

FAQ Area of the DAY:

Each day we will provide a frequently asked question topic area, based on questions we have fielded throughout the day.

September 15, 2017:

Cost-Sharing or Matching Questions – although MTAF 2.0 will be awarded as challenge grants, with no match required at the time of award, to execute the final contract and begin drawing down funds, award recipients will have to demonstrate they have a 1-to-1 match, or cost-share, for the project. Today's questions demonstrate applicants are giving this area a lot of thought before deciding whether to apply.

1. How much cost share or match must applicants have at time of submission?

No matching funds or cost share is required to be in hand at the time of the application, as all awards will be issued as challenge grants. The bond's intent is to leverage new dollars, so award recipients may use the challenge grant as a mechanism for attracting new investment.

2. Can venture capital be used as match? What if they pull out or others get in?

Venture capital may be used as match to meet the challenge. Changes in matching fund sources that develop during the life of the project will be governed by the award agreement contract and dealt with on a case-by-case basis.

3. If existing equipment is going to be transferred to the project, can its value be counted as matching fund? Similarly, can the value of an existing laboratory used for the project be counted as matching funds?

Because the intent of the bond is to leverage new dollars, existing equipment or laboratory space would not be eligible as match.

4. Does all of the matching contribution have to be in cash?

Matching funds must be cash. Cash includes the time of employees of award recipients and collaborative partners, since when employees are paid money changes hands. These amounts must be consistent with the underlying salary and obligations of the employees. Matching fund contributions can only be considered as cash if the contribution appears on the balance sheet of the recipient at fair market value.

5. How closely related to the project do outside sources of matching funds have to be?

Matching funds should relate directly to the proposed project. Applicants should not use grants or other funds for other non-related projects as matching funds.

6. A project period may extend up to five years. Do match funds have to be spent concurrently with awarded funds or may they be spent primarily in later years, for example as operating support, if ultimately we do meet the 50/50 match requirement?

Matching funds do not have to be spent concurrently with awarded funds, but must be verified as available to be spent at the time of contract execution and fully spent by the end of the agreed upon award period.

7. Is the matching funds requirement over entire company or overall project?

Matching fund basis is for the actual project for which funds are requested, not the entire company.

8. Do matching funds have the same restrictions as bond funds?

No. Matching funds do not have to be for capital expenditures, but can be for operating expenses related to the project. Expenses directly attributable to the proposed project may be counted as matching funds. Matching funds may be used to fund project activities as well as a portion of the capital expenditures enable by the award.

9. Can state funds be used as matching funds?

No. Other MTI or Maine state government funds, except for state funds appropriated to higher education institutions' operating funds, are not eligible as matching funds for the MTAF 2.0 awards.

10. Can matching funds be retroactive for a period of time? For example, if a company has already invested time and expenses for R&D can these be used as matching funds?

Qualifying expenses relating to the proposed project may be incurred any time after the date of request submission and be used as matching funds. Likewise, funds in hand, but unspent at the time of application submission, may be used as matching funds if subsequently reallocated to a project-related purpose as per the approved project budget. Pre-award expenditures are made at the applicant's risk.

11. Can a State agency contribute federal funding they receive towards the project and count it as match?

An applicant may use federal funds, such as Community Development Block Grants (CDGB), for matching funds as applicable to the project.

12. What percent of in-kind can you use as a match?

Matching funds must be cash. The time of employees of award recipients and collaborative partners is considered cash (since when employees are paid, money changes hands), but the proposed cash match must be consistent with the underlying salary and obligations and expended after date of request submission.

13. Is the match for non-profits the same as for-profits?

The 1:1 matching funds requirement is the same for all applicants.

14. Can Federal CRADAs be used as match, especially with researchers outside the state of Maine?

CRADAs may be used as match.

15. Can the costs associated with the operation of a pilot processing plant in support of an MTAF 2.0 project be used as matching funds?

Yes, as long as the costs can be documented as associated with the approved project.

16. What is the time frame for spending matching funds?

The matching funds must be spent by the end of the agreed upon award period. The maximum award project time frame is 5 years.

17. Can supplies and raw materials be used as matching funds?

Yes.

18. If the MTAF 2.0 funds will be used for the construction of a new building to build a prototype product, can the expenses associated with building the first prototype be counted as match?

Yes, expenses related to building the prototype may be counted as matching funds.

19. Is more than 1:1 match acceptable?

Yes.