovation will reach its target market.

Research Oversight Approvals:

Ethical and regulatory clearances required for specific types of research involving humans, animals, or biohazards. Common types of research approvals requested include: Institutional Review Board (IRB) approval, which focuses on protecting human research subjects' rights; Institutional Biosafety Committee (IBC) approval, which focuses on safety of research personnel, the community, and environment from biohazards; and Institutional Animal Care and Use Committee (IACUC), which grants approval for research, teaching, or testing involving live vertebrate animals to ensure ethical treatment and compliance with federal law.

Matching Funds:

Financial resources provided by the applicant equal to or exceeding the OCAST award amount (1:1 match requirement).

Material Breach:

A serious failure to fulfill contractual obligations that may disqualify the recipient from future funding.

No-Cost Extension:

An approved extension of the project period without additional funding.

Notice of Funding Opportunity (NOFO):

A public announcement inviting applications for funding under a specific OCAST program.

Oklahoma Enterprise:

A firm or business with its principal place of business in Oklahoma

Open Meeting and Open Records Acts:

Oklahoma statutes requiring transparency in public agency meetings and records.

Pass-through funding:

Federal funds given to one organization to distribute to others under approved rules.

Patent Applications Submitted:

Patent applications that have been submitted for a product or service resulting from the current OCAST project during the survey period. Includes utility patents, design patents, and plant patents.

Patents Granted:

Patent applications that have been awarded to the OCAST-funded entity.

Performance Evaluation:

A review of project performance by OCAST or external reviewers.

Points of Contact (POC):

Individuals designated in the application for OCAST to communicate with regarding the award.

Pre-Accelerator:

Short-term, cohort-based programs designed for earlier-stage startup companies, pre-accelerators offer mentorship and educational components, often culminating in a public pitch event or demo day. They help startups prepare for full accelerator programs and may provide minimal funding or resources without taking equity. Pre-accelerators are typically supported by public or private funding and aim to introduce startups to the broader entrepreneurial ecosystem.

Preliminary and Related Work:

Background research or phases completed prior to the OCAST-funded project.

Principal Investigator (PI):

The person primarily responsible for the execution and reporting of the funded project.

Product-Market Fit:

The degree to which a product satisfies market demand.

Professional Services Agreement:

The mechanism by which OCAST enters into funding agreements with awardees and innovation partners to govern the funded project.

Professional Services Contract:

The formal contract between OCAST and the awardee organization governing the funded project.

Progress Report:

A periodic update on the project's status, submitted quarterly to OCAST.

Project Abstract:

A concise summary of the project and its goals for public and legislative use.

Project Description:

A detailed explanation of the project's plan, background, and anticipated milestones.

Project Objectives and Milestones:

Specific measurable outcomes that define project success.

Project Team:

All staff members involved in carrying out the funded project.

Research Area:

The field of science, technology, or engineering relevant to the project.

Subaward:

A contract provided by a pass-through entity to a subrecipient. Subrecipient performs a portion of the work outlined to fulfill requirements in the original federal award agreement.

Subrecipient:

The entity that receives a subaward from a pass-through entity to carry out part of a federal or state program or award. Subrecipients do not have to be beneficiaries of the state or federal program on which they are working.

Technical Merit:

The scientific and technical quality of the proposed project.

Unallowable Costs:

Expenses that cannot be reimbursed by OCAST, as defined in Appendix A of the NOFO.

Vendor Registration:

The process of becoming an approved supplier with the State of Oklahoma to receive OCAST funding.

Program Specific Terms

American Rescue Plan Act (ARPA):

A federal act that provides fast and direct economic assistance for American workers, families, small businesses, and industries as a result of COVID-19 economic relief.

Capital Disadvantaged Business (CDB):

A business that certifies that its access to capital has been diminished due to operating in, or its owners or a majority of its owners, reside in an area such as:

- Communities surrounding predominantly- or minority-serving institutions (MSIs);
 - Communities undergoing economic transitions;
 - Low- and moderate-income areas;
 - Predominantly minority communities; or
 - Rural communities
-

Eligible Beneficiary:

Very Small Businesses and SEDI-owned businesses that are applying for, preparing to apply for, or have previously applied for an SSBCI capital program or other federal or other jurisdiction small business programs.

Eligible TA Provider:

Entities providing legal, accounting or financial advisory services to eligible beneficiaries.

Gradient:

An innovation hub that exists to provide the tools, programs, and support needed to elevate businesses in the Tulsa Area.

i2E:

An organization designed to help innovators and entrepreneurs build, launch, and grow great ideas.

