



Business Accelerator Grant

A Component of the MTI Business Innovation Program

Application Instructions

Key Dates:

Application Submission – First Tuesday of Each Month

Award Notification – Three Weeks after Submission

Contact:

SBIR/STTR/BAA Related

Shane Beckim

Portfolio Manager

Phone: 207.588.1018

Email: sbeckim@mainetechnology.org

Development Loan Related

Lou Simms

Portfolio Associate

Phone: 207.588.1015

Email: lsimms@mainetechnology.org

Table of Contents

OVERVIEW

Goals and Objectives.....	3
Purpose	3
Confidentiality	3
Grant Specifications.....	4
Eligibility (Who is Eligible, Eligible Projects, Eligible Activities).....	4-5
Limitations and Restrictions.....	5
Specific Instructions for SBIR/STTR Phase I/II Applicants	5-6
Economic Benefit to Maine.....	6
Application Process and Timeline.....	7
Appeals Process.....	7
Process for Grant Recipients	7
Reporting Requirements	7-8

APPLICATION ELEMENTS

Directions and Checklists.....	9-12
Registration Form (Form A)	9
Copy of SBIR/STTR Phase I/II Grant Contract	9
Non-confidential Project Summary.....	9
SBIR/STTR Project Description	9
Application Narrative	
Scope of Work.....	10
Market Potential.....	10
Commercialization and Potential for Economic Impact	10
Management Team	10
Budget (Form B).....	10
Professional Summary	10
Budget Form	12
MTI Allowable Rates and Matching Fund Requirements.....	13
Checklist	14

Overview of MTI Business Innovation Program

Goals and Objectives

The Business Innovation Program includes a suite of competitive grants, loans and equity investments for technology-based start-ups, established companies and research institutions in Maine. Managed by the Maine Technology Institute (MTI), an industry-led, state funded private non-profit, the program's suite of funding options addresses the "funding gap" that often hinders technologies from making the leap from development to commercialization.

The Program consists of grants and investment that cost share early-stage foundational and planning activity and help Maine leverage external R&D funding such as the Federal Small Business Innovation Research/Small Business Technology Transfer Program (SBIR/STTR), Broad Agency Announcements (BAA) and equity capital funding further along the commercialization and growth continuum. Applications are typically competitively reviewed and require at least a 1:1 ratio of external funding for every dollar of MTI investment. MTI funding helps leverage the capital required to develop and market the technology and results in positive economic impact within Maine.

Purpose

Over MTI's first decade of funding, the track record of MTI-funded companies demonstrated that projects with strong, experienced management teams and/or projects that incorporated business development activities into its business plan typically had higher rates of commercial success. It has been MTI's experience, as well as the experience of technology-based economic development (TBED) programs in other states, that this is particularly important for start-up/initial stage companies, and doubly so when entrepreneurs do not have prior experience growing a technology company or when a management team lacks certain expertise. As a result, MTI has created the Business Accelerator Grant to support the business and commercialization activities necessary to bring a product, process or service to market.

Confidentiality

MTI maintains the confidentiality of applications, reports and other information submitted to MTI, with the exception of selected text from the application cover page (Form A) and information contained in the "Non-confidential Project Summary." All MTI Board of Directors, Technology Board members, Peer Reviewers, other consultants, and staff are required to sign and adhere to a non-disclosure agreement and conflict of interest policy statements (both forms are available at: www.mainetechnology.org).

Business Accelerator Grant Specifications

Business Accelerator Grant	Type of Matching Funds	Grant Fund Amount	Application Deadlines	Eligible Applicants
<i>-For Early Stage Development Loan (DL) recipients</i>	Grant <u>in addition to</u> MTI DL funds	Up to 10% of the awarded Development Loan	Tied to DL project	Early stage company DL recipients
<i>-For SBIR/STTR Phase I recipients</i>	Grant <u>in addition to</u> SBIR/STTR Phase I grant	Up to 20% of SBIR/STTR Phase I grant not to exceed \$15,000	Monthly	Maine small businesses that have been awarded and executed an SBIR/STTR Phase I contract within the past 90 days
<i>-For SBIR/STTR Phase II recipients and Broad Agency Announcement Awardees</i>	Grant <u>in addition to</u> SBIR/STTR Phase II grant, BAA aware	Up to 10% of SBIR/STTR Phase II grant or BAA award not to exceed \$50,000	Monthly	Maine small businesses that have been awarded and executed an SBIR/STTR Phase II contract or BAA award within the past 180 days

Who is Eligible to Apply?

