Oklahoma Certified Incubator Incentive Program

Frequently Asked Questions (FAQ)

Oklahoma Department of Commerce
Entrepreneurship & Small Business Division

Prepared from the October 27, 2026, Incubator Managers Meeting and subsequent program eligibility clarifications.

Program Overview

The Oklahoma Certified Incubator Incentive Program is designed to strengthen Oklahoma's certified business incubators and support the entrepreneurs and small businesses operating within them.

Through this reimbursement-based program, eligible certified incubators may receive up to $100,000 for approved improvements and initiatives. Eligible tenant businesses may separately apply for reimbursement of up to $20,000.

The program emphasizes improvements that increase incubator capacity, enhance services, support business development, and create measurable economic benefits.

Section 1: Program Funding and Eligibility

1. Is the $100,000 incentive available annually, or is it a one-time opportunity?

The program is currently in its inaugural funding year. While the Oklahoma Department of Commerce intends to demonstrate the value of the program and pursue continued funding, future funding is not guaranteed.

Participating funding partners have committed to supporting the initial year. The Department hopes to establish an ongoing program by demonstrating positive economic outcomes and a measurable return on investment.

2. What is the maximum reimbursement available to an incubator?

Each certified incubator may receive up to $100,000 in total reimbursement under the current program.

This is a cumulative limit per incubator, not a per-project limit. An incubator may propose multiple eligible projects, but the combined reimbursement amount cannot exceed $100,000.

3. How much total funding is available through the program?

During the October 27 meeting, the Department identified approximately $6 million in available funding.

The final allocation methodology had not yet been established. Incubators should not assume that every applicant will automatically receive the maximum reimbursement amount.

4. Is funding awarded on a first-come, first-served basis?

The Department has not finalized or announced a first-come, first-served allocation policy.

Funding will be limited to available program resources. The Department will provide additional information regarding award distribution as the program moves forward.

5. Is this program part of P3 or a separate incentive?

The Certified Incubator Incentive Program is a separate initiative.

Although its funding approach shares similarities with other economic development incentive programs, including P3, this program is specifically intended to support certified incubators and their participating tenant businesses.

6. Can an incubator with multiple buildings or locations apply for improvements at each location?

Yes. An incubator operating in multiple buildings may propose eligible improvements at those locations.

However, if the buildings operate under one certified incubator, they are treated as a single incubator for funding purposes. The combined reimbursement limit remains $100,000.

Section 2: Application Process and Timeline

1. When will incubator applications become available?

The Department anticipates opening the incubator application process during the first two weeks of December 2026.

Official application instructions and submission dates will be communicated to participating incubators.

2. Where can incubators access the application?

Application links were included in the meeting invitation and related communications distributed to incubator managers.

Managers should access the application through the provided electronic links rather than expecting a separate application attachment.

3. How detailed should an incubator's application be?

Applications should provide a clear, concise explanation of each proposed project or expenditure.

Applicants should identify the project's purpose, estimated or actual cost, anticipated benefits, and how the project will improve the incubator or its services.

A lengthy narrative is not necessary. However, sufficient detail must be provided for the Department to evaluate the request and understand the anticipated return on investment.

4. Can incubators submit multiple reimbursement requests?

Yes. Multiple reimbursement requests may be considered, provided the total approved reimbursement does not exceed the incubator's $100,000 limit.

However, incubators are encouraged to consolidate related expenditures into one comprehensive submission whenever practical.

This will simplify the review process and reduce unnecessary administrative work.

5. Can an incubator submit a project for approval before spending money?

Yes. Incubators are encouraged to discuss proposed projects with the Department before making significant expenditures.

This is particularly important when there are questions about whether an expense is eligible for reimbursement.

Obtaining approval before committing funds can help incubators make informed financial decisions.

6. Can a project that has already started qualify for reimbursement?

The Department did not establish a blanket prohibition on projects initiated before the application period.

However, incubators should contact the Department to discuss eligibility before assuming that previously incurred expenses will qualify.

Starting a project does not guarantee reimbursement.

