

Technology Commercialization & Innovation Program (TCIP) Policies and Procedures

September 2016

I. Purpose & Scope

The purpose of the Technology Commercialization & Innovation Program (TCIP) is to accelerate the commercialization of promising technologies that have strategic value for Utah. The end goal of the TCIP Program is to help drive economic development and job creation in the state of Utah.

II. Background and Policy

The Technology Commercialization & Innovation Program (formerly known as the Centers of Excellence Program) is a State funded Grant program developed by the Utah Legislature in 1986 to help accelerate the process of taking university-developed innovative technologies to market, thereby driving economic development and creating jobs for Utahns.

Historically, the TCIP statute permitted grants only to technologies derived from Utah universities. However, in 2014 the Legislature passed and the Governor signed into law, changes to the TCIP statute to permit grants to both companies who license technology developed at Utah's colleges and universities, and to small businesses, as defined by the Small Business Administration's industry definition, who are commercializing technology.

This document is intended to address policies needed to guide the administration of the Technology Commercialization & Innovation Program and is intended to supplement the TCIP Rules.

III. Reference

Title 63N Chapter 3 Part 2
R357-011

I. Definitions

Institution: A Utah college or university that is developing a technology.

Licensee: A Utah company that has licensed a technology from a Utah college or university.

University Team: A faculty-led technology project at an Institution.

Small Business: As defined by the Small Business Administration ([See Definition](#))

Small Business Innovation Research (SBIR): Federal program that encourages domestic small businesses to engage in Federal Research/Research and Development (R/R&D) that has the potential for commercialization.

Small Business Technology Transfer Research (STTR): Federal program designed to stimulate technological innovation, foster technology transfer through cooperative R&D between small businesses and research institutions and increase private sector commercialization of innovations derived from federal R&D.

Proposal: The commercialization and work plan outlined by an applicant in an application.

Grant Awardee: An applicant whose proposal has been approved for TCIP funding.

Business Team Consultant: an experienced technology executive, entrepreneur, or business person who:

- (a) is recruited by the office through a request for proposal process to work directly with a college or university in the Technology Commercialization and Innovation Program; and
- (b) works with the institution to facilitate the transition of its technology into industry by assisting the institution in developing strategies, including spin out strategies when appropriate, and go-to-market plans, and identifying and working with potential customers and partners.

TCIP Review Panel (for small businesses, University teams and licensees): The TCIP Review Panel is comprised of industry leaders, technologists and government experts with demonstrated knowledge in assessing new technologies and businesses. Panelists are selected by GOED. The TCIP Review Panel makes Grant Awardee recommendations to the Executive Director of GOED.

II. Procedure

A. Application Overview

Timelines established for major activities in the TCIP Process will be posted on the official TCIP Website

- (a) Pre Application period: Used to screen out potential applicants that do not meet the minimum requirements of the program.
- (b) Application period: Set by the office as the period of time where proposals will be accepted. Applications submitted after the application period will not be accepted
- (c) Pre-Screening Review Panel: The panel will review applications based on the criteria established and will invite the most qualified applicants to participate in the in-person presentations/reviews
- (d) In person presentation/review: Applicants selected to present will present short presentations to the TCIP Review Panel followed by a short time for questions and answers

B. Grant Amounts

Grants are up to \$100,000 per technology per funding round. An Applicant may apply for a TCIP grant up to three times for a specific new technology. Specific technologies may only receive up to \$200,000 in TCIP grants over the life of the technology. Only one technology per applicant or entity will be reviewed per funding round.

C. Web Portal for on-line applications

The TCIP program employs a web interface to accept pre-applications and applications online. The program will not accept applications outside of the online portal unless the applicant has requested and is granted written approval by the office in accordance with federal or state law or by reasonable request. Requests to withdraw an application must be made during the application period and must be made in writing to the TCIP director. Withdrawn applications will not be considered.

D. Pre-Application Process

GOED has established a pre-application process. The purpose of this process is to screen for eligibility and to ensure that the proposals will appropriately meet the minimum requirements and align with the mission of the program. Minimum Requirements are:

- (a) Be a small business per the SBA definition or
- (b) Be part of a university team and
- (c) Meet capital requirements as set forth in Rule and
- (d) Application and Technology are consistent with TCIP's intent to encourage development of innovative technologies and to create new and preferably high-paying jobs and
- (e) Applicant has not raised more than \$3,000,000 in total prior funding, including equity and debt based financing at time of application as set forth in Utah Admin Code R357-11-4(4)
- (f) Applicant must be a Utah based company who operates primarily in the United States and has a principal place of business in the state of Utah; including a manufacturing or service location and must be independently owned and operated as set forth in Utah Code Section 63N-3-203 (5) and Utah Admin Code R357-11-8 (b)

E. Application Process

A 10-slide PowerPoint Presentation is required to be submitted with your application as well as a Capitalization Table. Applicants may also upload a maximum of 2 letters of recommendation to support their application. Applicants are encouraged but not required to submit a 2 minute video. The focus of the video should not be on the quality of production, rather the information requested about the team and technology. The first minute should be devoted specifically to introducing the team, their roles, and experience. The second minute should be about the technology & company regarding what sets it apart, the competitive landscape, and the value to the end user.

The url link to the video should be created in YouTube and submitted in the Application. Make sure the video is not marked as "private." Private videos can only be viewed by someone logged into your account. If you would like to keep your video hidden to avoid others from viewing it, please mark it as "unlisted." This will allow the reviewer to view the video without access problems.