The MTI Business Accelerator Grant is available to the following categories of companies:

- Companies that have recently been chosen for a Federal Small Business Innovation Research (SBIR) Phase I and Phase II grants, BAA awards and/or
- Start-up/Early Stage Companies that are awarded MTI Development Loans (DLs).

In both cases these are grant funds provided to the company in addition to their SBIR/STTR/BAA or DL funding and do not have to be repaid to MTI.

Eligible companies applying for an MTI Development Loan (see Development Loan Application) may apply for their Business Accelerator Grant at any time during the course of the Development Loan project. SBIR/STTR Phase I and II recipients may apply for an MTI Business Accelerator Grant after having received formal notice of award of federal SBIR/STTR or BAA funding.

Eligible Projects

Eligible companies can use these grant funds to support commercialization and business development/capacity activities not eligible for SBIR/STTR or BAA funding, or to accompany a Development Loan. The funds are to be used to advance the new technology to market and to firmly establish or increase the scope and sustainability of the business enterprise. The grant is intended to increase the competitiveness of the company by providing funds directed at products/services commercialization, business and management team development, and company organization.

List of Eligible Activities

- Business planning and business model development
- Evaluation of commercialization opportunities and identification of resources needed
- Development of strategy to secure target customers/strategic partners/investors
- Identification and analysis of target customers/strategic partners or other relevant stakeholders
- Evaluation of potential distribution channels
- Development of target market strategy, including market research, analysis and travel to gather market data
- Capital fundraising, including creation of materials to attract potential strategic partners and investors, etc.
- Strengthening of company financial management capacity and systems
- Intellectual property protection
- FDA or other certification body approval (i.e. UL, CSA or European standards certifications)
- Hiring of qualified personnel to support business development activities
- Travel related to product development, manufacturing, distribution, or trade shows that will contribute meaningfully to commercial success
- Preparation of an SBIR/STTR Phase II proposal– grant writers, experts, costs to gather information (literature search, market research or reports, etc.), in-state travel to develop partnerships for the Phase II project are allowable. All projects must end with submission of a completed SBIR/STTR Phase II proposal.
- Entrepreneurship training for management team members that will contribute to company success
- Recruiting of key management team or technical expert employees
- Establishing a board of directors or advisors for the company
- Activities surrounding the establishment of a legal corporate entity presence including filing organizational material and taking care of all basic legal matters, such as those related to employees, consultants, partner contracts and license agreements
- Other activities the applicant can establish which are critical to commercial success and fit within the purpose as outlined above and approved by MTI

Indirect or overhead costs are **NOT** eligible expenses. In addition, funding may not be requested for activities already covered by SBIR/STTR or BAA or Development Loan funding.

Limitations and Restrictions

Companies are limited to no more than \$100,000 of Business Accelerator Grants over five years. MTI requires that companies considering applying for a Business Accelerator Grant to contact MTI to schedule a meeting with a member of the Business Innovation Program team to discuss their plans prior to submitting an application.

Specific Instructions for SBIR/STTR Phase I and Phase II Applicants and BAA Applicants

MTI makes its Business Accelerator Grants available to help Maine companies that succeed at securing the highly competitive federal Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) and BAA R&D funding to position their companies for commercial success. Specifically, these grants help SBIR/STTR or BAA recipients to:

- Fund commercialization and business development activities not eligible for SBIR/STTR or BAA funding but required to advance the research and development to market
- Increase the incentive for Maine companies to apply for SBIR/STTR Phase I, II or BAA awards
- Increase the competitiveness and success of Maine SBIR/STTR or BAA projects by providing matching funds directed at commercialization and business development activities not typically paid for by the federal award
- In the Phase I/ II review process conducted by the federal agency, help companies be more competitive by stating the company is eligible to receive matching funds that will accelerate commercialization and business success
- Augment and leverage funds for Phase I, IB and Phase II and IIB awards.

Prior to submission of a Phase I or Phase II SBIR/STTR proposal to any of the eleven agencies or a BAA proposal, applicants should contact MTI to obtain a letter of support and notice of commitment of the Business Accelerator Grant. The MTI letter must be requested 14 days prior to the Agency’s required due date. MTI support letters are not required to receive the matching funds, but are highly encouraged.