7. Will incubators receive written confirmation of project approval?

Yes. The Department anticipates providing a formal award or approval letter documenting an approved reimbursement request.

This documentation will help incubators obtain internal authorization and provide supporting information to their finance departments.

8. How long will reimbursement take after approval?

Reimbursement will not be immediate.

Once a project is approved and eligible expenses have been paid, the Department must verify the supporting documentation and complete its reimbursement procedures.

Specific payment turnaround times have not yet been established.

9. Will the program operate on a calendar-year or fiscal-year schedule?

The Department plans to divide the program into separate application periods for incubators and tenants, generally allowing approximately six months for each group.

The initial incubator phase is anticipated to begin in December 2026, followed by the tenant application phase around June 2027.

The exact closing dates and reimbursement schedules will be communicated separately.

Section 3: Eligible Facility Improvements and Contract Labor

1. What types of facility improvements may qualify for reimbursement?

Eligible projects may include improvements that expand an incubator's capacity, enhance its functionality, or provide additional resources for participating businesses.

Examples discussed during the meeting include commercial kitchen expansions, electrical upgrades, plumbing improvements, HVAC improvements, facility build-outs, and other improvements that support incubator operations and tenant growth.

All projects remain subject to review and approval.

2. Can incentive funds be used to pay for contract labor?

Yes. Contract labor is eligible when it is directly related to upgrading, renovating, expanding, or improving an incubator facility.

Examples include contractors performing construction, electrical work, plumbing, HVAC installation, and other physical facility improvements.

The program does not cover contracted labor for routine operational or administrative functions.

3. Can incubators be reimbursed for project estimates and related construction services?

Yes. Contracted services associated with planning and carrying out eligible facility improvements, including obtaining estimates and performing build-out work, may qualify for reimbursement.

The services must be directly connected to an eligible facility improvement project.

4. Are permit fees and required inspections eligible for reimbursement?

Yes. Permit fees and inspections required to complete an approved facility improvement may qualify for reimbursement.

For example, permits and inspections associated with installing a commercial kitchen or completing electrical upgrades were identified as eligible project-related expenses.

5. Can incubators receive reimbursement for specialized third-party equipment certifications?

Pending Final Clarification

The Department initially indicated that specialized third-party equipment certifications, such as certification of manufacturing equipment for defense-related production, would not qualify.

However, the question was referred for additional review. Until a final determination is communicated, these expenses should not be assumed eligible.

6. Can an incubator renovate a facility to accommodate a specific tenant?

Yes. Improvements that support a specific tenant while providing a lasting benefit to the incubator may qualify.

For example, an incubator may propose expanding a commercial kitchen to accommodate a food-based business while increasing the facility's capacity for future tenants.

If the improvements remain with the incubator after the tenant leaves, the incubator should submit the reimbursement application.

7. Can a tenant and incubator submit separate applications for the same facility improvement?

For permanent facility improvements, the Department indicated that the incubator should submit the application.

The same improvement should not be divided between the tenant and incubator applications merely to obtain additional reimbursement.

Tenant-specific expenses that are separate from the permanent facility improvement may be addressed through the tenant application process, subject to the applicable eligibility requirements.

8. Can incentive funding cover tenant rent while a facility is being renovated?

No. Tenant rent remains the responsibility of the tenant.

Although eligible construction and facility improvement costs may qualify for reimbursement, rent payments during the renovation period are not covered under the incubator facility improvement reimbursement discussed during the meeting.

Section 4: Ineligible Employee, Administrative, and Property Expenses

1. Can incubators use incentive funds to hire additional employees?

No. Employee expenses are not eligible for reimbursement.

The program cannot be used to hire full-time or part-time employees or to cover employee salaries, wages, payroll, or related compensation.

2. Can incubators hire independent contractors to provide bookkeeping, accounting, or administrative support?

No. Contracted bookkeeping, accounting, administrative support, and similar operational services are not eligible for reimbursement.

This restriction applies even when an incubator uses independent contractors or 1099 workers rather than traditional employees.