Industrial Extension System (IES):

Powered by OCAST, a coordinated network of public and private manufacturing modernization resources, the purpose of which is to stimulate the competitiveness of Oklahoma small and medium-sized manufacturing firms. Managed by Oklahoma Manufacturing Alliance.

Inventors Assistance Service (IAS):

An OCAST program housed at the New Product Development Center (NPDC) at OSU, designed to provide preliminary patent searches, market analyses, manufacturing referrals, engineering analyses, prototyping, and drawing/model design services for new product development.

New Product Development Center (NPDC):

A space offered by Oklahoma State University which provides guidance and resources to Oklahoma's inventors via preliminary patent searches, market analyses, manufacturing referrals, and other services provided by OCAST's Inventors Assistance Service (IAS).

OARS:

Oklahoma Applied Research and Support Program; the former name of the Industry Innovation Program.

OKCatalyst:

Oklahoma's hub for helping small businesses navigate the program requirements, identify opportunities, and develop competitive proposals for the SBIR/STTR process. Managed by the University of Oklahoma and housed at the OU's Tom Love Innovation Hub.

Oklahoma Commercialization Network (OCN):

Powered by OCAST, this partnership with i2E provides a statewide resource that centralizes the strengths of Oklahoma's entrepreneurial system.

Oklahoma Farm Bureau:

An organization that gives a voice to Oklahoma's farmers, ranchers and rural communities by supporting the agriculture community to improve the lives of all Oklahomans.

Oklahoma Manufacturing Alliance (OMA):

A network of experts who work with manufacturers to help them grow and evolve through services provided by field agents, applications engineers, and manufacturing specialists across the state. Services focus on workforce development, cost reduction, strategic planning, supply chain efficiencies, and the adoption of new technologies.

Oklahoma Seed Capital Fund (OSCF):

In collaboration with i2E, this program is designed to support entrepreneurs, researchers, and companies in commercializing their technologies, launching and growing new businesses and accessing needed capital.

SEDI-owned:

A business enterprise that certifies that it is owned and controlled by SEDI individuals

Small Business Research Assistance (SBRA):

In collaboration with i2E, this program is intended to deliver a comprehensive suite of services to increase the participation and success rate of Oklahoma-based companies in securing SBIR and STTR funding.

Socially and Economically Disadvantaged Individual (SEDI):

An individual whose access to credit has been diminished compared to others in similar circumstances due to factors such as Race, Gender, Disability, etc.

State Small Business Credit Initiative (SSBCI):

State Small Business Credit Initiative (SSBCI) is a nearly \$10 billion program to support small businesses and entrepreneurship in communities across the United States by providing capital and technical assistance to promote small business stability, growth, and success. Funded by the U.S. Department of Treasury.

SSBCI - Technical Assistance (SSBCI-TA):

A federal grant program for the provision of legal, accounting, and financial advisory services intended to help qualified businesses to access SSBCI capital or participate in other federal or other jurisdiction programs that support small businesses. Funded by the U.S. Department of Treasury.

SSBCI – Capital (OBLP/OVCI):

A federal program from the U.S. Department of Treasury that provides funds to U.S. states, territories and Tribal governments to create tailored programs that offer funding to small businesses and entrepreneurs through equity/venture capital, loan participation, loan guarantee, collateral support, and capital access programs.

Oklahoma Business Lending Program (OBLP):

A collaboration between OCAST and TEDC Creative Capital (TEDC) to expand access to capital for Oklahoma businesses through the U.S. Treasury's State Small Business Credit Initiative (SSBCI) administered by OCAST. Funded by the U.S. Department of Treasury.

Oklahoma Venture Capital Investment (OVCI):

A program designed to strengthen private Venture Capital funding for making investments into Oklahoma based innovation companies in collaboration with Cortado Ventures, Oklahoma Life Science Fund (OLSF), Boyd Street Ventures, and FortySix Venture Capital. Funded by the U.S. Department of Treasury.

SSBCI – Small Business Opportunity Program (SBOP):

A federal grant program designed to deliver technical assistance (TA) in the areas of legal, accounting, and financial advisory services to businesses owned and operated by qualified individuals. Relates to and supports the SSBCI Capital Program and SSBCI TA Grant Program. Funded by the U.S. Department of Treasury.

STEM Intern Partnership:

OCAST program where companies can obtain up to 30,000/year for 2 years to cover student intern salary and project costs for innovative industry projects.

Technical Assistance (TA):

Provision of legal, accounting and financial advisory services intended to help qualified businesses to access capital or participate in other programs that support small businesses.