Economic Benefit to Maine

Projects funded by the MTI must show a high potential for significant economic benefit to Maine. Outcome measures will include some of the following benefits:

- creation or retention of jobs
- additional company investments
- increased competitiveness
- infrastructure investments by the company
- increased sales and revenue
- increasing Maine’s capacity for R&D
- patents, trademarks and/or licenses
- additional outside investment into the company
- firm sustainability and growth

Maine Seven Targeted Technology Sectors

- Advanced Technologies for Forestry & Agriculture
- Composite Materials Technology
- Aquaculture and Marine Technology
- Environmental Technology
- Biotechnology
- Information Technology
- Precision Manufacturing Technology

Application Process

Step One – Meet with MTI Business Innovation Program Team Member

All applications must contact the MTI Business Innovation Program to discuss the project to be pursued through the use of Business Accelerator Grant Funds. Applicants who fail to contact MTI prior to submission of a Business Accelerator Grant application will have their applicant returned without review.

Step Two – Receipt and Review of Completed Application

All applications must be received at the MTI office no later than 5:00 pm on the deadline date.

Any incomplete applications, applications received after the 5:00 pm deadline for any reason, applications that exceed page limits or do not follow other directions will be returned to the applicant without review. Applications received at the MTI at least 5 business days prior to the deadline will be screened for completeness and if incomplete, the applicant will be notified of missing information and be allowed to complete their application prior to the deadline.

Upon receipt of your completed application and within one week of the application deadline, MTI will send an email as confirmation that the completed application was received and forwarded for review.

Step Three – Review Committee Evaluation

All complete Business Accelerator Grant Applications will be forwarded to the assigned Review Committee. Members of the MTI Board of Directors, Technology Boards and Staff will evaluate applications using specified evaluation criteria and determine which projects best meet MTI's objectives and are suitable for funding.

Step Four – Grant Notification

All applicants will be notified first via email of the outcome of their application. All non-selected applicants will also be provided with relevant comments of the review committee. MTI staff will be available for conversations by phone or in person to discuss the outcome of the application.

Appeals Process

MTI's standard appeals policy will govern the program. Appeals must be filed within two weeks from the date of the MTI written notification letter. The full existing policy is available at:

http://www.mainetechnology.org/docs/appeal_policy.pdf

Process for Grant Recipients

Grant recipients will be notified and arrangements will be made to finalize the Grant Agreement. Grants are contingent upon completion of the final Grant Agreement. A total of 80% of the approved grant will be disbursed at the start of the project. The final 20% will be disbursed upon project completion as specified in the final Grant Agreement.

Final Grant Agreement requires:

- The expected endpoint documentation and date targeted for project completion be specified and agreed to by both the Recipient and MTI.

Reporting Requirements

Completion of the grant project requires the submission to MTI of a final report as outlined in the Grant Agreement including:

- Provide a summary of the business development /commercialization efforts undertaken and results obtained.
- Summary and documentation of all expenses identified within the project budget.
- If matching an SBIR/STTR or BAA Award, a copy of the Phase I or Phase II interim and final reports that are submitted to the federal agency.

Business Accelerator Grant Application Elements

REQUIRED ITEMS

Please submit to the MTI one original paper copy or an electronic copy through the MTI website each of the following eight items. Inclusion of optional item #5 is strongly encouraged.

Applications submitted via fax or e-mail, or incomplete applications, applications exceeding page limits, or otherwise not following directions laid out within the application instructions will be returned with no further review.

1. Form A: Non-Confidential and Confidential Information (1 page printed form)

Applicants must register at www.mainetechnology.org prior to submitting an application. In addition, MTI strongly encourages interested applicants to have an in-person meeting with MTI staff to discuss their applications.

Please Note – “Public Information” submitted in Form A may be shared with media, MTI partner organizations or the public. Information for “MTI purposes only” will only be used by MTI.

Register on-line at the MTI website and receive your unique application number to be used with all communications at <http://www.mainetechnology.org/fund/businessdevelopmentgrants>.

Once registered, write your unique application number on the upper right corner of each page of your application.

Print out the completed registration Form A, certify its truthfulness with your original signature, and include this as the cover page along with the remaining parts of the application. If you are unable to register on-line, please call MTI to register by phone and receive your application number before submitting your application. Note names of individuals (i.e. potential reviewers) from whom to withhold application information.

2. SBIR/STTR Phase I, Phase II or BAA Contract/Grant (If applicable)

SBIR Phase I and Phase II or BAA Business Accelerator Grant Applications ONLY

On a separate page(s), provide a complete copy of the Contract/Grant from the awarding federal agency.

