

# Overview of MTI's Business Innovation Program & Seed Grants

## Goals and Objectives

The Business Innovation Program includes a suite of 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.

MTI's Business Innovation Program (BIP) consists of grants and investment that cost share early-stage foundational and planning activity to help Mainers leverage external R&D funding such as the Federal Small Business Innovation Research/Small Business Technology Transfer Program (SBIR/STTR) and equity capital funding further along the commercialization and growth continuum. Applications require at least a 1:1 ratio match of external funding for every dollar of MTI investment. MTI funding helps leverage the capital required to develop and market innovative technologies, with the goal of stimulating positive economic impact here in the State of Maine.

## Confidentiality

MTI maintains the confidentiality of applications, reports and other information submitted to MTI, with the exception of a "Non-confidential Project Summary" and the basic company contact and request amount information provided during registration. All MTI personnel, including 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 statement (both of these forms are available for review at: [www.mainetechnology.org/who-is-mti/technology-boards/](http://www.mainetechnology.org/who-is-mti/technology-boards/)).

## Seed Grant Specifications

Seed Grants will be awarded three times each year for up to \$25,000 per project. Each grant requires a 1:1 match consisting of actual cash, salaries, staff time, or equipment directly attributable to the proposed project. It is recommended that at least 50% of the match be in the form of cash. No overhead or sales and marketing costs may be used with Seed Grant funds or matching funds. Full grant payment will be contingent upon completing the scope of work in the application and submission and approval of a quality final report.

## Who is Eligible to Apply?

Maine entrepreneurs, Maine-based companies and non-profit research institutions and universities with operations in the state of Maine requesting funds to develop, transfer and advance technologies into the commercial market are eligible. *A Maine-based company is registered to do business in the State of Maine with definitive plans to create and/or retain quality jobs in Maine. Awardees must have a significant base of operations in Maine prior to signing their MTI Seed Grant Agreement.*

- Any size Maine-based company may submit an application
- Companies with a significant base of operations and location in Maine
- Companies with no current Maine operations must demonstrate a clear plan to locate or base significant operations in Maine and execute on such plans prior to execution of the Seed Grant Agreement

- Academic and research laboratories (Technology Transfer) – Compelling Technology Transfer applications will have a realistic expectation that the innovation/technology will be further developed and/or commercialized by partners, or licensees. Technology Transfer Seed Grants are expected to fund projects where a majority of the project execution rests within Maine-based private and public academic or research institutions.
- The technology research and development projects submitted must:
  - Demonstrate a high potential for economic benefit to Maine
  - Fall within one of [Maine's targeted technology sectors](#)
  - Have a minimum of 1:1 matching investment contribution
  - Comply with all the requirements of the Application Instructions

## **Eligible Projects**

MTI funding requires a specific scope of work that will lay the basic technical and/or business groundwork critical to securing additional funding from MTI or other sources of private and public capital, including from federal grants and solicitations, with the ultimate goal being commercial success of the technology and the enterprise.

## **Eligible Activities**

Seed Grants will support specific projects leading to the development of new and innovative products, processes or services that may include:

- R&D activities such as proof of concept work, prototype development, field trials, prototype testing, and pilot studies.
- Business development activities such as market analysis, business plan development, intellectual property investigation and filing if they are part of the larger proposed Seed Grant R&D project.
- Consulting assistance preparing an MTI Development Loan application, developing investor presentations, or other commercialization and business development activity reasonably expected of early and mid-stage technology development if they are part of the larger proposed Seed Grant R&D project.

## **Academic and Research Institution Technology Transfer**

Early-stage, applied research conducted within private and public academic, or research institutions may apply for Seed Grants. The goal of the 'Technology Transfer' category is to increase the probability that technology and innovative solutions are transferred out of, or applied within the academic or research institution to address a commercial opportunity. Compelling Technology Transfer applications will have a realistic expectation that the innovation/technology will be further developed and/or commercialized by partners or licensees and those partners should be identified within the application.

Technology Transfer Seed Grants are expected to fund projects where the majority of the project execution rests within Maine-based private and public academic or research institutions.

MTI recognizes the distinctive nature of these institutions and that not all the criteria listed within this Application directly apply to technology transfer applications by institutions. However, applicants should make a reasonable effort to address the relevant portions of each section. Please contact MTI staff to assist with any questions.

It is expected that institutional applications will be accompanied by a letter of support or recognition of the applications by the institution's technology transfer office or equivalent.

Successful transfer of technology out of institutions may result in follow-on funding applications to MTI or SBIR/STTR programs from the commercial transferee or institution to complete the final stages of commercialization.

### **Limitations and Restrictions**

MTI will consider the number of applications, the scope of projects, and the applicant's capacity to simultaneously execute multiple projects as part of the review.

The total of all Seed Grant awards granted for projects related to the development of any one technology (product, process, or service) shall not exceed \$50,000 per organization or principal investigator. The total of all Seed Grant awards shall not exceed \$50,000 in a 24-month period per organization or principal investigator.

MTI funds may be used to purchase equipment only when the equipment purchase is necessary for the proposed R&D project. Recipients of awards that include equipment purchases may be required to sign a Purchase Money Security Agreement allowing MTI to file and hold a lien on equipment purchases. MTI must approve of purchased equipment disposition.

### **Economic Benefit to Maine**

Projects funded by 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 survival and growth

### **Maine's Seven Targeted Technology Sectors**

To view the list of our current Tech Board Review Committee members, please visit our website at: <http://www.mainetechnology.org/who-is-mti/technology-boards/>

Projects funded by MTI must fall within one of Maine's targeted technology sectors. All Seed Grants are review by one of the seven sector-specific Tech Board Review Committees:

- Forestry & Agriculture
- Composite Materials Technology
- Environmental Technology
- Aquaculture & Marine Technology
- Biotechnology
- Precision Manufacturing Technology
- Information Technology