Very Small Business (VSB):

Businesses with fewer than 10 employees including sole proprietors and independent contractors.

Oklahoma Seed Capital Fund (OSCF)

Time-Weighted Return (TWR):

Performance metric neutralizing cash flows.

Total Return:

Price appreciation plus income earned.

Trade Date:

Date when a transaction is executed.

Unrealized Gain/Loss:

Change in market value of a holding not yet sold.

Value at Risk (VaR):

An estimate of how much money could be lost in a worst-case scenario.

Volatility:

Degree of variation in returns over time.

Yield:

Income return (interest/dividends) as a % of investment value.

Distributions-To-Paid-In-Capital (DPI):

Total distributions made to OCAST and I2E Seed Capital from the fund(s) divided by total paid-in-capital (contributions).

Gross Internal Rate of Return (Gross IRR):

A time-series return and includes invested dollars, distributions from portfolio company investments, and the remaining value of the fund as of the most recent quarter-end date.

Gross Total-Value-To-Paid-In-Capital (Gross TVPI):

The total gross distributions from portfolio company investments to the fund plus the remaining value of the fund divided by total paid-in-capital (contributions).

Multiple-On-Invested-Capital (MOIC):

The total gross distributions from portfolio company investments to the fund plus the remaining value of the fund divided by total dollars invested from the fund.

Net Internal Rate of Return (Net IRR):

A time-series return and includes invested dollars, distributions from portfolio company investments, the remaining value of the fund as of the most recent quarter-end, and carried interest expense.

Net Total-Value-To-Paid-In-Capital (Net TVPI):

The total gross distributions from portfolio company investments to the fund less carried interest expense less commissions & fees expense (where applicable) divided by total paid-in-capital (contributions).

Pre-Seed Capital:

The earliest investment a start-up company receives, typically with smaller investment amounts that may come from government sources, friends and family, or angel investors. Pre-seed funding is often raised in the very early stages of a company's lifecycle, when the product or service around which the company is built may still just be an idea.

Residual-Value-To-Paid-In-Capital (RVPI):

The remaining fund value (principal plus unrealized gain (loss) - of remaining investments - plus cash) divided by total paid-in-capital (contributions).

Seed capital:

Financing provided for the creation, development, validation, refinement, protection, manufacturing, and marketing of a product, process, concept, or innovation whether for the startup of a new enterprise or for the expansion, growth or restructuring of an existing enterprise.

Artificial Intelligence

AI:

Computer systems that can learn, analyze information, and help make decisions.

AI System Output:

Result produced by an AI model after processing input.

Algorithm:

Set of rules or instructions for solving a problem.

Confusion Matrix:

Table summarizing model performance across predicted vs. actual outcomes.

Deep Learning:

Machine learning using multi-layered neural networks to process complex data.

Edge AI:

Running AI models locally on devices rather than in the cloud.

Embedding:

Numerical representation of data (e.g. words) in vector space.

Explainability:

Ability to describe how an AI system makes decisions.

Fine-Tuning:

Adjusting a pre-trained model for specific tasks.

Generative AI:

AI that creates new content (text images audio) from learned patterns.

Generative Pre-Trained Transformer (GPT):

Type of LLM trained on large text corpora for generative tasks.

Gradient Descent:

Optimization method to minimize loss by adjusting model parameters.

Inference:

Applying a trained model to new data.

Interpretability:

Degree to which humans can understand AI model behavior.

Iterative Framework:

Cyclical process of refining models through repeated testing and improvement.

Large Language Model:

An AI system trained on large amounts of text to understand and generate language.

Loss Function:

Mathematical function measuring prediction error.

Machine Learning:

A type of AI where computers learn from data instead of being directly programmed.

Model:

Trained representation of data used to make predictions or decisions.

Natural Language Processing:

AI techniques for understanding and generating human language.

Neural Network:

Computational model inspired by the human brain consisting of interconnected nodes.

NIST AI Risk Management Framework:

U.S. guidelines for managing AI risks responsibly.

Overfitting:

When a model learns training data too precisely, thus reducing Generalization.

Prompt Engineering:

Crafting inputs to guide AI outputs effectively.

Recall:

Metric measuring how many relevant items a model correctly identifies.

Reinforcement Learning:

Machine learning where agents learn by trial and error guided by rewards.

Risk Tolerance:

Level of uncertainty an organization accepts in AI deployment.

Supervised Learning:

Machine learning where models are trained on labeled data.

Training Data:

Data used to teach a model to recognize patterns.

Underfitting:

Model fails to capture underlying patterns in data.

Variance:

Sensitivity of a model to fluctuations in training data.

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