3. Non-Confidential Project Summary (≤ 100 words)

This summary must be **non-confidential** and must not exceed 100 words. The summary will be included in the official MTI Business Accelerator Grant press release if the project is funded and may be provided to members of the public or MTI partner organizations. The summary should be constructed to reflect the benefit and feasibility of the project as well as clearly specify the project’s goals. It should include:

- a. Identification of the technology
- b. Summary scope of the project
- c. Expected outcome

4. SBIR/STTR/BAA Project Description

SBIR/STTR Phase I and Phase II or BAA Business Accelerator Applications ONLY

On separate page, submit a brief description of the SBIR/STTR Phase I, Phase II or BAA project scope of work, the technical and market need for the project and the final product/service to be commercialized.

5. Application Narrative Components (≤ 4 pages in total)

Applicable to both SBIR/STTR/BAA applications as well as Development Loan applications

Scope of Work

- Provide a detailed description of the objectives for the scope of work. The plan should describe what will be done, where it will be done and how the project will be carried out. The plan to achieve each objective should be discussed in detail. (See “Eligible Projects” for a list of appropriate activities.)
- Describe how the proposed scope of work will advance this technology toward commercialization and augment the work of the SBIR/STTR/BAA or Development Loan project.
- Identify measurable outcomes showing progress towards commercialization and growth (such as business plan completed, patent filed, market research completed, grant proposal submitted, certification achieved, etc.).
- Provide a timeline corresponding to the proposed scope of work not to exceed the timeline for the corresponding matching project (i.e. SBIR/STTR Phase I/II, BAA or Development Loan). The proposed timeline will be taken into consideration as part of the applicant’s ability to complete the project in a timely manner.

Market Potential and Commercialization

- Give an overview of the target market for the technology and what meaningfully unique competitive advantage the product, process or service has over current solutions and competition.
- Define and quantify targeted customers. A letter from a significant interested buyer, end-user or partner may be included within the supporting documentation.

Commercialization and Potential for Economic Impact

- Briefly describe the proposed business model and any pricing and cost insight or explain how this application better defines the model.
- Describe how and where the technology will be manufactured or implemented.
- Describe how the proposed project will lead to positive economic impact to the State of Maine.
- Describe ownership over any primary intellectual property or proprietary knowledge associated with this project and how it provides a competitive marketplace advantage and/or barrier to current or future competitors.

Management Team

It is not necessary to identify each team member’s personal background in this section. That information should be contained within the professional summaries.

- Identify the key project personnel including staff, consultants, advisors and partners.
- Briefly identify each person’s title and role.

6. Budget Summary and Budget Supporting Document (≤ 2 pages with Form B)

All eligible and properly documented MTI expenses and matching contribution may be claimed back to the application submission date. See page 13 for specific match requirements.

*Note – Only Business Accelerator Grant Applications related to Development Loan projects require additional match. For applications related to SBIR/STTR/BAA projects, the award itself will constitute the required match.

Using the Excel form provided at www.mainetechnology.org/fund/business-accelerator-grant indicate:

- Line-item expenses for the proposed project (*Note: overhead and indirect costs are not allowable in the Business Accelerator Grant project*)
- Number of hours and hourly rate for all personnel and consultants
- Total funds requested from MTI
- * Total matching funds committed. The match commitment must be greater than or equal to the MTI request. It is highly recommended that at least 50% of the match be in the form of cash.

6a. Budget Supporting Documents (1 page)

Applicants may provide documents explaining the details of information provided in Form B. Examples of budget supporting documents may include: lists of items to be purchased, purchase order agreements for materials to be used within the project, and scope of work agreements with consultants for work to be performed on the project.

WAGE / SALARY RATE GUIDELINES

All paid salaries/wages **must be the actual pay rate (based on historical paystubs), or must NOT exceed MTI limits** based on reasonable rates for the current market within Maine. Unpaid salaries also may not exceed the MTI salary rate limits set. For more details on the salary rate guidelines, please see the MTI Allowable Rates and Matching Fund Requirements on page 13.

7. Professional Summary (≤ 2 pages each)

On separate paper, please submit biographies for the primary contact and any other project personnel identified on the Business Accelerator Grant Budget form or within the project Scope of Work, including any named consultants and/or (sub) contractors. Be sure the biographies indicate experience relevant to the performance of tasks related to this application.

Note: Biographies may not be longer than two pages per person. Any additional biography pages over the two page per person limit will be discarded. Biographies may come in the form of a resume, CV, or paragraph summary style.

8. Application Checklist

Provide a completed and signed copy of the application checklist.