Do not submit any additional documentation with the application. The complete application packet should include:

- (a) Online Application (Required)
- (b) 10-slide Presentation Template (Required)
- (c) Capitalization Table (Required)
- (d) Up to Two letters of recommendation (Optional)
- (e) A two minute video (Optional)

After the application period has closed, the TCIP Fund manager will perform a high-level overview of each application to ensure that it is complete, in compliance and meets the minimum standards set forth in (D). Applications that are incomplete or do not meet the minimum standard will not be considered. Also, applications that are not considered consistent with the intent of the TCIP Program may not be recommended for presentations to the TCIP Review Panel.

F. Review Process

The Pre-Screening Review Panel will perform an in-depth review of all completed proposals. Those that do not meet the intention of the TCIP will not be recommended to present to the TCIP Review Panel. The Pre-Screen Review Panel will use the criteria set forth in (G) to prioritize applications that most closely align to the mission of the TCIP program to present to the TCIP Review Panel.

The TCIP Review Panel is assembled by the GOED staff. Panelists will be allowed to review recommended grant applications in advance of in-person presentations.

G. Criteria used to determine grant awardees: The following criteria are used as the basis for recommending an applicant's proposal for funding:

1. Quality, diversity, and number of jobs in Utah (i.e. average salary, benefits etc)
 - This includes potential economic impact to the State
2. Quality of management and leadership, including experience in startups or commercialization
3. Strength of the company's technology and potential for commercialization
 - This includes timeframe for commercialization
4. Size and growth of the market for the proposed technology
5. Company's ability to sell and market the technology and credibility of their "go-to-market" strategy.
 - This include an evaluation of the business plan
6. Strength of the company's overall value proposition and competitive advantage

**Preference will be given to applications whose technology is developed to the following stages: Prototype (More than Minimum Viable Product), Working Prototype, Working Product, Final Commercial Product. See Technology Readiness Levels 6-9.*

***Applicants who receive grant funds from another state agency in the same fiscal year will not be eligible for TCIP funds in that same fiscal year.*

H. In-person presentation: Applicants will be invited to give a 10-minute in-person presentation of their proposal to members of TCIP Review Panel. The planned date of the presentation will be posted on the official TCIP website. Applicants that are selected to present to the TCIP Review Panel will be notified via email to confirm the date, time, and venue. There are no alternative dates, but the applicants may send a representative to present their proposal. Upon review from the GOED Board and approval of the Executive Director, applicants will be notified whether or not they were awarded a TCIP grant.

I. Use of Funds: Use of funds must be detailed in the application, and proof of expenses may be required. The TCIP allows for a broad use of the grant funds including but not limited to: prototyping, testing, marketing, travel expenses to trade shows, etc. TCIP grant funds must be used to develop/commercialize the proposed technology.

J. Milestones: The TCIP may consider the acquisition of matching funds to be a first milestone. Applicants are required to outline three to five additional milestones in their application, and disbursement of grant funds may be contingent on successful completion of milestones.

K. Completing & Submitting the TCIP grant application: Applications must be submitted by the deadline posted on the official TCIP website. Please note that late applications will not be accepted.

L. Contracts: As specified in [Rules R357-11-7 (1) a. An applicant who is awarded a TCIP grant must sign a contract with the State of Utah prior to receiving any funds.

M. Agreement: After the grant awardee signs and returns the agreement to the State, it is then processed and the grant awardee may thereafter submit an invoice to the State for the funds.

N. Disbursement of funds: The TCIP grant funds will be disbursed as follows:

First payment: Up to 75% of grant funds as set forth in a contract between the grant awardee and TCIP

Second Payment: Remaining balance will be paid upon completion of additional milestones as outlined in grant recipient's proposal and contract as approved by the office, upon Review Panel recommendations, upon completion of an approved curriculum taught by an approved Business Team Consultant, or any combination of the aforementioned criteria. The audit of your milestones will be conducted based on the following criteria which includes, but is not limited to:

- Patent Documentation, and/or Patent Filings
- Study Documentation/Plans/Results
- FDA Documentation

- Contracts/Invoices/Proof of Payment/Bank Statements
- Third Party Correspondence (Would require independent corroboration with third party)

O. AMENDMENTS TO THE CONTRACT: If the TCIP Recipient has a legitimate reason to amend the contract, a written request should be submitted to the Director of the TCIP Program.

P. PROPRIETARY INFORMATION/CONFIDENTIALITY AGREEMENTS

(GRAMA): TCIP pre-screening panel and review panel members will sign a non-disclosure agreement. The program will protect proprietary information submitted to the extent possible.

See GRAMA information: (<http://archives.utah.gov/recordsmanagement/CSS/grama-print.pdf>)

GOED/TCIP will consider and classify the following records as protected under Utah Code Section 63G-2-305(6): Records, the disclosure of which would impair governmental procurement proceedings or give an unfair advantage to any person proposing to enter into a contract or agreement with a governmental entity, except that GRAMA does not restrict the right of a person to have access to, after the contract or grant has been awarded and signed by all parties, a bid, proposal, application, or other information submitted to or by a governmental entity in response to:

- (a) an invitation for bids;
- (b) a request for proposals;
- (c) a request for quotes;
- (d) a grant; or
- (e) other similar document;

An applicant may wish to designate portions of its application as protected under the Government Records Access and Management Act and may do so by complying with the provisions of Utah Code Section 63G-2-305(1), (2) and (9). However, designating a portion of an application as protected by GRAMA will not affect GOED's ability to share the information contained therein with the pre-screening review panel or the TCIP review panel.