3. Does hiring someone as a 1099 contractor automatically make the expense eligible?

No. Eligibility depends on the nature of the work being performed, not the worker's employment classification.

Contract labor must be directly related to an eligible facility upgrade or improvement.

For example, hiring an electrician to complete an approved facility upgrade may qualify, while hiring a contracted bookkeeper to manage financial records does not.

4. Can an incubator use incentive funds to purchase the building or property it currently leases?

No. Property acquisition is not an eligible expense.

Incentive funds cannot be used to purchase buildings, land, or other real estate, including facilities currently leased by an incubator.

However, eligible renovations and facility improvements may still qualify, even when the incubator does not own the property.

5. Can a tenant use incentive funds to hire employees for its business?

No. Tenant funding cannot be used to cover employee hiring expenses, salaries, wages, or payroll.

The incentive program is not intended to provide direct payroll assistance to tenant businesses.

Section 5: Marketing, Recruitment, and Program Activities

1. Can incubators use incentive funds for marketing and tenant recruitment?

The application materials identify marketing and tenant recruitment as potential eligible activities.

However, not all marketing-related expenses qualify. The Department distinguished between direct production expenses and contracted services.

Applicants should identify the specific marketing expenditure and its intended purpose so the Department can determine eligibility.

2. Can incubators use funding to hire outside marketing consultants, content creators, or advertising contractors?

No, under the clarified contract-labor restriction. Contract labor is eligible only when directly associated with facility upgrades or improvements.

Hiring outside personnel to provide marketing services, content creation, campaign management, or similar services does not fall within the approved facility-improvement contract-labor category.

3. Can incubators be reimbursed for printed marketing materials, flyers, and other promotional production expenses?

The Department indicated that direct marketing production expenses, such as printing flyers and promotional materials, were more consistent with the intended eligible marketing activities.

These expenditures remain subject to application review and approval.

4. Can incentive funds be used for business plan competitions, recruitment events, scholarships, or guest speakers?

Pending Final Clarification

The Department initially indicated that competition prizes, scholarships, and speaker fees would not qualify for reimbursement.

Because some incubators use these activities to recruit entrepreneurs and attract tenants, managers were encouraged to submit specific examples for further consideration.

No final exception or approval was established during the meeting.

Section 6: Tenant Incentives and Participation

1. What is the maximum reimbursement available to an eligible tenant?

Eligible tenant businesses may apply for reimbursement of up to $20,000, subject to program requirements, approval, and available funding.

2. Is there a limit to the number of tenant businesses from one incubator that may apply?

No. The Department did not establish a numerical limit on the number of eligible tenants that may submit applications.

For example, if an incubator has five eligible tenants, all five may apply.

However, each application will be reviewed individually, and funding is available only until program resources are exhausted.

3. When will the tenant application process begin?

The Department anticipates beginning the tenant application process around June 2027.

An additional informational meeting will be scheduled with incubator managers and interested tenants to review the application process, documentation requirements, and eligibility questions.

4. What is the purpose of the Tenant Verification Form?

The Tenant Verification Form confirms that a business requesting reimbursement is a current tenant of a certified incubator.

The incubator manager must provide signed verification confirming the business's participation in the incubator.

5. Does the Tenant Verification Form replace the tenant's reimbursement application?

No. The Tenant Verification Form is supporting documentation that accompanies the tenant's application.

The tenant must complete the reimbursement application, and the incubator manager must provide the required verification.

6. What happens when a tenant wants to pay for improvements that will remain with the incubator?

When a tenant proposes funding permanent improvements to an incubator facility, the incubator manager should coordinate with the tenant and the Department before proceeding.

If the improvements will remain with the facility and benefit future tenants, the incubator should generally submit the reimbursement application.

The Department discussed this approach in connection with a commercial kitchen expansion proposed by an existing tenant.

Section 7: Financial Documentation and Reimbursement

1. What documentation is required to receive reimbursement?

Incubators should maintain and submit documentation identifying each eligible expenditure, its purpose, and the amount paid.

Documentation should include receipts or other appropriate proof of payment and a concise explanation of how the expense relates to the approved project.