An Excel version of this document is available on the Business Accelerator Grant page of the MTI website.

www.mainetechnology.org/fund/business-accelerator-grant

Form B: Budget Summary Form

Provide a description of each expense and from which source the expense will be paid for the proposed project. All gray cells are formula driven. You may add additional lines where necessary. Reviewers will assess the

				Total
Employees	Title	Hours	Hrly Rate	
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
Consultants	Role	Hours	Hrly Rate	
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
Equipment (* = Include if leased)		*Hours	*Hrly Rate	
				\$ -
				\$ -
				\$ -
				\$ -
Materials		Units	Cost per	
				\$ -
				\$ -
				\$ -
				\$ -
Other		Units	Cost per	
				\$ -
				\$ -
				\$ -
				\$ -
Total Project Costs				\$ -

MTI Allowable Rates and Matching Fund Requirements

Cash Match

Definition: A match in funding that results in the applicant disbursing dollars toward the completion of the proposed project. Cash match is weighted higher than other match in the application review process.

Examples of what is eligible for cash match:

**Each component of the Business Innovation Program has its own set of eligible activities. Applicants should refer to the RFA of each funding component for a complete list.*

- Actual dollars paid to consultants hired by applicant to complete the project
- Actual dollars paid to employee(s) of applicant to cover hours that employee(s) worked on project
- Actual dollars paid for project materials, related project travel expenses, and intellectual property costs
- Actual dollars paid for the purchase or rental of project related equipment
- Funding from a Federal SBIR/STTR Phase I or Phase II award, as long as the dollars received from the grant are going toward activities or the purchase of the equipment relevant to the technology being developed and are included as part of the proposed project
- Third party investment in company from sources other than an SBIR/STTR Phase I or Phase II award

Examples of what is NOT eligible for cash match:

- Funding from a Federal SBIR/STTR Phase I or Phase II award or funding from any other third party investment that is NOT going toward funding activities or purchasing equipment relevant to the technology being developed by the proposed project
- Actual dollars from any other MTI or State of Maine funding program

Other Match in Services or Equipment

Definition: A match in funding where the applicant contributes or receives services or equipment that helps to complete the proposed project without compensation.

Examples of what is eligible for other match:

- Hours put in by sole proprietor or equity owner that does NOT currently receive payroll or salary (i.e., sweat equity), using MTI's approved pro-bono hourly rates not to exceed \$50 for principals or executive level management and not to exceed \$30 for all other individuals participating in the project
- Hours put into the project by consultants that receive NO dollar payment for work (i.e., working pro bono); the maximum hourly pro-bono rate for a consultant is \$50
- Hours that equipment owned either by the applicant or an outside third party is used for activities necessary to complete the project where no payment is made for its use and is instead assigned a fair market value which requires justification for an hourly rate

Examples of what is NOT eligible for other match:

- The difference between personnel or a consultant's market rate and the reduced rate being charged to applicant
- The difference between a third party manufacturer's market rate to rent use of equipment and what being charged to applicant

MTI RETAINS SOLE DISCRETION TO DETERMINE MATCH ACCEPTABILITY AND ADEQUACY AS PROPOSED IN THE APPLICATION

BUSINESS ACCELERATOR GRANT APPLICATION CHECKLIST

Please submit to the MTI one original of each of the following eight items.

- _____ **1. Form A – Registration Form:** Obtained through registration at www.mainetechnology.org.
- _____ **2. SBIR/STTR Phase I, Phase II or BAA Contract/Grant:** SBIR Phase I, Phase II, or BAA Business Accelerator Grant Applications ONLY
- _____ **3. Non-confidential 100 word Project Summary:** Will be included in the official MTI Business Accelerator Grant press release if the application is approved for funding.
- _____ **4. SBIR/STTR/BAA Project Description:** SBIR Phase I, Phase II or BAA Business Accelerator Applications ONLY
- _____ **5. Application Narrative:** Not to exceed four pages in total, this section must address the criteria identified in the application instructions.
- _____ **6. Form B - Budget Summary:** MS Excel form may be obtained at www.mainetechnology.org. A one page budget supporting document is optional.
- _____ **7. Professional Summary:** Submit biographies for the primary contact and any other key project personnel, including any named consultants and/or contractors. **Biographies may NOT be longer than two pages per person. Paragraph style may be preferred.**
- _____ **8. Application Checklist (this form):** Checked by applicant for completeness and verified with an original signature.

Applicant Signature

Date of Signature

SIGNATURE: By signing below, the applicant requests MTI treats all application information as confidential under 5 MRSA Section 15302-A other than “Form A, Section I” and the “Non-confidential Summary.”(See page 5.) The applicant certifies the application has been checked for completeness. Failure to provide all required information will result in the application not being considered.