For example, an incubator requesting $25,000 in reimbursement for five improvements should identify each improvement, explain its purpose, and provide supporting receipts.

2. Can incubators receive reimbursement before paying for an approved expense?

No. The program operates on a reimbursement basis.

Incubators must first pay for the approved expense and provide the required supporting documentation before reimbursement can be processed.

Project approval does not constitute an advance payment.

3. Can the Department request additional information or schedule a meeting during the reimbursement review?

Yes. The Department may request additional documentation or schedule a follow-up meeting if clarification is needed.

Applications with clearly documented expenses and sufficient supporting information may not require additional meetings.

4. Can incentive funding be used as matching funds for a federal grant?

Pending Final Confirmation

The Department indicated that incentive funding may potentially be used as matching funds for certain federal grants.

However, the reimbursement structure still applies, meaning the incubator must provide the necessary funds upfront.

The Department indicated that it would reconfirm this eligibility with leadership before providing definitive guidance.

5. Will the Department provide updates regarding remaining program funding?

Yes. The Department indicated that it intends to communicate with incubator managers as funding is awarded and the available balance decreases.

Because the program has a limited funding pool, managers are encouraged to prepare their applications and documentation in a timely manner.

Section 8: Reporting, Performance, and Return on Investment

1. Will incubators be required to submit follow-up reports?

The Department anticipates requesting updates after funded projects have been implemented.

Although a formal reporting schedule had not been established during the meeting, incubators were encouraged to retain documentation of their projects, improvements, and resulting benefits.

Additional reporting instructions will be communicated as the program develops.

2. What types of information should incubators collect to demonstrate return on investment?

Incubators should maintain information showing how funded improvements benefit their facilities, tenants, and entrepreneurial communities.

Examples may include expanded facility capacity, increased access to equipment, improvements in tenant services, additional business opportunities, and positive economic outcomes.

Incubators are also encouraged to retain success stories, photographs, media coverage, and other documentation demonstrating the program's impact.

3. Must an incubator demonstrate immediate economic results to receive reimbursement?

No. The Department recognizes that certain facility improvements may require a year or longer before their full impact can be measured.

Applicants should provide reasonable estimates of anticipated benefits and explain how their proposed improvements are expected to strengthen their incubator.

Long-term results may be documented through subsequent reporting.

4. Why is documenting the program's return on investment important?

Demonstrating a positive return on investment is essential to the program's long-term sustainability.

The Department intends to use the results of funded projects to show participating funding partners how their contributions have strengthened Oklahoma's incubators, supported entrepreneurs, and encouraged small business growth.

Strong documentation and measurable results will help support efforts to secure funding in future years.

Quick Reference: Expense Eligibility

The following table summarizes the eligibility decisions confirmed during the meeting and through subsequent program clarification.

Expense category	Status
Facility renovations and build-outs	Eligible
Electrical, plumbing, and HVAC upgrades	Eligible
Contract labor directly related to facility improvements	Eligible
Project estimates for eligible facility improvements	Eligible
Required construction permits and inspections	Eligible
Permanent improvements benefiting an incubator and its tenants	Eligible
Employee salaries, wages, and payroll	Not eligible
Hiring full-time or part-time employees	Not eligible
Contracted bookkeeping and accounting	Not eligible
Contracted administrative and operational support	Not eligible
Contracted marketing labor	Not eligible
Property, building, and land purchases	Not eligible
Tenant rent during facility renovations	Not eligible
Tenant employee hiring and payroll	Not eligible
Direct marketing production and printing	Subject to review
Business plan competitions, scholarships, and speaker fees	Pending clarification
Specialized third-party equipment certifications	Pending clarification
Use as matching funds for federal grants	Pending confirmation

Additional Program Guidance

Incubator managers are strongly encouraged to contact the Oklahoma Department of Commerce before beginning projects when questions exist regarding eligibility, reimbursement, or supporting documentation.

The Department's goal is to make the application process straightforward while maintaining appropriate financial accountability and ensuring that program funds produce lasting benefits for Oklahoma's certified incubators and their tenants.